



# Watt's New? *Michigan Energy News*

**Laura A. Chappelle**

616/336-6920  
lachappelle@varnumlaw.com

**Jeffrey A. DeVree**

616/336-6566  
jadevree@varnumlaw.com

**Matthew B. Eugster**

616/336-6821  
mbeugster@varnumlaw.com

**Bruce Goodman**

616/336-6574  
bgoodman@varnumlaw.com

**Randall W. Kraker**

616/336-6510  
rwkraker@varnumlaw.com

**Timothy J. Lundgren**

616/336-6750  
tjlundgren@varnumlaw.com

**Richard P. Manczak**

248/567-7826  
rpmanczak@varnumlaw.com

**Toni L. Newell**

616/336-6815  
tnewell@varnumlaw.com

**Jack D. Sage**

616/336-6557  
jdsage@varnumlaw.com

**Eric J. Schneidewind**

517/482-8438  
ejschneidewind@varnumlaw.com

**Matthew D. Zimmerman**

616/336-6536  
mdzimmerman@varnumlaw.com

*"[T]he NRC and Entergy have stated that Palisades will not go back online until they are certain it is safe and sound. There will be no shortcuts. This must be done right."*

U.S. Representative Fred Upton  
Chair, House Energy and  
Commerce Committee

## New DTE Electric PPAs for Wind Energy

Two 20-year power purchase agreements (PPAs) between DTE Electric and Pheasant Run Wind, LLC and Pheasant Run Wind II, LLC received *ex parte* approval from the Michigan Public Service Commission (MPSC) on May 15, 2013. Each PPA is for 74.8 MW of wind energy for projects in Michigan's Thumb region. Also approved was an option agreement wherein DTE Electric can purchase the Pheasant Run Wind II project. This option expires on March 31, 2014. These contracts resulted from unsolicited proposals from Next Era Resources on a timetable which would qualify for production tax credit benefits. The price in each PPA is "up to" \$49.25 per MW hour (4.925¢ kWh). The average net capacity factor is estimated to be 43%. Geronimo Energy LLC attempted to intervene at the MPSC, arguing that its 100 MW Apple Blossom Wind Project in Huron County was a competing proposal that would pass through the same tax benefit. Its request that DTE Electric be made to undertake a competitive bidding process was rejected and its petition was denied.

## Five Ethanol Plants in Michigan

Michigan has five corn ethanol refineries. In 2008 it appeared there would be six more, but ultimately the demand for ethanol in Michigan did not justify 11 facilities. The operating plants are in Riga Township, Albion, Caro, Marysville, and Lake Odessa. Generally they have 40-50 employees, each with a capacity between 50-60 million gallons per year. Total ethanol production in the state is approximately 240 million gallons per year.

## Offshore Team Sails to Cleveland

Muskegon-based Andrie Inc. has been hired to assist in the development of an offshore wind energy project in Lake Erie. The company's 90' by 50' jack-up barge recently traveled to Cleveland to assist in lake bottom sediment testing seven to nine miles offshore. A jack-up barge is a floating platform with long poles in each of the four corners that can be lowered into the water down to the lake bottom to secure the platform above the water surface. LEEDCo, a public-private partnership, is developing a 27 MW, five to nine turbine offshore project.

## Energy Forum Update

Initial review and gap analysis of the information presented at the seven energy forums and on line is now being conducted. It is expected that the gap analysis will be complete by the end of May. The month of June will see an effort to fill in the gaps. By the end of June it is expected everything needed for reports will be in hand. Draft reports are targeted for the end of September, with public comment beginning as early as mid-October.

## Nuclear Plant Off-Line Again

The Palisades Nuclear Power Plant in Covert has been shut down due to a water leakage issue in the Safety Injection Refueling Water Tank. The leak was estimated to be 34 gallons per day, with 79 gallons of slightly radioactive water having drained into Lake Michigan. A half-inch crack about the width of a thumbnail is believed to have been the source of the leak. Entergy Corporation, a New Orleans-based company, owns and operates the Palisades facility and has a 15-year power purchase agreement with Consumers Energy that will expire in 2021.

