STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion, to establish the MICHIGAN RENEWABLE ENERGY PROGRAM.	))))	Case No. U-12915 (e-file)

<u>MACKINAW POWER'S RESPONSE TO DETROIT EDISON COMPANY'S MOTION FOR CLARIFICATION</u>

Mackinaw Power, L.L.C. responds as follows to Detroit Edison Company's Motion for Clarification in MPSC Case No. U-12915.

Mackinaw Power argues that this Motion for Clarification should be granted in part and denied in part. The Commission should act on the Motion to best serve the interests of the people of the State of Michigan, the environment, our Great Lakes and those who would protect our prime farmland as well as key residential, commercial and industrial customers who are seeking to purchase new, zero-emissions renewable energy and would like to take the advantage of long-term, competitive pricing.

Energy independence, self-sufficiency and the interests of Detroit Edison shareholders and customers will be furthered if the Commission acts upon the Detroit Edison Motion with an Order that asserts these principles:

1. All renewable energy marketed by Detroit Edison should be Michigan-based, new renewable energy. To do otherwise would simply lose the benefits of cleaner air, cleaner water and a balanced Michigan portfolio. Customers should be offered long-term options to purchase renewable energy over terms of five, ten, fifteen and twenty years.

2. All Detroit Edison renewable energy sold should be supplied by Michigan-based renewable energy companies and projects.

3. The emphasis should be on new, zero-emissions renewable energy in order to provide cleaner air, cleaner water and no hazardous or solid waste.

4. Long-term, firm-priced Power Purchase Agreements ("PPAs") should be authorized. The Commission should use its 2000 P.A. 141 authority to establish rates, terms and conditions which will clearly delineate the authority of Detroit Edison to only sign financiable PPAs for new, Michigan-based, zero-emissions renewable energy with companies that have intervened in this Case or the Detroit Edison Rate Case, U-13808.

5. Capacity should be allocated to those developers who have completed significant development including, leases, wind studies and other developmental attributes. The size of the Program should be no less than 750,000 MWh or an estimated 300 MW of nameplate capacity.

6. Edison should be allowed to fully recover all of its costs above the average cost of generation, 2005 - 2025.

With these principles, the Detroit Edison Motion should be approved in part and denied in part.

Respectfully submitted,

MACKINAW POWER, L.L.C.

June 29, 2004 By: Richard F. Vander Veen

Digitally signed by Richard F. Vander Veen
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