

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16689  
the **CITY OF BAY CITY** to fully comply with )  
Public Act 295 of 2008. )  
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In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16690  
the **CITY OF CHARLEVOIX** to fully comply with )  
Public Act 295 of 2008. )  
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In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16691  
**CHELSEA DEPARTMENT OF ELECTRIC AND** )  
**WATER** to fully comply with Public Act 295 of )  
2008. )  
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In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16694  
**CROSWELL MUNICIPAL LIGHT & POWER** )  
**DEPARTMENT** to fully comply with Public )  
Act 295 of 2008. )  
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In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16697  
**DETROIT PUBLIC LIGHT DEPARTMENT** to )  
fully comply with Public Act 295 of 2008. )  
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In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
**LOWELL LIGHT AND POWER** to fully comply )  
with Public Act 295 of 2008. )  
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Case No. U-16709

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
**NILES UTILITY DEPARTMENT** to fully comply )  
with Public Act 295 of 2008. )  
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Case No. U-16714

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
the **CITY OF PAW PAW** to fully comply with )  
Public Act 295 of 2008. )  
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Case No. U-16716

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
the **CITY OF PETOSKEY** to fully comply with )  
Public Act 295 of 2008. )  
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Case No. U-16717

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
the **CITY OF PORTLAND** to fully comply with )  
Public Act 295 of 2008. )  
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Case No. U-16718

In the matter, on the Commission's own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for )  
the **CITY OF ST. LOUIS** to fully comply with )  
Public Act 295 of 2008. )  
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Case No. U-16721

In the matter, on the Commission’s own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16723  
the **CITY OF STURGIS** to fully comply with )  
Public Act 295 of 2008. )  
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In the matter, on the Commission’s own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16724  
**TRAVERSE CITY LIGHT & POWER** to fully )  
comply with Public Act 295 of 2008. )  
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In the matter, on the Commission’s own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16727  
**WYANDOTTE DEPARTMENT OF MUNICIPAL )  
SERVICE** to fully comply with Public Act 295 of )  
2008. )  
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In the matter, on the Commission’s own motion, )  
assigning docket numbers for the filing of biennial )  
energy optimization plans and reconciliations for ) Case No. U-16728  
**ZEELAND BOARD OF PUBLIC WORKS** to fully )  
comply with Public Act 295 of 2008. )  
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At the May 24, 2012 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman  
Hon. Orjiakor N. Isiogu, Commissioner  
Hon. Greg R. White, Commissioner

**ORDER**

Public Act 295 of 2008 (Act 295), also known as the “Clean, Renewable, and Efficient Energy Act,” requires all providers of electric and gas service in this state to establish energy optimization

programs by filing energy optimization plans (EOPs) with the Commission. MCL 460.1071(1). EOPs are subject to Commission approval and enforcement “in the same manner as an electric provider’s renewable energy plan [REP],” with the exception of alternative electric suppliers. MCL 460.1071(2); MCL 460.1005(a)(iv). Thus, biennial EOPs are required from investor-owned utilities, rate-regulated cooperatives, member-regulated cooperatives, and municipally-owned electric utilities (MOEUs).

The overall goal of an EOP is to reduce the future costs of provider service to customers. MCL 460.1071(2). EOPs shall be designed to delay the need for constructing new electric generating facilities and thereby protect customers from incurring the costs of such construction. The proposed EOP shall be subject to approval in the same manner as an electric provider’s renewable energy plan (REP) under Act 295. A provider may combine its EOP with its REP.

Every two years after the MOEUs’ initial EOPs are found to be in compliance with Act 295, Section 25(4) of Act 295 requires that the Commission review the plans. On August 31, 2011, the City of Bay City, the City of Charlevoix, Chelsea Department of Electric and Water, Croswell Municipal Light & Power Department, Detroit Public Lighting Department, the City of Dowagiac, the City of Eaton Rapids, Grand Haven Board of Light and Power, the City of Harbor Springs, the City of Hart Hydro, Holland Board of Public Works, Lowell Light and Power, Niles Utility Department, the City of Paw Paw, the City of Petoskey, the City of Portland, the City of St. Louis, the City of Sturgis, Traverse City Light & Power, Wyandotte Department of Municipal Service, and Zeeland Board of Public Works filed applications requesting that the Commission review their EOPs. Collectively, this group is known as the Michigan Public Power Agency Energy Optimization Collaborative (MPPA) and their energy optimization programs are administered jointly with one another. MCL 460.1071(3)(h). MPPA’s EOP extends through December 2015.

The energy optimization programs will be supported locally by the municipal utility with a common administrator providing overall program management.

Pursuant to Section 25(6) of Act 295, the MOEUs provided an opportunity for public comment. Comments were received in two cases. In Case No. U-16706, Holland Board of Public Works (HBPW), Sierra Club Michigan Chapter Energy Issues Coordinator Jan O'Connell encouraged HBPW to go beyond the minimum requirements and increase the percentages on its energy efficiency plans. Several city council members commented in Case No. U-16716, City of Paw Paw, expressing concern about meeting the energy efficiency goals and the difficulty in disposing compact fluorescent lamps, which may hinder participation in the program.

MPPA proposed a set of programs to meet energy savings targets and included offerings for each customer class, including low-income residential. MPPA specified necessary funding levels and proposed cost recovery mechanisms that will allow recovery of EOP costs. MPPA demonstrated how the EOP, excluding low-income residential, will be cost effective and how the plan will provide for the practical and effective administration of the programs.

The Commission Staff found that MPPA's EOP is reasonable, appropriate, in the public interest, and consistent with Act 295 and the Commission's temporary order issued in Case No. U-15800.

THEREFORE, IT IS ORDERED that:

A. Michigan Public Power Agency's energy optimization plan for the municipally-owned electric utilities is approved as in compliance with Public Act 295 of 2008.

B. Absent an earlier application filed by the municipally-owned electric utilities for authority to amend their plan, the energy optimization plans shall be reviewed by the Commission in two years.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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John D. Quackenbush, Chairman

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Orjiakor N. Isiogu, Commissioner

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Greg R. White, Commissioner

By its action of May 24, 2012.

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Mary Jo Kunkle, Executive Secretary

# P R O O F O F S E R V I C E

STATE OF MICHIGAN )

Case No. U-16698

County of Ingham )

Mignon Middlebrook being duly sworn, deposes and says that on May 24, 2012 A.D. she served a copy of the attached Commission Order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

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Mignon Middlebrook

Subscribed and sworn to before me  
This 24<sup>th</sup> day of May 2012

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Gloria Pearl Jones  
Notary Public, Ingham County, MI  
My commission expires June 5, 2016  
Acting in Eaton County

Service List U-16698

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Department of Public Services  
Donald Hallowell  
241 South Front Street  
Dowagiac MI 49047

Michael J. Pattwell  
Dickinson Wright PLLC  
215 S. Washington Square  
Suite 200  
Lansing MI 48933-1816

# P R O O F O F S E R V I C E

STATE OF MICHIGAN )

Case No. U-16698

County of Ingham )

Lisa Felice being duly sworn, deposes and says that on May 24, 2012 A.D. she served a copy of the attached **Commission Order (Commission's Own Motion) via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

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Lisa Felice

Subscribed and sworn to before me  
this 24th day of May 2012

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Gloria Pearl Jones  
Notary Public, Ingham County, MI  
As acting in Eaton County  
My Commission Expires June 5, 2016

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