

## **PRESS STATEMENT**

**By Gayle Miller, Sierra Club Legislative Director**

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### **Michigan Makes Critical Step Toward Cleaner, Cost-Effective Energy**

“Today, Michigan took its first important step toward addressing the most pressing issues of our time; climate change. With strong support in both the House and Senate, the Michigan legislature passed HB 5524 and SB 213, which significantly revamp Michigan’s electric utilities and require them to immediately begin helping their customers reduce the amount of energy they use while investing in renewable energy.”

“Michigan is currently facing an enormous risk from expensive, unneeded, dirty power. Eight new coal-fired power plants have been proposed for the state, along with one new nuclear plant. The package of bills that passed today will require utilities to invest immediately in clean energy, reducing demand for these far more expensive energy options.”

“The package also contains a critical component called Integrated Resource Planning (IRP). The IRP process will help ensure that Michigan gets the best deal for its energy investments by requiring full disclosure of all costs and benefits associated with each energy investment option. For example, using the IRP the Public Service Commission will be able to take into consideration the environmental costs of dirty energy and the job creation benefits of renewable energy and energy efficiency. Given a level playing field, the Sierra Club is convinced that clean, renewable energy from wind, solar and efficiency will compete favorably against polluting sources of power.”

“The package also contains a Renewable Portfolio Standard (RPS), requiring electric providers to generate 10% of their power from renewable sources (like wind) by 2015. While the standard is far weaker than it should be, the RPS is a step in the right direction. Twenty eight other states have RPS policies in place and many of these states have already increased their renewable standard due to the cost-effective energy and good jobs their states have gained as a result. Once renewable energy develops a cost-effective track record in Michigan, Sierra Club is confident that Michigan will quickly want to raise its RPS standard and reap the economic and environmental benefits of making Michigan a powerhouse of renewable technology and jobs.”

“A last minute addition to the package of Net Metering will also help spur the development of renewable energy by requiring utilities to pay independent power producers a fair price for their surplus power. For example, if a farmer installs a wind turbine on his or her land, they’ll be guaranteed a fair, market price for any power they sell back to the utility.”

“The bills do contain the expensive provision of de-skewing, something the Michigan Manufacturers Association, Michigan Chamber of Commerce and many Republicans insisted

upon. De-skewing will raise residential rates by making homeowners pay relatively more for power than industrial customers.”

“On balance, however, this package of bills will help both the environment and ratepayers. Energy efficiency is the cheapest way to generate new electric power, by simply helping people buy more efficient windows, more insulation and more energy efficient appliances. Cheap power from energy efficiency measures will reduce the need for polluting power. And, the IRP will be a critical tool in defeating proposals for expensive, polluting coal and nuclear plants. When compared fairly, clean energy will win, hands-down, over polluting outdated coal and nuclear sources saving residents money for decades.”

“The Sierra Club congratulates all who were involved in the development of this package of bills and looks forward to continuing to work with the legislature to bring Michigan’s energy policies into the 21st Century.”

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