



Watt's New? *Michigan Energy News*

Bruce Goodman

616/336-6574
bgoodman@varnumlaw.com

Eric J. Schneidewind

517/482-6237
ejschneidewind@varnumlaw.com

Jack D. Sage

616/336-6557
jdsage@varnumlaw.com

Matthew D. Zimmerman

616/336-6536
mdzimmerman@varnumlaw.com

David E. Preston

616/336-6520
depreston@varnumlaw.com

Matthew B. Eugster

616/336-6821
mbeugster@varnumlaw.com

Toni L. Newell

616/336-6815
tlnewell@varnumlaw.com

Timothy J. Lundgren

616/336-6750
tjlundgren@varnumlaw.com

Randall W. Kraker

616/336-6510
rwkraker@varnumlaw.com

"America is in a world race to produce cost-competitive renewable energy that can reduce our reliance on fossil fuels, create manufacturing jobs across the nation, and improve our energy security."

Steven Chu
U.S. Energy Secretary

DTE RFP Leads to NextEra

In 2010, Detroit Edison issued a request for proposal seeking up to 245 MW of renewable resources for a commercial operation date no later than December 31, 2014. The company received 146 proposals (from 46 prospective suppliers) that included wind, hydro, solar, landfill gas and biomass resources. Negotiations with three would-be suppliers ultimately led to a 120 MW power purchase agreement (PPA) with NextEra Renewable Resources LLC for its Tuscola Bay Wind LLC project in Tuscola and Bay Counties with deliveries to begin by December 31, 2012. Pricing is reported to be "up to \$60.90 per megawatt-hour net energy delivered," including RECs. The Michigan Public Service Commission staff found that the RFP process and the scoring procedures satisfied the Michigan Renewable Portfolio Standard guidelines, and the Michigan Public Service Commission (MPSC) has now approved the PPA.

VA Facility Signs Contract for Biomass Gasification

The U.S. Department of Veterans Affairs Medical Center in Battle Creek has signed a contract with Nexterra Systems Corp. of Vancouver, British Columbia, to design and construct a biomass gasification system to provide heat and power. The 28 MMBtu/hour project will supply 14,000 pounds of steam per hour and 2 MW of electricity, with greenhouse gas emissions being reduced by 80 percent. The electrical production will furnish about 85 percent of the medical center's demand. The combined heat and power unit will use locally-sourced residual biomass.

Biofuel Catalyst Technology Funded

NextCAT, Inc, a Wayne State University startup company, has received a Phase II Small Business Innovation Research Award of \$498,830 from the National Science Foundation. The goal of the company is to commercialize a catalyst that will cost effectively convert waste vegetable oil, animal fats, and residual corn oil into biodiesel fuel. Economic projections are that the catalyst would provide a production cost savings of at least one dollar per gallon, dramatically changing the economics of a biodiesel plant.

SunShot Money Awarded to Four in Michigan

The U.S. Department of Energy recently announced the award of monies designed to improve solar energy systems. Dow Chemical Co. of Midland will receive \$12.8 million to support the effort to make its building-integrated photovoltaic generation systems more affordable. More than \$600,000 will go to Cascade Engineering of Grand Rapids for the development of an innovative polymer-based racking systems for commercial solar rooftop installations. Raymond Tinnerman Manufacturing of Rochester Hills was awarded \$1.67 million to develop innovative bracket systems for commercial solar rooftop installations. University of Michigan will get \$1.5 million for research on organic PV technology using small molecule systems. The SunShot program (name patterned after the MoonShot program of the 1960s) works to make solar energy systems more cost competitive by funding disruptive research and development, aiming to reduce the cost of solar energy 75 percent by the year 2020.



www.varnumlaw.com

■ Grand Rapids ■ Metro Detroit ■ Kalamazoo ■ Lansing ■ Grand Haven

"It is important to have consistency in policy to support the continued development of wind manufacturing in the United States."

