

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	Case No. U-15857
DETROIT PUBLIC LIGHTING DEPARTMENT to)	
fully comply with Public Act 295 of 2008.)	

PA 295 COMPLIANCE ANNUAL REPORT

The Detroit Public Lighting Department ("Detroit PLD"), by counsel, hereby files this Annual Report of actions taken by the Detroit PLD to comply with renewable energy and energy optimization standards during the reporting period of July 2009 – January 2010. This Annual Report is filed in accordance with Act 295 of the Public Acts of 2008 (the "Act"), as amended, and the Commission's July 1, 2009 Order approving Detroit PLD's renewable energy and energy optimizations plans.

Detroit PLD is a municipal utility with its principal place of business located in the City of Detroit, Michigan. Detroit PLD's customer base is comprised primarily of city, county, state, and federal agencies. With its city-wide distribution system, Detroit PLD serves more than 890 public buildings in the Detroit metropolitan area. Only 0.04 percent of Detroit PLD's customer base consists of residential customers.¹

¹ 216 MWH out of 514,811 MWH for calendar year 2008.

I. COMMUNICATIONS

In providing further communications to the Detroit PLD, please provide copies and communications to:

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II. RENEWABLE ENERGY

A. Electricity and Credits from Renewable Energy Systems

Detroit PLD stated in its Renewable Energy Plan that it would obtain Renewable Energy Credits ("RECs") from one or more of the following: a REC broker, a purchase contract with DTE Energy or another energy and REC provider, or through an existing or new generation source using a qualified renewable fuel or otherwise qualified renewable energy resource under the Act. Detroit PLD has explored a variety of options for procuring RECs during this reporting period and is currently developing a Request For Proposals ("RFP") to solicit a REC supplier in support of its compliance obligations under the Act.

During this reporting period, Detroit PLD has not generated or acquired electricity from a renewable energy system nor has it generated, acquired, sold, traded, or transferred any RECs from renewable energy systems.

B. Electricity and Credits from Advanced Cleaner Energy Systems

Detroit PLD has neither generated nor procured electricity from advanced cleaner energy systems during the reporting period.

C. Renewable Energy and Advanced Cleaner Energy System Specifications

Detroit PLD does not own, operate, or control any renewable energy or advanced cleaner energy systems.

D. New Construction

Detroit PLD has not begun construction on, acquired, or placed into operation a renewable energy or advanced cleaner energy system during the reporting period.

E. Renewable Energy Standard Compliance Expenditures

Detroit PLD has made the following expenditures to comply with the renewable energy standard during this reporting period: \$13,927.00. These expenditures were primarily made during the initial development of Detroit PLD's Renewable Energy Plan.

Detroit PLD anticipates that it will make the following expenditures to comply with the renewable energy standard in 2010: \$15,000.00. These expenditures primarily represent the completion of the RFP process to select a REC supplier or suppliers. The cost of obtaining RECs

for future compliance with the renewable energy standard will be determined by Detroit PLD based on the RFP responses.

F. Other Information

Detroit PLD is currently developing an RFP to solicit offers from REC suppliers. Detroit PLD will begin billing a renewable energy surcharge for its customers in January 2010 to generate funds to obtain RECs to start the implementation of its Renewable Energy Plan and meet the renewable energy standard requirements under the Act.

III. ENERGY OPTIMIZATION

A. Energy Optimization Credits Generated

Detroit PLD has not generated any energy optimization credits during the reporting period, but will begin doing so in 2010. Detroit PLD's Self-Directed Customers generated energy optimization credits in excess of Detroit PLD's 2009 total energy optimization requirements. The total energy optimization credits generated, including Detroit PLD's Self-Directed Customers, is 2,201 MWH, which exceeds the target of 1,619 MWH submitted in Detroit PLD's application. Detroit PLD will begin implementing an energy optimization surcharge for its customers, other than Self-Directed Customers, beginning in January 2010 to generate funds to meet Detroit PLD's energy optimization standard requirements.