*"We strongly support the METC '43 degrees North @ Muskegon' vision for expanding the Port of Muskegon because it will give us greater access to source wind turbine manufacturers located in Canada, Europe, South American and potentially Asia."*

David Slikkers, CEO of Energetx Composites

## 43 Degrees North @ Muskegon

The Michigan Energy and Technology Center has been formed by a consortium of companies to generate economic activity in the state. The founding members of the group include Consumers Energy, Energetx Composites LLC, Rockford Berge, Sand Products Co., and Verplank Dock Co. Initial affiliate members are Astraeus Wind Energy Inc. and Ventower Industries. The group will initially focus on two projects. The first is to enhance the infrastructure at the Port of Muskegon, the only deep water port on the Michigan side of Lake Michigan. In support of this project, Consumers Energy has made a commitment to allow access to its coal port at the Cobb generating plant, which will be idled within the next three years. The second project is a pilot program by Michigan State University to develop a virtual clean technology and logistics research center [MTEC @ MSU] to assist in developing clean energy technology, scaling up manufacturing, and transporting products.

## Michigan Energy Fair Returns

The Great Lakes Renewable Energy Association will conduct the 13th annual Michigan Energy Fair in Ludington on June 7-8. The event will take place at the Mason County Fairgrounds. The program on Friday is intended for energy professionals, facility managers, and educators and will run from noon to 5 p.m. There is a \$25 charge for the workshops. The Saturday events begin at 9 a.m., will be more oriented toward the general public, and are free. Energy Fair exhibits will provide information on solar, wind, energy efficiency, and other energy related topics.

## Michigan Shorts

Ω NextEra has ordered 59 1.7 MW wind turbines from General Electric for its Tuscola II project scheduled to be complete by the end of the year Ω Tecogen has purchased the proprietary 5300 permanent magnet generation line as part of the liquidation of Danotek Motion Technologies of Canton Ω The Great Lakes Renewable Energy Association has been awarded a \$33,304 grant from the Michigan Energy Office to conduct a feasibility study of community solar in Michigan Ω Ornicept, a startup with technology to study bird migration issues associated with wind turbines, has relocated to Ann Arbor Ω Muskegon's Wastewater Management System director has reported that six months of meteorological testing by Gamea Energy has confirmed average wind speeds are sufficient to support a viable wind energy project Ω The Michigan Public Service Commission has approved an opt out option for residential smart meters consisting of an initial fee of \$67.20 and a \$9.80 monthly fee Ω NextEra has selected General Electric's new 1.7-100 brilliant wind turbine for its new Michigan wind farm project Ω WindTronics LLC of Muskegon has ceased manufacturing its gearless wind turbine and ended operations Ω Nexteers Sunsteer solar tracking system is manufactured in Michigan with 90 percent U.S. content and 50 percent Michigan content ΩΩ

## Michigan Business Connect - We Are All in this Together

Governor Snyder has stressed economic gardening as one way to grow Michigan's economy. As part of this effort, the Pure Michigan Business Connect program has been established to help companies "find procurement resources to expand their supply chain, find new business opportunities, access a new business-to-business network and receive business assistance". No one can argue with the idea that Michigan companies working together with other Michigan companies will keep more financial resources in the state with a positive multiplier effect. Recently, I attended a morning-long gathering of Michigan companies involved in the solar supply chain - from racking to panels to inverters to battery storage. It was exhilarating to see the collaboration in the room. Michigan companies working together to help each other grow our energy economy, manage our energy security, and plan for the future. There is nothing wrong with state chauvinism. We need more of it!

### Michigan Energy Venues

- *Brownfield Development for Power Generation, SPARK, Ann Arbor, June 6, 5 PM. [www.annarborusa.org/events/details?e=11747](http://www.annarborusa.org/events/details?e=11747)*
- *Meeting of West Michigan Bioenergy Consortium, Varnum, Grand Rapids, June 6, Noon. Email [chaplar@rightplace.org](mailto:chaplar@rightplace.org)*
- *Annual GLREA Energy Fair, Mason County Fairgrounds, Ludington, June 7-8. [www.glrea.org/](http://www.glrea.org/)*
- *Meeting of West Michigan Wind Manufacturing Network, Varnum, Grand Rapids, June 13, Noon. Email [chaplar@rightplace.org](mailto:chaplar@rightplace.org)*
- *Meeting of West Michigan Solar Supply Chain, Varnum, Grand Rapids, June 20, Noon. Email [chaplar@rightplace.org](mailto:chaplar@rightplace.org)*
- *How Will Disruptive Challenges in the Electric Markets Impact Michigan's Energy Decision, University of Michigan's Ross School of Business, Ann Arbor, June 26, 9:30 AM. [www.energyfutures.eventbrite.com](http://www.energyfutures.eventbrite.com)*

