

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)
regarding administration and operation of the) Case No. U-13129
Low-Income and Energy Efficiency Fund.)
_____)

At the April 22, 2009 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

OPINION AND ORDER

The Customer Choice and Electricity Reliability Act, 2000 PA 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF), administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. MCL 460.10d(7) provides for the use of a portion of the savings.

The Detroit Edison Company's (Detroit Edison) interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled the LIEEF funding requirement into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. Consumers Energy Company's orders issued on December 22, 2005 in Case No. U-14347 and November 21, 2006 in Case No. U-14547 have also made provisions for funding

the LIEEF. In prior orders in this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

The Commission has issued orders approving 24 rounds of grants in the amount of \$449,901,458, and has administered funds specially allocated by the Legislature in the amount of \$25,000,000 from the LIEEF for a total of \$474,901,458.

On February 13, 2009, the Commission invited organizations to submit proposals that will design and coordinate a means to facilitate the successful installation and operation of small scale, on-site energy systems using renewable energy sources as defined in 2008 PA 286; MCL 460.10g(g) and energy efficiency upgrades at multiple Michigan public and private K-12 schools, community colleges, junior colleges, and universities. By the March 13, 2009 deadline, the following organizations submitted proposals seeking a total of \$71,177,901: Alliance for Environmental Sustainability; Alma College; Archdiocese of Detroit; Armada Area Schools; Caledonia Community Schools; Carman-Ainsworth School District; Christ the King Lutheran Church and School; Elkton-Pigeon-Bay Port Laker Schools; Ferris State University; Grand Haven Area Public Schools; Great Lakes Energy Service; Greenville Public Schools; Hartland Consolidated Schools; Huron Valley Lutheran High School; Jackson Community College; Lapeer Community Schools; Livingston Educational Service Agency; Lutheran Child & Family Service of Michigan; Michigan GREEN; NextEnergy; North Central Michigan College; Oakland Community College; Oakland University; Pewamo-Westphalia Community Schools; Plymouth-Canton Community Schools; Recycle Ann Arbor, d/b/a Energy Works of Michigan; Saginaw Intermediate School District; Saginaw Valley State University; SEEDS; St. Clair County Regional Educational Service Agency; St. George Antiochian Orthodox Church; Student-Powered Renewable Energy and Efficiency; Team Cabrini; Upland Hills School; Vestaburg Community

School District; Warren Consolidated Schools; Washtenaw Community College; Wayne State University; West Michigan Academy of Environmental Science; and Western Michigan University.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission used the selection criteria outlined in the Request for Proposals.

Based on its review of the applications, the Commission awards grants to Recycle Ann Arbor, d/b/a Energy Works of Michigan; Elkton-Pigeon-Bay Port Laker Schools; and Great Lakes Energy Service.

The Commission grants an award of \$3,500,000 to Recycle Ann Arbor to conduct energy audits, install renewable energy and energy efficiency technologies consisting of wind and/or solar, and provide the associated curriculum at educational institutions statewide.

The Commission grants an award of \$1,000,000 to Elkton-Pigeon-Bay Port Laker Schools to implement energy audits, energy education, and renewable energy and energy efficiency installations at secondary technical schools.

The Commission grants an award of \$1,000,000 to Great Lakes Energy Service to conduct energy audits, install renewable energy and energy efficiency technologies, and provide the associated learning tools for educational institutions throughout the state.

For those receiving less than requested in their proposals, the proportion of direct costs to indirect costs will remain the same as in their original request. The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantees. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants from the Low-Income and Energy Efficiency Fund for a total of \$5,500,000 are approved for the fiscal year beginning October 1, 2008 and ending September 30, 2009:

- Recycle Ann Arbor, d/b/a Energy Works of Michigan - \$3,500,000 to conduct energy audits, install renewable energy and energy efficiency technologies consisting of wind and/or solar, and provide the associated curriculum at educational institutions statewide.
- Elkton-Pigeon-Bay Port Laker Schools - \$1,000,000 to implement energy audits, energy education, and renewable energy and energy efficiency installations at secondary technical schools.
- Great Lakes Energy Service - \$1,000,000 to conduct energy audits, install renewable energy and energy efficiency technologies, and provide the associated learning tools for educational institutions throughout the state.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of April 22, 2009.

Mary Jo Kunkle, Executive Secretary