

# **WIND ENERGY RESOURCE ZONE BOARD**

January 19, 2009

Michigan Municipal Electric Association

809 Centennial Way

Lansing, MI 48917

10:00 a.m.

Approved Minutes

## **I. Call to Order**

The meeting was called to order by the Board Chair, David Walters at 10:00 a.m.

### **Roll Call**

Members Present: Julie Baldwin, Steve Brock, Robert Ianni, Trevor Lauer, John Miceli, Mary Templeton, Thomas Vitez, David Walters, David Wright

Alternates Present: Cindy Norlin, Jim Weeks and Joe DeVito

The chair welcomed everyone to the meeting and took a moment to provide a background of the Michigan Municipal Electric Association (MMEA) and of the Michigan Public Power Agency.

## **II. Adoption of the Agenda**

The chair asked for a motion to accept the agenda. The motion was made by John Miceli. The motion was seconded by Thomas Vitez. The motion to accept the agenda with no changes or additions was passed.

## **III. Approval of the January 5, 2009 Proposed Meeting Minutes.**

Board member Thomas Vitez asked that the minutes be changed in several areas.

He asked that the spelling of his name be corrected under item VII. Also regarding item VII, Mr. Vitez suggested the minutes be revised to include the Board's discussion about the current 5-year time frame necessary to plan and construct new transmission projects. Mr. Vitez also requested that the minutes be revised to show the Board noted during that discussion that with stakeholder support, it should be possible to reduce that time frame.

Under item V, Mr. Vitez suggested a correction to accurately reflect the Board's discussion and to state that submission of the financial disclosure statements is voluntary and not required. Additionally, Mr. Vitez suggested that the minutes show that the Board's discussion concluded that Board members who choose to submit the statements may give them to the Board Secretary at the January 19, 2009 meeting.

Joe DeVito moved that the proposed minutes of the January 5, 2009 meeting be approved with the additions and correction noted above. David Wright supported the motion. The revised minutes were approved.

#### IV. Consultant Update

Julie Baldwin reported that the Michigan Public Service Commission (MPSC) completed the required forms and submitted the Request for Proposal (RFP) for under \$25,000.00 to DMB for approval. DMB approved the MPSC request. As a result, the RFP was mailed on January 13, 2009, to 11 consultants. The proposals are due back on January 27, 2009. The RFP process stipulates that three persons must reply in order to proceed.

The Wind Energy Resource Zone Board, hereinafter identified as “the Board,” held discussion on, and reached consensus, that the process would be to review the proposals by a subcommittee who will report to back to the Board. Joe DeVito further recommended that each Board member have an opportunity to look at all of the proposals. Thomas Vitez added that Board members shall receive each proposal as soon as they are received by the MPSC because of the tight timing. Julie Baldwin was in support of this and said that she can email them out immediately. Trevor Lauer, John Miceli, Mary Templeton, David Walters, and David Wright volunteered to participate on the subcommittee.

The subcommittee will hold a special meeting during the week of January 26 and be prepared to discuss the recommendations at the February 2, 2009, Board meeting.

#### V. Presentation from Wind Developers:

Detroit Edison  
Perspective on Michigan Wind Energy Development  
By Mike Serafin

The Chair introduced Mike Serafin from DTE. He said that Mike Serafin has 40 years experience. He has been a member of the MPSC’s Capacity Need Forum and the 21<sup>st</sup> Century Energy Plan work groups.

Mike Serafin opened by talking about where DTE thinks the wind potential hot spots are in Michigan and where DTE is concentrating their efforts. Working on the 21<sup>st</sup> Century Energy Plan, they could see the need to start a siting study. When DTE started looking at siting, they looked at the NREL map, their service territory and velocity map. Mr. Serafin talked about their “fatal flaw analysis” and explained that term refers to birds, planes, wildlife, etc. DTE installed MET towers in six locations to gather wind data. Mike Serafin said that DTE is concerned about the environment. In 2007, DTE started an avian/bat survey that is on-going.

