

Welcoming Remarks
J. PETER LARK, Chairman, Michigan Public Service Commission
Midwest Combined Heat and Power Initiative
June 8, 2005 – Detroit, Michigan

I'm happy and proud to be here at the brand new NextEnergy center. This is one of the first meetings at the new center. And it is particularly pleasing for me, as Chairman of the Public Service Commission, because in 2002 our office issued a \$4.2 million grant from our low-income and energy efficiency fund that helped make this facility a reality.

NextEnergy is one way that Michigan has formally recognized the importance of advanced energy technologies. Like other Midwestern states, we see technologies, like combined heat and power, as the source of high-paying jobs in the near future. We firmly believe that today's energy problems can be turned into tomorrow's opportunities. As John Kennedy once said: "Our task is not to fix the blame for the past, but to fix the course for the future."

There is no shortage of reasons why we care about our present energy situation: volatile energy prices, dependence on imported energy, growing environmental concerns, and homeland security risks. Very significant changes in our energy systems will be made.

At the MPSC, we like to say that the greatest barriers to innovation are often old ways of thinking. Just because things have always been done a certain way does not mean that's the best way to do it. It is no exaggeration to say that my predecessors in utility regulation spent nearly a full century developing regulations designed for central station power plants and vertically integrated monopoly utility companies.

That integrated monopoly industry model is now widely thought to be an obstacle to greater efficiency, and therefore a new regulatory paradigm must emerge.

In Michigan, we have started to make some of the changes needed to support the growth of combined heat and power. I would say our ultimate goal is to make the changes necessary so that wherever it can be shown that recycled energy is an efficient alternative, it has a fair chance to compete. Since I have been Chairman, we've kicked off significant renewable energy programs at our state's two largest utilities, and established a state-wide net metering program. I believe these are good first steps, and important ones, but we are not finished yet.

I know you are going to spend the day sharing some of the best ideas from around the country about how regulators can remove the barriers to more "recycled energy". And later today Tom Stanton will be talking with you about a new MPSC staff proposal to promote recycled energy, that was filed last Friday in a rate case.

I congratulate all of you for making this meeting happen, and look forward to learning, from the results of your meeting, what our Commission can do to help ensure more recycled energy, for our generation and those that follow.

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