

WIND ON THE WIRES: Responses to Questions posted to Michigan Energy Forum Website

3. How do Michigan’s costs for renewable energy compare to the cost of existing generation and to the cost of new non-renewables generation today?

The cost of wind energy in Michigan is within the average national range provided by several aggregated estimates provided by both independent and government analyses for the time they were built and placed into operation.

Table 2: Weighted Average Levelized Renewable Energy Contract Prices

Consumers Energy					
Technology	Wind	Digester	Biomass	Landfill	Hydro
Weighted Average	\$101.83	\$137.02	NA	\$105.81	\$121.31
Detroit Edison					
Technology	Wind	Digester	Biomass	Landfill	Hydro
Weighted Average	\$70.08	NA	\$98.94	\$98.97	NA
Combined Weighted Average	\$80.32	\$137.02	\$98.94	\$103.84	\$121.31

The most recent contracts for wind energy approved by the PSC in 2011 and 2012, are in the range of \$52 to \$64/MWh. Those prices are at the mid-level of subsidized onshore wind prices and the low end of unsubsidized onshore wind prices forecasted by Lazard (Lazard, *Levelized Cost of Energy Analysis – version 6.0*, (June 2012), and the low end of onshore wind power purchase agreements entered into in the 4th quarter of 2012 as compiled by Bloomberg (Bloomberg Finance LP and the Business Council for Sustainable Energy, *Sustainable Energy in America 2013 Factbook*, at 14 (January 2013)) and well below the \$83 - \$86/MWh levelized cost of onshore wind energy in 2018 as forecasted by the United States Energy Information Administration (Annual Energy Outlook 2013).

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