B. Energy Optimization Standard Compliance Expenditures

Detroit PLD has made the following expenditures during this reporting period to comply with the energy optimization standard: \$19,583.00. These expenditures were primarily made to develop Detroit PLD's Energy Optimization Plan.

Detroit PLD anticipates that it will make the following expenditures to comply with the energy optimization standard in 2010: \$236,155.00. These expenditures are forecasted to be sufficient to fully implement Detroit PLD's Energy Optimization Plan for 2010.

C. Status of Customers with Self-Directed Plans

Self-Directed Customer	2009 Energy Optimization Credits (MWH)
Detroit Institute of Arts	60
Detroit-Wayne County Joint Building Authority	2000
Detroit Medical Center - Detroit Receiving Hospital	141 (target value, Customer believes it will meet the target based on project status)

The total energy optimization credits generated during the reporting period was 2,201 MWH, as compared to a target of 1,618 MWH. Therefore, energy optimization credits of 574 MWH will be carried forward to 2010 reporting period.

D. Other Information

Detroit PLD received some additional requests for self-directed plans in between filing its Application on April 3, 2009 and the Commission's Order on July 1, 2009. These additional requests altered Detroit PLD's required savings. Although some of the data has changed, the substance of Detroit PLD's energy optimization plan remains unaltered. Attached to this annual report is a revised energy optimization plan that reflects the additional self-directed customers.

IV. CONCLUSION

Detroit PLD has exceeded its energy optimization targets for 2009 and is in the process of issuing an RFP to select a REC supplier to meet its renewable energy standard obligations. The Commission should find that Detroit PLD is meeting all of its requirements under the Act.

Respectfully submitted,

DETROIT PUBLIC LIGHTING DEPARTMENT

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Attachment A

Detroit's Energy Optimization Plan Program Portfolio (Revised)

Portfolio Category	Program Portfolio	USRCT Results	CCE Results	2009		2010		2011		2012	
				GROSS FIRST Year kWh Savings	Program Budget	GROSS FIRST Year kWh Savings	Program Budget	GROSS FIRST Year kWh Savings	Program Budget	GROSS FIRST Year kWh Savings	Program Budget
Self-Direct	Self Direct Customers	N/A	N/A	2,192,000	-	364,000	-	172,000	-	-	-
	Carryover Savings into 2010			(573,925)		573,925					
	Subtotal - Self-Direct Customers			1,618,075	-	937,925	-	172,000	-	-	-
Residential	Low Income Services	N/A	N/A	-	-	354	230	819	533	1,137	739
	Efficient Lighting	7.0	\$ 0.013	-	-	3,470	275	3,124	301	4,686	451
	Subtotal - Residential Solutions			-	-	3,824	505	3,943	833	5,822	1,190
Commercial & Industrial	Prescriptive Incentive Program	4.9	\$ 0.023	-	-	1,383,412	190,253	3,028,849	416,541	3,924,480	539,713
	Custom Incentive Program	8.0	\$ 0.014	-	-	123,592	17,797	356,514	51,338	760,445	109,504
	Educational Services	2.5	\$ 0.031	-	-	75,733	6,900	110,143	15,975	145,072	22,170
	Subtotal - Business Solutions			-	-	1,582,737	214,950	3,495,506	483,854	4,829,996	671,387
	Total Program Portfolio				1,618,075	-	2,524,486	215,455	3,671,449	484,688	4,835,819
Portfolio-Level Costs	Utility Program Administration				\$ 12,400		\$ 11,500		\$ 26,625		\$ 36,950
	Evaluation (EM&V)				\$ -		\$ 9,200		\$ 21,300		\$ 29,560
	Subtotal - Utility Admin/Evaluation				\$ 12,400		\$ 20,700		\$ 47,925		\$ 66,510
Projected Annual Totals		4.8	\$ 0.023	1,618,075	\$ 12,400	2,524,486	\$ 236,155	3,671,449	\$ 532,613	4,835,819	\$ 739,087