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July 2, 2004

Ms. Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way
Lansing, MI 48909

**RE: MPSC Case No. U-12915 – In the matter, on the Commission's own motion, to
establish the Michigan Renewables Energy Program**

Dear Ms. Kunkle:

In response to the Commission's May 18, 2004 Order in Case No. U-12915, Staff in the Competitive Energy Division is working to organize interested parties to proceed with the development of the Second Annual Report to the Commission on the Michigan Renewable Energy Program (MREP), due November 30, 2004.

Staff invites all interested parties to subscribe to the MREP email distribution list, by visiting our Web site at www.michigan.gov/mrep. Email distribution will be used to provide notices of meetings, draft reports, and other information related to MREP.

Staff asks all interested parties to please review the information in the attached *MREP Committee Structure & Assignments 2004*, and then reply to Erika Vallance of the Commission Staff (<mailto:evalle@michigan.gov>; phone 517-241-6209) to indicate committee(s) they wish to participate in. Staff will compile lists by committee, and will let the committee chairpersons know who is interested in participating. Committee members will receive email notifications of committee meetings and progress reports.

The major assignments and work projects for each committee are listed in the attached *MREP Committee Structure & Assignments 2004*. To the extent that MREP work on those assignments can be completed in time, however, MREP participants are free to add any additional projects that the committees wish to suggest.

Respectfully yours,

Tom Stanton, Technical Assistant
Competitive Energy Division

MREP COMMITTEE STRUCTURE & ASSIGNMENTS FOR 2004

1. Wind Energy Committee (Wind Working Group - John Sarver, Chairperson; Michigan State Energy Office)

NOTE: The MREP Wind Energy Committee will be working through the existing Michigan Wind Working Group. If you are already on John Sarver's distribution list for the Wind Working Group, you do not need to reply to receive communications about the MREP wind committee. Anyone interested in being on the Wind Energy Committee who is not already receiving Wind Working Group announcements, please do reply. The next WWG meeting is scheduled to take place at MPSC offices in Lansing on June 24, from 10a-3p. Lunch will be on your own at any nearby restaurant, or BYO brown-bag.

1.1 New Michigan Wind Resource Map for “Energy Atlas”

1.2 White Paper on Off-Shore Wind Development - Coordinate with other Great Lakes States; Colleges & Universities; GLIN; etc.

1.3 Benefit-Cost Analysis of Wind Energy

1.3.1 Provide micro-economic analysis of wind energy technologies (both small wind and utility scale)

1.3.2 Provide input to Net Metering and Ratemaking Committee (#4) regarding options for altering utility rates to promote new wind generation

1.3.3 Provide input to Economic Impact Benefit-Cost Analysis Committee (#6) for macro-economic study of Michigan's economy.

2. Solar Energy Committee (Jennifer Alvarado, Chairperson; Great Lakes Renewable Energy Association)

2.1 Resource Assessment for “Energy Atlas”

2.1.1 PV & Building Integrated PV

2.1.2 Solar Water Heating

2.1.3 Passive & Active Solar Building Heating/Cooling

2.1.4 Daylighting & solar interior-lighting options

2.2 Research & Paper on Solar Rights & Easements

2.3 Benefit-Cost Analysis of Solar Energy

- 2.3.1 Provide micro-economic analysis of solar energy technologies
- 2.3.2 Provide input to Net Metering and Ratemaking Committee (#4) regarding options for altering utility rates to promote new solar technologies (both for electricity generation and solar-DSM technologies)
- 2.3.3 Provide input to Financing Committee (#5) on property tax reform for solar energy.
- 2.3.4 Provide input to Economic Impact Benefit-Cost Analysis Committee (#6) for macro-economic study of Michigan's economy.