Thomas Vitez asked if DTE would still feel that the Thumb was the best place for wind, even if DTE were not already serving that area. Mike Serafin answered yes. DTE is looking at 2 MW turbines. The Thumb has the highest potential for large scale wind development. He spoke more about setbacks. In an example he provided, setbacks reduced 837 sq mi in Huron County to 274 sq miles of available land that could be used for wind development. Trevor Lauer suggested that we have Environmental Quality Department staff come in and talk to us about what they think constitutes land available for wind energy.

Mr. Serafin said that the fact remains that more transmission is needed in the Thumb. If we do not have sufficient transmission in the Thumb, and have wind power built quickly, we will fall short. Service can be constructed on existing wires with minimal upgrades but DTE assumes new transmission will also be constructed.

Bob Ianni asked Mr. Serafin if the support from the residents that he referred to in his presentation included resident's support for increased transmission. Mr. Serafin said DTE did not survey residents about transmission. However, Cindy Norlin added that in a meeting she attended with residents, that they understood that transmission had to come, but that does not necessarily mean they support it.

Questions:

What is the interface of the transmission to the wind machine? Answer: Substation. If, for example, 12 turbines would feed into three main lines, these three lines would feed into a substation.

David Wright asked if an application for the ITC interconnect request is needed first. Mike Serafin replied that if DTE puts in the request, then MISO will analyze just that request. Given the size of this, DTE would want this whole issue looked at by ITC.

David Wright then asked if the presentations being made before the Board will be on the web site. Julie Baldwin answered that presenters have been asked for files and that she will work with them to obtain files appropriate for posting,

Presentation by Rick Wilson  
Heritage

Rick Wilson with Heritage, joined the meeting by phone. John Miceli asked Mr. Wilson what Heritage feels is the most primary area for wind development. Mr. Wilson answered that the areas that have the high wind energy potential are the Upper Peninsula, Southern Lake Michigan area, the lower Lake Michigan areas. Stoney Corners – McBain, Cadillac area, Southern Western Missaukee County. The last region is the East South East area of the Thumb which has flat, open agricultural land. Based

on what they have in the MISO Queue right now, 825 MW. In all these areas, they have been successful with leasing. Probably 500 acres are under a lease. He would like to see transmission upgraded. He felt that 825 MW can be achieved with some upgrades in transmission.

He thinks Michigan land owners that are being asked are, for the most part, very accepting of the wind turbines in their area. They found this true in the Missaukee area.

John Miceli asked how he would rate the Upper Peninsula, the Lower Peninsula, and the Michigan costal area. Mr. Wilson answered:

1. McBain/Cadillac
2. Upper Peninsula Garden Peninsula (off shore potential)
3. Fruit Ridge area north of Grand Rapids has potential because there is good transmission
4. The Thumb is a good wind resource but we need to get transmission out there

Rick Wilson indicated that his rankings were primarily based on Heritage's current land lease holdings.

Mary Templeton asked how much wind is in production with Heritage. Answer: 5 MW in the Stoney Corners.

Presentation by Joe DeVito  
RES Americas

Joe DeVito shared a summary of RES saying it was established in 1982 and is a UK based company with a 12% US wind market share; it is the 2<sup>nd</sup> largest wind farm constructor in the US has developed or constructed 84 wind farms worldwide totaling 4,335 MW, 3,400 MW of which is in the US; RES Americas corporate office is located in Denver, with regional offices in Minneapolis, Austin, Portland and Montreal..

Mr. DeVito showed several maps illustrating that Michigan's wind resource is very competitive on a regional basis and that the state has a strong potential for wind development. He provided information showing that wind manufacturing in the US to date has closely correlated to states that experienced significant wind development. Mr. DeVito then showed several maps illustrating many of the key factors that must be taken into account when identifying potential wind farm sites in Michigan, including (i) wind potential and the difference between two experts mesoscale models; (ii) transmission access; (iii) public land exclusions; (iv) FAA, military and low altitude airway exclusions; (iv) airport and radar exclusions; and (v) a population density analysis. Upon completion of this high level analysis, several areas stood out for their wind farm development potential, in particular the thumb. Mr. DeVito recommended that the board

consider a similar approach to map exclusions zones as a means to identify the areas that would be most suitable for wind development in Michigan. Such exercise should take into account environmental and wetland considerations.

