



Legislation Text

File #: 08-0647, **Version:** 1

Resolution Supporting Strong, Enforceable Renewable Portfolio Standard
Whereas, Ann Arbor has a long term goal to use 100% renewable energy; and

Whereas, on May 1, 2006 Ann Arbor's City Council unanimously passed a resolution to formally adopt the goal of using 30% renewable energy for municipal use by 2010, 20% renewable energy use community-wide, and reducing greenhouse gas emissions by 20% of 2000 levels by 2015; and

Whereas, Ann Arbor is seeking to create a long-term fixed price renewable energy rate similar to Austin Energy's Green Choice® Program; and

Whereas, a strong, enforceable Renewable Portfolio Standard (RPS) creating immediate renewable capacity demand is essential to create a successful renewable energy market within Michigan; and

Whereas, the creation of such renewable energy demand is the only option which could significantly stimulate investment and job growth within the State of Michigan; and

Whereas, according to the U.S. Department of Energy's Lawrence Berkeley National Laboratory, a strong Michigan RPS requiring the immediate purchase of additional renewable energy would, in combination with Ohio's RPS, create the third largest renewable energy market in the United States; and

Whereas, moving to renewable energy has been proven to be an economic stimulant, creating jobs and new industry; and

Whereas, in testimony before the Michigan State Senate's Energy Policy and Public Utilities Committee, GE Renewables Market Development director, Seth Dunn cited an effective RPS as "an important factor in project and supply chain investment decisions," noting that wind project and manufacturing locations are closely correlated with the presence of an RPS; and

Whereas, the recent addition of renewable energy projects to the transmission system interconnection queue maintained by the Midwest Independent System Operator (MISO) provides evidence that renewable energy developers are preparing for the enactment of a strong, enforceable Michigan RPS; and

Whereas, the Ann Arbor Energy Commission supports the Senate Energy Policy and Public Utilities Committee's amendment to HB 5548 providing for a 5% RPS by 2010, 7% RPS by 2012, 9% RPS by 2014 and 10% RPS by 2015; and

Whereas, the Ann Arbor Energy Commission supports further strengthening the RPS by including Governor Granholm's goal of a 25% RPS by 2025; and,

Whereas, the Ann Arbor Energy Commission supports the Senate Energy Policy and Public Utilities Committee's breaking the tie-bar between the RPS bills and the other regulatory changes to PA141; and,

Whereas, HB 5548 continues to include non-renewable energy sources such as industrial cogeneration and municipal solid waste in its definition of renewable energy sources; and

Whereas, HB 5548 allows utilities to claim 80% of the Renewable Energy Credits (RECs) created from PURPA-originated generation projects; and

Whereas, HB 5548 allows utilities to begin cost recovery of RPS programs from its retail customers before that energy becomes available for customer consumption; and

Whereas, HB5549 creates cost caps requiring residential ratepayers to unfairly pay the majority of the RPS costs; and

Whereas, HB5549 directs the Michigan Public Service Commission to extend the deadline or reduce the RPS below 10% if requested by a utility;

RESOLVED, That the Ann Arbor City Council and Ann Arbor Energy Commission urges the Senate to remove industrial cogeneration and municipal solid waste from the definition of renewable energy sources; allow for a 50/50 split of RECs between the utilities and the owners of existing PURPA-originated generation projects; allow cost recovery for RPS programs to begin only after the renewable energy is on-line and available for customer consumption; revise the cost caps so that costs are equitably shared by all customer classes; and remove the language directing the Michigan Public Service Commission to extend the deadline or reduce the portfolio standard if requested by the utility.