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To: Tom Stanton
Michigan Public Service Commission
Competitive Energy Division

Comments Regarding: Michigan Renewable Energy Program (MREP) Annual Report
Case Number U-12915

I would like to commend the MPSC staff on a comprehensive and very competent report. If many of the items discussed in this report are adopted, I believe that Michigan will then have the tools necessary to catch up to other states that have taken the lead in renewable energy jobs, technology, and innovation.

However, I would like to offer a few comments on your work. As with past renewable energy activities, the MREP seems to rely on the Michigan utility companies as partners and promoters of this issues. But to the contrary, by word and deed Michigan's two largest utilities have been unable or uninterested in promoting any significant renewable energy projects in our state.

As a blatant example, the December 2003 comments from Consumers Energy states, "...it is important to remember that renewable energy is not a public policy goal." This is in stark contrast to a well known clause contained in the very legislation that beget these proceedings, requiring the state to design a program to "promote the use of existing renewable energy sources and encourage the development of new facilities."

Although, Michigan is the 14th windiest state, we have only ½ of one percent of our Nation's installed wind power generation capacity [1].

Therefore, I would ask that the MPSC strongly promote the following:

1. On a legislative level, create a state-wide renewable energy portfolio requirement.

[1] As stated by the American Wind Energy Association web site, http://www.awea.org/projects/ Michigan has 2.4 MW on-line as compared to 5,325.7 MW nationwide as of Oct 27, 2003.

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2. On a State departmental level, have the Department of Management and Budget enter into a purchasing policy to contract for a certain percentage of renewable energy. This has the opportunity to save money with a secure and stable long-term purchase contract.

3. On a regulatory level, remove any roadblocks which hinder merchant power providers with contracting directly with customers desiring renewable energy. Then stand back and allow wind and biomass projects to stand on their own financial merits. When and if photovoltaics drop in price sufficiently, customers may move to install these systems locally at their own facilities, avoiding transmission issues. However, larger, centralized wind and biomass plant operators must contract to transmit their power to the customer. Power providers and marketers must be allowed to contract for electrical transmission with variable power generation "without a financial penalty". Section 6.3 of the MREP touches briefly on this point. However, the overriding importance of this issue with regard to a power producer contracting directly to the end user cannot be overstated. Fair access to transmission is critical.

A market for renewable energy exists now. I am personally aware of multiple Michigan individuals, companies, universities, and religious organizations which are actively discussing and researching opportunities to purchase energy and install renewable energy systems. If the utility companies are not interested in this market, allow the market to function openly in their absence. Is this not the central goal of Public Act 141?

I fear that a policy centering on the enthusiasm of Michigan's largest utility companies and their vested interest will not succeed. Our policies should center instead on a sustainable future, reducing emissions from coal fired generation, and bringing Michigan into a competitive position regarding renewable energy jobs, technology, and innovation.

Thank you for considering my comments.

Sincerely,

Jim Leidel

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