



RAMPING UP RENEWABLE ENERGY AND REDUCING ENERGY WASTE

In 2016, the Michigan Legislature passed Public Act 341 which increases Michigan's renewable energy standard from 10 percent to 15 percent by 2021. The act maintains the provision that ensures utilities reduce energy waste by at least 1 percent each year and offers financial incentives to utilities for going above and beyond the 1 percent minimum requirement. Since 2008, Michigan's clean energy standards have become a homegrown success story—sparking investment, creating jobs, improving our economy, and saving families and businesses money on their monthly utility bills.

BACKGROUND

High Residential Rates:

In spite of the benefits Michiganders will realize thanks to the clean energy policies of PA 341, our state continues to have some of the highest residential utility rates. The Michigan Legislature should continue to enact policies that remove barriers to clean energy development, so that Michiganders can fully maximize the cost savings provided by renewables and efficiency.

- According to the U.S. Energy Information Administration (EIA), Michigan residential ratepayers now have the **highest electric rates in the Midwest** and the **10th highest rates in the United States**.
- The EIA estimates that Michigan households would **save \$1 billion annually on their electric bills if our rates were the same as the Midwest average**.
- Over the past 10 years, **DTE and Consumers Energy's smallest residential users experienced the highest rate increase of all ratepayers** while rates for the largest industrial users had the smallest increase of all ratepayer groups or saw declines in rates.
- According to the Institute for Energy Innovation, **Michigan spends \$22.6 billion a year** importing energy from other states (primarily, coal).

Renewable Energy and Energy Efficiency are Cost Effective:

- The Michigan Public Service Commission estimates that the cost of **coal is \$133/MWh** and the Energy Information Administration (EIA) reports that **new combined cycle natural gas has a levelized cost of \$75.20**. In contrast, the EIA estimates that the levelized **cost of wind is \$73.60**.
- One recent estimate by the EIA pegged both the cost of **wind and solar at less than \$45/MWh**.

Clean Energy Spurs Economic Growth, Creates Jobs, and Saves Michiganders Money:

- The MPSC estimates that **\$3.3 billion has been invested in Michigan** to bring new renewable energy projects on-line through 2016.
- According to the MPSC, over the past three years, energy efficiency programs saved Michigan utility customers **\$1.2 Billion**.
- The MPSC estimates that **customers save \$4.35 for every \$1 invested in energy efficiency**.
- A Solar Foundation report found that Michigan's solar industry is on the rise as **jobs increased 48% in 2016**, with **more than 1,300 new workers on the job in Michigan**.

ACTIONS NEEDED ON CLEAN ENERGY

- The Michigan Legislature should remove barriers to clean energy development by exempting small-scale renewable energy installations from property tax.

- The Michigan Legislature should facilitate energy waste reductions by ensuring residential customers with a smart meter are automatically enrolled in time-of-day pricing and by making smart meter data available to all customers.
- The Michigan Legislature should prevent efforts to roll back Michigan's clean energy successes by stopping repeal efforts aimed at eliminating Michigan's 15% RPS and 1% energy efficiency standard, continuing to require energy companies to use in-state renewable energy to meet Michigan's RPS, and focusing funding for natural gas infrastructure on maintenance to existing systems.
- The Public Service Commission should act now to establish a new program that will allow businesses and local governments to request that 100 percent of their energy come from renewable sources.
- The Public Service Commission should develop a long-term utility planning process that ensures that we are controlling cost by maximizing the use of cost-effective energy efficiency programs.
- The Public Service Commission should establish a fair and equitable tariff for residential solar customers.