

Michigan's Approach to 111(d)

EPRI Energy and Environment
Seminar

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Michigan's Clean Renewable and Efficient Energy Act

PA 295 – Signed into Law October 6, 2008

- Renewable Energy Standard (RES) for Michigan
- Encourages private investment in renewable energy (RE) and energy efficiency (EE)
- Annual energy sales reductions starting at 0.3%, increasing to 1%
- Electric providers to achieve a retail supply portfolio of 10% RE by 2015
- Requires that utilities establish energy optimization (EO) programs
- Purchase and/or production of Renewable Energy Credits (RECs) to demonstrate compliance with RE
- Surcharge exemptions for large commercial/industrial customers creating and implementing customized EO plans
- Financial incentives for utilities exceeding annual energy savings targets
- EE financing for residential and commercial customers through Michigan Saves

Michigan's Clean Renewable and Efficient Energy Act PA 295 - Economic, Energy and Emissions Benefits

- Emission reductions of over 2.2 billion pounds of CO₂, 13 million pounds of SO₂ and 6 million pounds of No_x in 2011¹
- Met a combined average of 125% of electric energy savings targets [approximately 1 million megawatt hours (MWh)] in 2012¹
- Met a combined average of 126% of natural gas energy savings targets (4.28 million Mcf) in 2012¹
- For every dollar spent on EO in 2012, customers should expect to realize utility cost-of-service benefits of \$4.07¹
- Approximately 1,400 MW of new RE projects operating or currently under development¹
- RE investments by Consumers and Detroit Edison to date have created 2,500 jobs¹

¹Sources: Michigan Public Service Commission Reports published in 2012 and 2013

Michigan Comments to EPA on 111(d)

- EPA's guidelines should take into account the variations among states and avoid competitive advantages or disadvantages.
- Flexibility in either rate-based or conversion to mass-based standard should be allowed as well as state-wide or regional averaging.
- A baseline of three years around 2005 to include the variability of individual unit operations.

Comments Con't

- Given the time required to do SIP development and accompanying regulations, States should be given up to three years after final guidelines are promulgated.
- States should be given credit for:
 - Renewable portfolio standards
 - Energy efficiency
 - Shutdowns

Next Steps

- Carefully review the EPA proposal in June
- Formation of a Stakeholder Workgroup
- Continue to participate in regional discussions on both the Midwestern Collaborative and Midwestern Modeling Subgroup

Contact Information

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