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STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
PUBLIC SERVICE COMMISSION

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Mr. Allan O'Shea, President  
Contractors Building Supply, Inc.

Mr. O'Shea:

You have requested a Michigan Public Service Commission Staff (Staff) assessment with respect to your company, Contractors Building Supply, Inc. (CBS, Inc.), and eligibility for the Michigan equipment incentive credit provision. Upon your request, Staff reviewed whether the portion of a renewable energy system which includes the products assembled by CBS, Inc. and registered in the Michigan Renewable Energy Certification System (MIRECS) is eligible for these incentive credits.

As part of our review, you provided detailed information about the facility to Staff through e-mail and a telephone conversation. Based on the information you provided, our analysis identified the following relevant information:

- The facility is located in Michigan.
- The work to be performed within the facility is the assembly of photovoltaic panels including cells, glass and frames and junction boxes.

Section 39(2)(d) of 2008 PA 295 allows for an additional one-tenth of a renewable energy credit to be created "for each megawatt hour of electricity generated from a renewable energy system contracted using equipment made in [Michigan] as determined by the Commission." The section also states the additional credit "is available for the first three years after the renewable energy system first produces electricity on a commercial basis."

The Michigan Public Service Commission in its order on December 4, 2008 in Case No. U-15800 fully describes the calculation to be performed in determining the amount of incentive credits to be granted under this section. The Michigan equipment incentive credits granted are based on the percentage calculated from this described method. The calculation is as follows:

- Dollar amount of all equipment and materials made in Michigan divided by the total cost of all equipment and materials used to construct the renewable energy system.

After careful review, Staff has determined the products assembled at the Contractors Building Supply, Inc. facility in Michigan qualify for inclusion in the numerator of the above calculation. The amount of incentive credits granted will vary based on the information of an individual renewable energy system including the electricity generation, the commercial operation date of

the renewable energy system, the total cost of the equipment and materials used in construction and the cost of any additional Michigan made equipment and materials.

The responsible party of a qualifying renewable energy system should register the system as a project in the MIRECS (<http://www.mirecs.org>) and complete a Michigan Equipment Affidavit form affirming content of the Contractors Building Supply, Inc. Michigan facility was indeed used in their renewable energy system.

This letter represents Staff's analysis and interpretation of 2008 PA 295 and does not represent the Commission's opinion.

Thank you for working with Staff and providing the necessary documentation about your facility. Please contact me if you have further questions.

Sincerely,

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Cc: Julie Baldwin, Renewable Energy Section Manager  
MIRECS