



**Combined Heat & Power Team
Meeting Notes (by teleconference) - July 6, 2006**

Attendees/Participants:

Don Johns, MIPPA
Grady Nance, DTE Energy
Norman Christopher, GVSU
Kurt Rudolph, Consumers Energy
Pat Poli, MPSC
Steve Kulesia, DEQ

Introductions of those present, followed by a “status/update” of various CHP Team activities by Steve Kulesia. Pat Poli indicated that the Alternative Technologies Workgroup previously scheduled for next week (7/11/2006) has been cancelled. Notice will be sent out to all workgroup members.

The Mission Statement, CHP Survey/Questionnaire have been posted on the web site. Steve Kulesia indicated that John Vila, AQD engineer is working on developing a query from the DEQ Air Emissions Database to be used in conjunction with the CHP potential updates to the CNF.

Don Johns stressed the importance/impact of economic drivers on the CHP market for Michigan, along with the rate-making issues such as special contracts for industrials, which drive down demand for CHP. Due to the marginal nature of CHP potential when competing against utility based electric power, the market will likely not be conducive for expanded CHP in the near future.

CHP may be able to assist utilities in meeting demand growth, if able to be produced as @ \$.05/kwhr versus an estimated \$.07/kwhr for new base load unit construction. However, modifications to the rate-making process (regulatory based) would be needed to make CHP more successful in this area.

Discussion ensued regarding the changing manufacturing base in Michigan, and the impacts that would have on relying on CHP for long term resource planning by utilities. Based on the risk, CHP may not become a viable option until price stimulation drives the market to greater use of CHP.

Steve Kulesia brought up the potential for commercial based CHP and the data assumptions used for the CNF in this area. Large commercial customers could be providers of CHP if the economics work for this sector. Such potentials include; Hospitals, Hotels, Universities/Colleges and large office complexes.

Pat Poli reviewed the various action items and deliverables discussed during the meeting, including; Send out e-mail from John Vial on database query parameters to Team; Send out e-mail to John Vial (Steve K) requesting query due date; Send out CHP Task Table to Team; Send out meeting notes to Team.

Meeting was adjourned.