

# DTE to try alternative energy

## Utility to invest billions in job-creating industry in state

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DTE Energy is getting ready to spend billions of dollars on alternative energy investments in Michigan, boosting the state's efforts to become a leader in this rapidly

growing market.

The parent company of the Detroit Edison and MichCon utilities plans to make about \$3 billion in renewable energy investments in Michigan over the next six to seven years, said Knut Simonsen, senior vice president of DTE Energy

Resources Inc.

These investments depend on the state passing a new law mandating that 10% of its electricity come from renewable energy sources. The House of Representatives and the Senate have passed their own bills toward this goal, but major

differences between the two must be reconciled.

"It's exciting times in the sense that clean tech investment's time has finally come," Simonsen said.

States are clamoring for renewable energy projects such as wind farms and solar power

plants because of the potential jobs they create, in addition to reducing global warming and increasing the country's energy independence.

The bulk of DTE's multibillion-dollar investments will be in wind power in Michigan's Thumb and on the western side of the state, Simonsen said. The utility already has acquired easements on about

40,000 acres of land in Huron County for a potential wind farm.

DTE also recently decided to begin making \$15 million to \$20 million a year in alternative energy investments through its venture capital fund called DTE Energy Ventures, Simonsen said.

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It is focusing on three areas of investment: renewable power such as wind, solar and biofuels; energy efficiency technologies and solutions; and energy storage, which includes systems for charging plug-in hybrid vehicles.

It is also interested in companies that produce the automated or "smart" meters that monitor electricity usage.

The utility has already invested in a California company that's developing low-cost solar energy panels. It did not want to disclose the company's name. But Simonsen said that if the company's efforts prove successful, production of the panels could be done in Michigan in the next few



DTE Energy Resources' Knut Simonsen

years.

This investment marks a new direction for DTE's \$100-million venture fund, which has not been active during the last few years.

Formed in 1995, its portfolio includes stakes in several alternative energy companies and investments in a few venture capital and private equity funds.

DTE Energy Ventures is one of a few corporate venture funds in the state that's focused on alternative energy.

Simonsen took over the fund about nine months ago.

"Clean tech investment's time has finally come."

KNUT SIMONSEN, senior vice president of DTE Energy Resources

and is rebuilding its small investment team in Ann Arbor. The fund is looking to invest in companies that already have raised their first round of venture capital.

"To the extent we can find good Michigan opportunities, all else being equal we prefer Michigan companies," Simonsen said.

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