Governors' Wind Energy Coalition
July 20, 2011 Letter

Michigan Energy Venues

- Michigan Women of Wind Energy Meeting on October 5 at Stork Climax Research Services, Wixom at 6:00 PM. www.miwowe.tumblr.com
- West Michigan Bioenergy Meeting on October 6 at the Michigan Alternative and Renewable Energy Center, Muskegon at Noon. Email: chaplar@rightplace.org
- West Michigan Wind Manufacturing Network on October 13 at Varnum, Grand Rapids at Noon. Email: chaplar@rightplace.org
- The Battery Show 2011, October 25-27 at the Rock Financial Showplace, Novi www.thebatteryshow.com
- West Michigan Solar Supply Chain Meeting on October 27 at Varnum, Grand Rapids at Noon. Email: chaplar@rightplace.org

"This platform will provide state-of-the-art research opportunities on Lake Michigan for the next ten years."

Arn Boezaart, Director
GVSU Michigan Alternative and Renewable Energy Center

Governor Signs on to Letter Seeking Tax Credit Extensions

In July, the twenty-four governors who form the Governors' Wind Energy Coalition wrote President Obama seeking a more favorable business climate for the development of wind energy. Specifically they asked for a seven-year extension of the Production Tax Credit and the Investment Tax Credit to avoid a "gap" in the tax credits since some of the current provisions expire as early as the end of 2012. The letter lists five other recommendations, including requests to expedite the deployment of offshore wind, provide a loan guarantee program, and support offshore research and development. Governor Snyder was listed as one of the supporting governors.

Study of Citizens' View on Offshore Wind in Lake Michigan

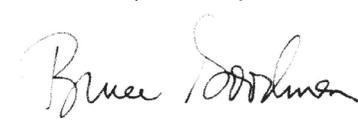
The West Michigan Wind Assessment project report has published its fourth issue brief, this one on perceptions and opinions regarding the development of offshore wind energy in Lake Michigan. Funded by Michigan Sea Grant, the Grand Valley State University (GVSU) study concluded that offshore wind development could be acceptable to the study's participants if: it reduces pollution and dependence on fossil fuels; the visual impact is minimal; property values and tourism are not significantly harmed; coastal communities realize a benefit; the public participates in the siting process; there is not a substantial utility rate increase; there is no harm to wildlife, recreation, or fishing; and technical challenges, such as ice buildup and transmission can be overcome. See: www.tiny.cc/gvsu_wind

Michigan Shorts

Ω Governor Snyder has appointed John D. Quackenbush to serve as chair of the three-member MPSC Ω Danotek has \$15 million in new funding to continue the development of its permanent magnet generators and related converter systems for wind energy Ω When evaluating power purchase agreement proposals, Detroit Edison uses the following estimated capacity factors: landfill gas-90 percent; digesters-80 percent; solar-13 percent; and wind-31 percent Ω Michigan Solid-State Lighting Association's mission is to make Michigan a global leader in solid-state lighting manufacturing, R&D, and development (www.mssla.org) Ω MPSC has approved renewable energy credit purchases from L'Anse Electric Company LLC at \$11.98 per REC Ω Duke Energy has narrowed its focus for the Gail Windpower project to Pleasanton and Joyfield townships Ω Ovonic Battery Company, Inc has extended its license agreement with GS Yuasa International Ltd for use of its nickel-metal-hydride technology Ω Gas Technologies LLCC will build a methanol/ethanol distillation system at Michigan BioDiesel's Bangor location Ω The Windquest Group has made a financial investment in Energetx Composites Ω MPSC has approved Detroit Edison's EPC agreement with Barton Malow Company and the turbine supply agreement with General Electric for the company's Thumb Wind Farms ΩΩ

GVSU Wind Data Buoy to Launch

Grand Valley State University is preparing to receive, validate, and then launch its offshore wind data buoy in Lake Michigan. Constructed by AXYS Technologies of British Columbia, the 17 by 17 foot data platform will test for wind patterns, wind quality, bat and bird activities, and water parameters. With power supplied by a small wind turbine, a solar panel, and a fossil fueled generator, the research platform will collect data for GVSU, Michigan State University, and University of Michigan researchers. U of M has recently received U.S. Department of Energy awards of more than \$1 million to simulate the impact of surface water ice on offshore wind turbines and to evaluate the effects of freshwater ice on offshore turbines in the Great Lakes. The dedication of the wind data buoy will take place at the National Oceanographic and Atmospheric Administration's field station on the Muskegon Channel at 11 AM on October 7.



- Corporate
- Real Estate
- Labor/Immigration
- Energy
- Environmental
- Litigation
- Estate Planning/Tax