The question was asked if more wires could be added onto the existing towers. Tom Vitez answered that, on a limited basis, it is possible to hang more wires on some towers. Joe DeVito also added that Michigan should not exclude exporting electricity, particularly from the Upper Peninsula to Wisconsin where they do not have a lot of their own wind resources.

Presentation by Doug Duimering  
John Deere Wind Energy

John Deere has 715 MW in 28 wind projects, across seven states. John Deere Wind Energy has three projects in Michigan. The generation from the Harvest farm is sold to Wolverine. Generation from the Thumb I project (60MW) is sold to Consumers. The Thumb II project (90 MW) does not currently have an “off taker”.

Mr. Duimering explained that Europe is ahead of us. And, because they have less wind, they need bigger turbines (1.5 MW turbines in Europe are too small).

John Deere thinks that the Thumb is an excellent place to build wind energy. Michigan has a lot of generating capacity. The first thing is to get on the grid. David Wright asked do you have interconnection agreements for your projects in the Thumb. Mr. Duimering answered, yes. It is the same interconnection project for Thumb I and II.

An Oceana Township project is queued in MISO. John Deere Wind Energy would support building more transmission in the Thumb.

Mr. Duimering said that there is value in geographic diversity across the state. He gave the example of a storm front moving across the state. At some times in some locations when the front passes, the wind speed will increase or shear. If the wind power is diversified across the state, these spikes will occur at different times. If, however, your power is in one location, then all the wind turbines will experience the spike in wind speed at the same time.

Presenters at next meeting.

NREL has been invited to present at the February 2, 2009 meeting for about one hour, pending support to use the grant to subsidize their travel costs. If we can bring them in, they will talk about what has occurred in other areas of the country and what other states have done with their wind zone projects.

#### VI. Planning Discussion – Mary Templeton

Mary Templeton presented a draft project plan. It was noted that based on Julie's earlier report, that the date for hiring a consultant as shown on the draft project plan should be pushed back accordingly. The Board agreed to solicit input and establish a planning committee. Joe DeVito and Julie Baldwin volunteered to be on the planning committee with Mary Templeton.

The Board discussed how consulting with local governments will occur. The Chair will call David Bertram, from the Michigan Townships Association, to see what should be done to start a process. The chair, David Walters, Mary Templeton, Julie Baldwin, and Joe DeVito will work to firm this up.

Mike Serafin suggested that the Board may want to work with the county governments. David Wright suggested going through the Great Lakes Renewable Energy Association to identify interest of townships to be included in these discussions.

#### VIII. Public Comment:

A question was presented to Mike Serafin about interconnection costs. If DTE were the first company to submit an application to MISO, then DTE would have to pay for the study. Mike Serafin replied that MISO is trying to look at who is first and then look at the impact on the second, third, etc., so they are starting to look at a region rather than just the first application.

Dave Zwitter of Consumers Energy said that the company has 20,000 acres in Tuscola and will be submitting an application in the summer.

Brett French, American Transmission Company, said that the Upper Peninsula is predominantly served through the state of Wisconsin. The Upper Peninsula is different than the Lower Peninsula. Bringing wind to the market is a challenge. Mr. French would like to give a presentation to the Board at a future meeting.

Robert Stanford works for the Livingston County Planning Commission and told about a document that the Michigan Association of Planners has on wind energy that the Board should look at. He agreed with the earlier discussion that most of the wind zoning will be at the county planning team level.

The next meeting will be February 2, 2009 at the PSC. The subsequent meeting date would have been February 16th but it was suggested that the Board meet on February 17th instead because of the Federal holiday, President's Day, being observed on February 16th. Meeting on Tuesday morning, February 17, 2009, was agreeable to everyone. Unless the MPSC can't accommodate the Board, the Board will meet there.

Julie Baldwin mentioned that the MPSC is not able to accommodate the Board on several of the meeting dates that the Board has on their calendar. The Board briefly discussed meeting near Wolverine's offices in the Cadillac area for a future meeting.

The meeting was adjourned at 12:10 p.m.