

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
MICHIGAN PUBLIC SERVICE COMMISSION
AND THE
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY**

This Memorandum of Understanding (MOU) between the Michigan Department of Environmental Quality (MDEQ), and the Michigan Public Service Commission (MPSC), is entered into for the sole purpose of clarifying each agency's role and responsibility regarding the alternatives analysis review and technical assistance for the proposed coal-fired electricity generating plant applications currently pending before the MDEQ.

The MDEQ implements Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Part 55 is intended to protect human health and the environment from adverse impacts from the discharge of air contaminants. Consistent with state and federal law, specifically Rule 336.2817(2) of the Michigan Air Pollution Control Rules and Section 165(a)(2) of the federal Clean Air Act, the MDEQ is requesting that coal-fired power plant permit applicants conduct an analysis of alternatives to the proposed facility. The analysis will consider alternatives that would reduce emissions and will provide information regarding cost, reliability, availability, and technical feasibility of the alternatives examined.

The MPSC and the MDEQ acknowledge the benefit of clarifying each agency's role and responsibilities with respect to the alternatives analysis.

The MPSC performs the following:

- Assures the safe and reliable energy services at reasonable prices.
- Promotes the state's economic growth and enhances the quality of life of its communities through adoption of new technologies like efficient renewable energy resources.
- Provides regulatory oversight in a prudent and efficient manner while implementing legislative and constitutional requirements.

The MDEQ performs the following:

- Administers programs and enforces laws designed to protect human health and the environment from adverse impacts from the discharge of air contaminants.
- Administers an air use permitting program for the installation, construction, reconstruction, relocation, modification and operation of sources of air pollutants pursuant to R 336.1201 through R 336.1299, including coal-fired power plants.

The MPSC and the MDEQ agree to the following:

1. The MPSC will provide technical assistance to the MDEQ on all matters of electric generation need in the state, as it relates to determinations on the alternatives analysis.

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2. The MPSC will review the alternatives analysis for the proposed coal-fired electricity generating plants to assess whether energy efficiency, renewable energy, or other alternatives meet future electricity needs.
3. The MDEQ will review the alternatives analysis for the coal-fired electricity generating plants to assess impacts of the plants and alternatives on human health and the environment.

The MPSC and the MDEQ agree to cooperate in the implementation of the provisions outlined in this MOU.

This agreement shall be effective upon the signature of both parties and remain in effect until terminated by either party. Termination may be made by either party upon 30 days written notice.

In witness thereof, the parties sign their names as evidence of their approval of this Memorandum of Understanding.

FOR THE MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY:



Steven E. Chester, Director

4-1-09
Date

FOR THE MICHIGAN PUBLIC SERVICE COMMISSION:



Orjiakor Isiogu, Chairman

4-1-09
Date