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"The resulting reports will be strictly informational and will not advocate for or recommend any particular outcome or policy."

A Special Message from Governor Rick Snyder: Ensuring our Future: Energy and the Environment: Appendix A

"This is a really powerful and practically useful tool to design polymers for energy harvesting."

Jinsang Kim
Associate Professor of Chemical Engineering, University of Michigan

Watt's New? *Michigan Energy News*

Another Baseload Natural Gas Plant for Consumers Energy

Consumers Energy has announced plans for a 700 MW natural gas-fired baseload power plant in Genesee County. To be located about 20 miles northeast of Flint (Thetford Township), construction on the combined cycle plant would start in 2015 and be completed in 2017. The site already has nine gas turbines. The company has indicated this project is consistent with its 2009 *Balanced Energy Initiative: Electric Generation Alternatives Analysis*, a 20-year generation plan. The \$750 million project is in addition to the \$6.5 billion of announced expenditures planned by the company through 2017.

Favorable Tax Decision on Solar Array

In December the Michigan Tax Tribunal ruled that a ground-mounted solar array is personal property and not real property for local taxing purposes. The 147 kW photovoltaic electric generating facility in question, built by Helios Solar, LLC of Kalamazoo and owned by Kalamazoo Solar, LLC, sells electricity to Consumers Energy under its feed-in tariff program. The local township had been taxing it as real property, with a true cash value assessment of over \$1 Million. The ruling that it had to be taxed as personal and not real property overcame the common law argument that the solar array could be deemed real property since it was affixed to the land. The authority for the decision was founded, in part, on tax exemption provisions of the Next Energy Authority Act (2002 PA 593).

Quackenbush/Bakkal to Prepare Energy Report

Appendix A to Governor Snyder's November energy/environment message sets forth a process for energy information gathering needed "regarding our energy choices in 2015." Entitled *Readying Michigan to Make Good Energy Decisions*, it appoints Steve Bakkal, head of the Michigan Energy Office, and John Quackenbush, Chair of the Michigan Public Service Commission, to "convene a series of public participation opportunities." The stated issues for consideration are:

- Energy efficiency
- Renewable energy generation
- Competitive supply (customer choice)

The two are charged with collecting energy information, identifying needed expertise, and arranging for the generation of additional information. Phase 1 of this effort will gather information through six public forums throughout the state and a website. The first two forums are scheduled for February 14 in Lansing and February 25 in Grand Rapids. After this initial phase there will be a time for analysis and additional information requests. A draft report will be put out for public comment, followed by a final report in November or December.

Plastic Solar Cells on the Horizon?

One of the potential options for lowering the cost of solar energy would be the development of more efficient plastic solar cells. However, to increase the current low energy conversion efficiencies of plastics requires custom-made polymers. Research at the University of Michigan now allows calculations that can predict energy levels of different plastic monomers, the building blocks of polymers. By using this new technique to measure the energy absorption range the solar energy level of the resulting polymer can be estimated.

Law Suit Against U.P. Cellulosic Bio refinery Dismissed

In December 2011 a local Michigan resident and the Sierra Club filed a court action against the Mascoma cellulosic ethanol plant (Frontier Renewable Resources) planned for Kinross Charter Township in Chippewa County. The multiple claims alleged that, since a \$58.5 million federal grant is involved for the project that an environmental impact statement (EIS) was required under federal law. The suit acknowledged that an environmental assessment was performed, but challenged as erroneous the finding of “no significant impact.” Listing impacts on air quality, forest health, degradation of wildlife and fisheries habitat, and reduction of visual and recreational quality likely to result from projected harvest of 2,800 tons of hardwood logs per day, the suit sought to enjoin the Frontier project unless and until a complete EIS is prepared. The federal district judge recently dismissed the lawsuit, finding environmental and health issues had been adequately considered, that mitigation projects would adequately account for wetland impacts, and that no endangered species were involved.

