



Watt's New? *Michigan Energy News*

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"During the pendency of this proceeding, Consumers Energy has continued to evaluate its alternatives to building the Thetford Plant."

November 12, 2013, Motion in MPSC Case #U-17429

Challenge to Coal Plant's Modified Air Permit Fails

The Sierra Club challenged the Michigan Department of Environmental Quality's (MDEQ) issuance of modified air permits to the Detroit Edison Company (DTE) in 2010 and 2012. The allegations were that MDEQ failed to impose the appropriate Clean Air Act limitations on DTE's Monroe coal-fired generation units in granting amended air permits which called for emission reductions due to the installation of pollution control equipment. All challenges had earlier been rejected by the trial court. On November 21 the Michigan Court of Appeals affirmed, citing as one of the reasons that the new air permits called for reductions in emissions and "statutes should be construed to avoid absurd consequences."

Electric Reliability Project to Include Focus on Outages

Michigan's Institute for Energy Innovation has had an ongoing Electric Reliability Project since early this year. The overall focus of the project is on enhancing distribution reliability and reducing the number and duration of electric outages. One area of inquiry will be on the technologies and business models that can increase reliability and reduce utility fuel costs. As if on cue to demonstrate the importance of enhancing the reliability of the electric grid, November's storms and winds knocked out power to 678,000 Michigan customers, closing businesses, schools and government. Residential customers are urged to sign up to participate in this project by emailing IEI@InstituteForEnergyInnovation.org. Meanwhile the MPSC has issued a press release stating that customers who lost power may be entitled to a \$25 billing credit.

Michigan Shorts

Ω Valero Energy has ended its involvement with the Mascoma Corporation's cellulosic biofuel plant in the U.P. Ω Energy Partners LLC of Muskegon has developed its Solar 24 solar panel with its own lithium-ion battery pack to provide energy after sunset Ω Koinonia Foundation of Grand Rapids has donated 10,000 solar K-Light lanterns to the UNHCR to help the victims of Typhoon Haiyan in the Philippines Ω Michigan ranked fourth in 3Q of 2013 for new clean energy jobs behind only California, Nevada, and New York Ω The Michigan Energy Office has been discontinued Ω DTE Energy's Echo Wind Park has experienced two broken Brazilian-made wind blades this year Ω LG Chem of Holland has made its first shipment of lithium-ion batteries to GM's Volt assembly plant in Brownstown Ω Chart House Energy LLC, a solar development company, has joined the business incubator space at MAREC in Muskegon Ω Dow Chemical has sold its interest in the lithium-ion battery company, Dow Kokam LLC, including its Midland Battery Park ΩΩ

Consumers Energy May Terminate Case for New Gas Plant

Consumers Energy has sought and received a schedule change in its Certificate of Necessity (CON) case (U-17429) at the Michigan Public Service Commission. The reason given in its filing is the need to evaluate proposals from third parties seeking to sell existing gas-fired generating facilities to the company. As a result, the company is "considering an update to the filed cost estimates for the Thetford Plant" by the December 9 deadline set by statute. Perhaps more surprisingly, the company suggested it might withdraw its filing altogether, stating the schedule modification would allow it time to determine if it wanted to continue to pursue the CON for the gas-fired plant.

Pulling the Plug

This issue will be the last for *Watt's New-Michigan Energy News* in the print format conceived and first delivered in February of 2008. The idea of a hard-copy monthly newsletter has become "outdated." For 70 months we have supplied a monthly window into the events and the news surrounding Michigan energy issues: both conventional energy and what we were then calling alternative energy. Almost six years later the label "alternative" also seems outdated. And that is a good thing, as distributed and renewable energy gains traction.

Retrospective

It has been a truly remarkable six years for energy in Michigan. When *Watt's New* was first published in February 2008, DTE Energy was contracting with Harvest Wind for the delivery of electricity from the first large scale wind farm in Michigan. Four proposed coal-fired power plants were seeking air permits. The Michigan Climate Action Council was developing Policy Recommendations. Who knew that in less than half a year the stock market would be crashing? Financial markets would seize up? The Great Recession would descend and cast its shadow over energy laws, energy planning, and energy policy? Nonetheless, in October of 2008 Michigan's Clean, Renewable and Efficient Energy Act was signed. The Michigan Great Lakes Wind Council was created by executive order on February 6, 2009, to look at offshore wind energy opportunities. In the next two years, American Recovery and Reinvestment Act monies were awarded to various Michigan entities to develop and produce advanced energy storage modules (lithium ion batteries). Michigan created Centers of Energy Excellence. Implementation of the statutory renewable portfolio standard commenced. Michigan industry and businesses looked for and found niches in the wind, solar, biomass and battery energy marketplaces. Now a year-long fact finding effort, "Readying Michigan to Make Good Energy Decisions," has just concluded with four reports.

Alternatives to Watt's New

Here are a few online ways to continue following Michigan energy news:

- Michigan Energy Innovation Business Council (weekly): <http://www.mieibc.org/>
- Great Lakes Renewable Energy Association (monthly): <http://www.glrea.org/>
- Michigan Biomass (quarterly): <http://www.michiganbiomass.com/>
- Michigan League of Conservation Voters (weekly): <http://www.michiganlcw.org/>
- CBS Technology News (daily): <http://detroit.cbslocal.com/show/great-lakes-innovation-and-technology-report/>

Varnum's energy group will continue to keep its friends and clients informed through periodic programs and emails.

Looking to the Future

On a going forward basis, what an exciting ride there will be for energy developments in Michigan. [If anything is certain it is that predictions as to the future are bound to be wrong.] What I find most exciting for the future is the price competitiveness of the renewable energy projects. In the past three months I have seen the following pricing in 20-year power purchase agreements:

- Wind energy @ \$53.00 per MWH (5.3¢/kWh)
- Bioenergy @ \$63.00 per MWH (6.3¢/kWh)
- Solar energy @ \$80.00 per MWH (8.0¢/kWh)

Contrast that pricing to the \$86.00 per MWH being estimated by Consumers Energy in its pending CON case at the MPSC, which relies on fuel pricing projections. [There is no doubt as to future fuel costs when one builds solar or wind.] Energy storage research will help focus issues of energy security, energy reliability, and distributed energy. We do live and work in exciting times?



Michigan Energy Venues

- *Energy Innovation Business Council West Michigan Meeting*, Varnum, Grand Rapids, 11:30 AM, March 20, 2014. www.mieibc.org
- *International Biomass Conference & Expo*, Orlando, March 24-26, 2014. www.biomassconference.com
- *Windpower 2014, American Wind Energy Association*, Las Vegas, May 5-8, 2014. www.windpowerexpo.org
- *Michigan Energy Fair*, Great Lakes Renewable Energy Association, Ingham County Fairgrounds, Mason, June 27-28, 2014. www.GLREA.com
- *Solar Power International 2014*, Las Vegas, October 20-23, 2014. www.solarpowerinternational.com/

"May the [energy] force be with you."

Yoda, Obi-Wan Kenobi, Hans Solo,
Luke Skywalker, Bruce Goodman

