



# Watt's New? *Michigan Energy News*

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## Bill Requiring State to Use Alternative Energy Advances

The Michigan Senate recently voted to require state government to use more alternative energy. Senate Bill 1000, unanimously approved, requires that 10 percent of electricity in state buildings come from renewable sources by 2010. The standard would rise to 25 percent by 2025. The bill provides that the mandated alternative energy purchases be competitively bid and have a price cap at 105% of the cost of a new conventional power plant. Notably, and reflective of the deadlock in the legislature on a statewide Renewable Portfolio Standard (RPS), the bill's mandate does not extend to residents and businesses. The Senate bill embraces a competitive framework regarding renewable energy providers and differs from proposed renewable energy legislation in the House which would affect the competitive market for utilities, residents, businesses, and power providers. The Senate bill now awaits action by the House.

## West Michigan Manufacturer Buys Energy Credits from Texas

Grand Rapids-based Steelcase, Inc., has committed to purchase all the renewable energy credits from a wind farm located in Panhandle, Texas. The 10-megawatt project, being developed by John Deere Renewables, is expected to begin operation in May of this year. The eight-turbine project is in the financing stage and the sale of the renewable energy credits is important to the financial health of the project. The electricity to be generated by the wind farm will be approximately 20% of the power Steelcase facilities require in the U.S., and equals more than three times the energy necessary to fully power the Steelcase global headquarters building in Grand Rapids for a year. The commitment is to purchase the RECs for at least the first five years of operation.

## Chrysler, Washtenaw Co. Interested in Wind Energy Potential

A 26-story meteorological tower is slated to be built in the Village of Chelsea in Washtenaw County for the purpose of monitoring high-level winds to determine if they are suitable for generating electricity. The tower is a project of the University of Michigan and North Coast Wind and Power. Chrysler, which operates its proving grounds in Chelsea, and Washtenaw County will review the results to determine the potential for wind-generated electricity in the area. While much of the potential wind power in the state is along the coasts, state-wide wind models show that significantly high wind speeds can be expected elsewhere, too.

## Wind Turbines in Lake Erie?

Wind turbines in Lake Erie are a real possibility after a "freeze" issued by the Ontario minister of Natural Resources was lifted in January. The ministry will be accepting new applications in the near future, including a scaled-down version of a plan originally presented two years ago, before the freeze was issued. The modified plan calls for 15 turbines, generating 30 megawatts of power. The project identified three locations in Lake Erie: near Kingsville, Ruthven and Leamington. Local officials, who strongly opposed the project two years ago, were surprised to hear the freeze was lifted and are concerned that they are only listed as a "commenting agency" in the review procedure.

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## Petition Seeks Regulation of CO2 Emissions

The environmental group Clean Energy Now has issued an on-line petition calling for Gov. Jennifer Granholm to issue an executive order regulating carbon dioxide emissions from new coal-fired power plants seeking construction permits in the state. The petition asks Granholm to direct the Michigan Department of Environmental Quality to regulate CO2 emissions as a greenhouse gas pollutant. Clean Energy Now is advancing a ratepayer protection plan designed to protect consumers from having to absorb the costs of investments in more coal projects. The petition urges renewable energy and energy efficiency to meet future electric demands.

*"(W)e believe the grid will be threatened unless we build the infrastructure that's necessary to support the renewable resources such as wind, solar and nuclear."*

*Rick Sergel, President and CEO - North American Electric Reliability Corp.*

## Transmission Issues Highlight Energy Conference in Detroit

Capacity and the location of transmission systems in the nation may hinder alternative energy development in the state, according to presenters at a Wind and Transmission Workshop recently held in Detroit. The American Wind Energy Association, which sponsored the conference, said transmission is the largest hurdle to expanding wind capacity throughout the U.S. Much of the wind energy potential is in remote rural areas that are poorly served by transmission lines. Michigan may be better off than other areas because the Midwest ISO can balance electricity output across its regional coverage territory to account for fluctuations in wind energy, thereby making Michigan better-positioned than some other states. Asked about dispatching issues with wind plants, Robert Gramlich, policy director for AWEA, minimized the problem, stating "This issue isn't unfamiliar. [For example, n]uclear plants can't be dispatched up and down, they just operate on a fixed level."

*"Our wind energy resource is very good along the shores of our Great Lakes and we are seeking your help to identify promising Brownfield sites for potential wind projects."*

*John Sarver, Chair - Michigan Wind Working Group*

## Brownfield Sites Being Explored as Wind Energy Sites

The Michigan Wind Working Group is seeking input from public officials to identify Brownfield sites which may be suitable for wind farm development. In late February, John Sarver, chair of Michigan Wind Working Group and Supervisor for the Division of Energy - Michigan Department of Labor and Economic Growth, sent letters to local officials asking for potential sites, suggesting that the sites should be 10 acres or larger and within five miles of the lake shore. The letter offers the services of Michigan State University Extension to provide technical assistance on community wind projects. The letter also notes that a number of Michigan communities are already planning and developing wind power projects and their experience could help develop projects in other communities. For more information, contact Steve Harsh, Michigan State University, at 517-353-3418 or harsh@msu.edu.

## Biofuel Research Encouraged in Michigan

Attracting new biofuel-based companies to Michigan was the subject of recent legislative testimony. Creating a renewable fuel standard would be one way to attract more biofuel companies to Michigan. However, the research by such companies cannot make it to the market without more public sources of funding, a biofuel expert told the Michigan Senate Agricultural Committee. Steve Pueppke, Director of Michigan State University's Office of Biobased Technologies, said that if the state provided funding it could get the technology up and running faster. Legislation is being considered to help ensure that the supply chain is well supported with policies which give companies assurance on the availability of biomass and certainty on the price they can expect to pay for their raw materials.