

ENERGY TIDBITS

February 2006

Future Electric Capacity Needs Report from the MPSC indicates that by 2009 growing demand will cause existing electric generation and transmission capacity in the Lower Peninsula to be insufficient to maintain reliability standards. Over 160 individuals from 60 organizations participated in the first electric planning effort coordinated by a state agency since 1985. The 60-page report indicates that peak electric power demand is projected to increase at an annual rate of about 2.1%. Possible resources include energy efficiency, load management, demand-response programs, transmission improvements, natural gas combustion turbines or combined cycle generators, renewable energy, and combined heat and power systems. One or two base load plants will be needed by 2014. To reduce the risks associated with power plant construction, MPSC staff is recommending a "reliability option." Under this approach, the utility would demonstrate the need for additional capacity and that its recommended plant is the best option. A competitive bidding process would be used to ensure a reasonable cost. A reliability charge assessed to all distribution customers would provide the utility with revenue certainty to allow a new plant to be financed. In addition, the utility could receive a construction work in progress (CWIP) amount in the rate base, without the typical offset for funds used during construction. The MPSC is seeking written comments on the Capacity Need Forum report by March 1. In addition, the MPSC will conduct a public hearing at 9:30 a.m. on March 14. The entire report is available at http://www.dleg.state.mi.us/mpsc/electric/capacity/cnf/cnf_report_1-3-06.pdf

ASHRAE 90.1 Training will be part of the ASHRAE Energy Summit II that will be held at Lawrence Technological University on February 21. <http://www.detroitashrae.org/>

Energy Efficiency Report from the MPSC analyzes utility energy efficiency programs and recommends ways to remove disincentives and encourage utilities to aggressively pursue cost-effective energy efficiency measures. The report recommends that utilities offer an energy efficiency program as a condition for including fixed charges in a utility's rate design and that energy efficiency expenditures be capitalized in a traditional rate case, thereby treating energy efficiency programs the same as any other utility investment. The MPSC will hold a public hearing at 9 a.m. on Tuesday, March 7, at the MPSC's Lansing office, located at 6545 Mercantile Way. The entire report is available at www.michigan.gov/mpsc.

Introductory Renewable Energy Seminars sponsored by the Great Lakes Renewable Energy Assoc. will be held in Ann Arbor on February 25. These seminars offer the chance to learn about solar heating, solar electricity, and wind generators. Photovoltaic Apprentice Training will be held in Toledo on March 6-10. This 5-day GLREA program combines classroom sessions & field experience. www.glrea.org/events/main.html

Photovoltaic Demonstration Project Grants will be available to public and non-profit organizations to install and demonstrate a new 10 kW or larger PV system. An incentive payment of \$50,000 but not to exceed 90% of PV system equipment, material and supplies costs is offered to prospective applicants. A total of \$150,000 is available for projects. Proposals are due by March 17, 2006. To receive a copy of the Request For Proposal, contact John Trieloff at (517) 241-6224 or jitriel@michigan.gov.

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2007 Solar Decathlon will include Lawrence Technological University. The U.S. Dept. of Energy has announced that 20 university teams have been selected to compete in the 2007 competition. The teams will be awarded \$100,000 over two years to support the Solar Decathlon's research goal of reducing the cost of solar-powered homes and advancing solar technology. The teams will assemble their homes on the Mall in D.C. www.solardecathlon.org

Whole Foods Market is buying enough wind power credits to cover energy use at all of its U.S. stores, bakeries, distribution centers, regional offices and headquarters. Whole Foods had been using green power to support about 20% of its operations. Top five green power purchasing companies are now: 1. Whole Foods Market 458,000 megawatts a year, 2. Johnson & Johnson 295,000 MW, 3. DuPont 170,000 MW, 4. Starbucks 150,000 MW, and 5. IBM Corp. 110,000 MW.

Basics of Geothermal Heating will be held on February 18, 1-4 pm and Renewable Energy Basics: Explore Your Options will be held on March 18, 1-4 pm at the Upland Hills Ecological Awareness Center in Oxford. Contact: www.uheac.org, 248-693-1021, & uheac@earthlink.net

Shepherd Advisors has been selected by DOE to conduct the "**Michigan Dialogue to Reduce Energy Use**" program. The program will inform key energy managers of Michigan's largest industrial energy users about energy efficiency opportunities. Project strategies include an electronic newsletter, personalized communication, & training classes about software tools and best practices. Contact Ramsey Zimmerman at 734-461-9355 or ramsey@shepherdadvisors.com

Harvesting Clean Agri-Energy Conference will be held at the Horizons Center in Saginaw on March 15. Agenda topics will include bio-gas digesters, renewable energies, and bio-fuels and bio-products. www.michigan.gov/deqworkshops

Michigan Green Communities™ is a new collaborative that will provide incentives to encourage developers to build green affordable housing across the state. Michigan State Housing Development Authority, Great Lakes Capital Fund, and Enterprise/The Enterprise Social Investment Corporation have joined forces to invest more than \$70 million to build 500 affordable homes in Michigan that promote health, conserve energy and natural resources, and provide easy access to jobs, schools and services. This includes \$750,000 in grants and flexible financing plus up to \$70 million in Low-Income Housing Tax Credit equity. Michigan Green Communities™ is part of a national effort to transform the way we think about, locate and design affordable housing. <http://www.greencommunitiesonline.org/michigan/>

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National Appliance Energy Conservation Act (NAECA) has set new standards for central air conditioners (SEER 13) and heat pumps (HSPF 7.7) effective January 26, 2006. NAECA is a manufacturing standard so old, less efficient equipment can still be installed.

Rebuild Michigan Energy Services Workshop & Event Financial Assistance will be available to public and non-profit organizations to support regional workshops or events that increase agency and facility manager awareness about energy efficiency in public buildings. Workshops would be held by September 1, 2006. Applications must be submitted at least 30 days prior to the planned event. Applications will be accepted no later than August 1, 2006. For more information contact Brandy Minikey at 517/241-8235 or bjminik@michigan.gov

Michigan Wind Energy System Siting Guidelines have been finalized and are posted at www.michigan.gov/eorenew

Michigan Sustainable Energy Coalition has been launched to promote renewable energy standards for Michigan. "In 2004, Michigan spent \$27 billion on energy," said Steve Arwood, who is directing the start-up. "Eighteen billion dollars of that was to import energy from other states and countries." One method is through renewable portfolio standards, which 21 other states have adopted. RPS is a state policy requiring portions of future power generation to come from technologies like wind, solar, biomass and other renewable resources. For more information, contact (517) 374-9165.



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