Michigan Community Wind Project Up and Running

Leelanau Community Energy, LLC (LCE) has completed a 120 kW wind project as part of the Northport Energy Action Taskforce (NEAT) non-profit community energy efforts. Fifteen local investors are supporting the project and suggesting it as a model for other community wind projects. The wind turbine is directly interconnected to the Northport – Leelanau Township waste water plant under the Consumers Energy net metering program, and is expected to generate over 50 percent of the plant’s electricity demand. Doug McInnis, President of NEAT and LCE, indicates that affiliated members have also installed 38.7 kW of solar electric systems in the township, primarily under the net metering provisions of 2008 PA 295. NEAT’s goals include achieving a 100 percent renewable energy heated and powered township in five years. NEAT members, led by Steve Smiley and Tom Gallery, have provided key oversight, coordination, and installation tasks for the project. See www.northportenergy.org.

Michigan Shorts

Ω The Grand Valley State University offshore wind data buoy (Wind Sentinel) was retrieved from the midlake plateau in Lake Michigan in December and now is on shore being refurbished Ω The Michigan League of Conservation Voters has named former state senator Patty Birkholz as the new director of its West Michigan office Ω The U.S. Nuclear Regulatory Commission and the U.S. Army Corps of Engineers have published in the Federal Register the *Final Environmental Impact Statement for the Combined License (COL) for Enrico Fermi Unit 3* Ω Energetx Composites of Holland has shipped nine 45-meter wind turbine blades in 2013 Ω DTE Energy has commenced generating at its 110 MW Thumb Wind Park in Huron and Sanilac counties and Consumers Energy has commenced operating its 100 MW Lake Winds Energy Park in Mason County ΩΩ

Energy Innovation: monopoly vs. competition

When does a monopoly hinder innovation? I would assert the answer is “always.” The American free enterprise system thrives on competition. The search for a better mousetrap has long been touted as the driver of innovation. Competition sends signals to the marketplace; signals which are read, interpreted, and responded to. Utilities were established as “natural monopolies,” deemed necessary to either prevent “waste” or to overcome large initial start-up costs. In granting utility monopolies there was a regulatory compact: in exchange for the monopoly the utilities agreed to be regulated to ensure market pricing and other market-like terms and conditions of service. But simulating artificial markets cannot substitute for the real thing. The natural gas industry has been partially “deregulated,” and competition has driven innovation and market pricing. The telephone industry has been partially deregulated and competition has driven innovation and lower prices.

What can we expect when electric generation (but not distribution) is deregulated? Let’s get to it. If this is Michigan, where is the innovation?



Michigan Energy Venues

- *Solar Aggregation Information Lunch*, Michigan Interfaith Power & Light, Ann Arbor, February 6, Noon. www.tinyurl.com/SolarAgg
- Site visit for *West Michigan Bioenergy Consortium*, Kent County Municipal Waste Combustor, Grand Rapids, February 7, 8 AM. Email chaplar@rightplace.org
- *Solar, Not Just a Passing Fad*, Michigan Energy Forum, Ann Arbor, February 7, 5 PM, www.annarborusa.org/events
- *SBIR/STTR Proposal Prep – DOD/DOE Focus*, Michigan Manufacturers Association, Lansing, February 13, 9 AM. www.events.mma-net.org
- Site visit for *West Michigan Wind Energy Manufacturing Network*, Gordon Food Service (geothermal energy), Kentwood, February 14, 8 AM. Email chaplar@rightplace.org
- Public Forum on Energy Information, Lansing, February 14, TBD.
- Site visit for *West Michigan Solar Supply Chain*, Fremont Community Digester, Fremont, February 21, 8 AM. Email chaplar@rightplace.org
- Public Forum on Energy Information, Grand Rapids, February 25, TBD.
- *Geothermal Electricity Generation*, Michigan Energy Forum, Ann Arbor, March 7, 5 PM, www.annarborusa.org