3. Biomass Energy Committee (Dulcey Simpkins, Chairperson; Michigan Biomass Energy Program Coordinator, Michigan State Energy Office)

3.1 Resource Assessment & Mapping for "Energy Atlas" - Waste to Energy, Landfill Gas, Wastewater Treatment Plant Gas, CAFOs & Anaerobic Digestion, Dedicated Crops, Forestry Waste

3.2 Benefit-Cost Analysis for Biomass Technologies

- 3.2.1 Provide micro-economic analysis of biomass energy technologies (both small scale and utility scale)
- 3.2.2 Provide input to Net Metering and Ratemaking Committee (#4) regarding options for altering utility rates to promote new biomass technologies (both for electricity generation and biomass-DSM technologies)
- 3.2.3 Provide input to Economic Impact Benefit-Cost Analysis Committee (#6) for macro-economic study of Michigan's economy.

4. Ratemaking & Net Metering Committee (Tom Stanton, Chairperson; Michigan PSC Staff)

4.1 Net Metering Evaluation Report & Proposal, Including Benefit-Cost Analysis

- 4.1.1 Invite participation and coordinate with Michigan Legislature & Legislative Committees/Subcommittees

4.2 Other Utility Ratemaking Options & Approaches

4.2.1 Pilot De-Averaged Distribution Credits

4.2.1.1 Coordinate with Michigan PSC-regulated utilities and municipal utilities

4.2.1.2 Coordinate w/NextEnergy, Colleges & Universities

4.3 Utility Incentives and Performance Measures

4.3.1 How affected by MISO & FERC rules & regulations?

4.3.2 Consensus proposal on Renewable Portfolio Standard?

5. Financing Committee (Debra Rowe, Chairperson; Oakland Community College)

5.1 Implementation Proposals for Appropriate Approaches to Creative Financing for Renewable Energy

5.2 Green Power for State Facilities - Coordinate work with DMB/Facilities Management Division & Michigan Association of Physical Plant Administrators

5.3 Emissions Credits - Coordinate w/ MDEQ/Air Quality Division, U.S. EPA, Michigan Mercury Task Force

5.4 Ecological Tax Reform -- Include property tax reform.

6. Economic Impacts Benefit-Cost Analysis Committee (Jim Croce, Chairperson; NextEnergy)

6.1 Macro-Economic Analysis of effects on Michigan economy, employment, etc., from expansion of renewable energy use.

6.1.1 Review and report on existing body of research.

6.1.2 Provide to other MREP Committees details about inputs, templates, and models required for performing micro- and macro-economic benefit/cost analyses. Help make sure that all major assumptions used in MREP benefit/cost analyses are consistent.

6.1.3 How does energy efficiency and renewable energy affect major Michigan business sectors: automotive & manufacturing, agriculture, tourism, etc.?

6.1.4 What will be the major land-use effects of expansion of various renewable energy resource technologies?

6.2 Analysis of how renewable energy development may fit within existing State government economic development programs and incentives.

6.3 Proposals for new State government economic development programs or incentives for renewable energy (both legislative and regulatory).

ALL MREP COMMITTEES & SUBCOMMITTEES will have responsibility to:

- Assign a “Communications Liaison” to represent the Committee, along with the Committee Chairperson, on the MREP Steering Committee.

The Communications Liaison person will act as a kind of Assistant Chairperson. They will be responsible for taking notes at meetings, providing meeting materials for participants, and sharing information with the MREP Steering Committee.

- Generate list of other groups, companies, etc., to coordinate with and COORDINATE with other state agencies, trade and professional associations, national and state researchers, Great Lakes and Midwest Renewable Energy Associations, Michigan Colleges & Universities, Equipment Manufacturers, Dealers, Installers, etc.

Note: Some trade and professional organizations may provide their members with Continuing Education Credits for attending workshops & seminars. We should keep this in mind when planning for MREP participation in fall conferences.

- Provide Information/Inputs for BENEFIT-COST ANALYSES & Investigations of how utility RATES might be altered to promote a more level playing field.
- Provide Information for MREP CALENDAR OF EVENTS
- Provide Information for MREP WEB SITE UPDATES/IMPROVEMENTS
- Provide Information/Ideas/Input regarding EDUCATION about Committee topics.