



Position Statement

HB 5220 (S-1)

Sierra Club OPPOSES this bill due to the Senate amendments. Votes pertaining to this bill will be scored on the Sierra Club's Legislative Scorecard unless the Senate amendments are removed in their entirety.

Issue Background

On Dec. 17, Senate Republicans amended an important bill that renews Michigan's Renewable Operating Permit for the Air Quality Program. The amendments are all objectionable, but one would be devastating to Michigan's economy: When determining whether or not to issue permits for new coal-fired electric plants, the amendment would prohibit the state from considering:

- a. The state's need for electricity
- b. Alternative methods for electric generation
- c. Alternatives to the construction of coal fired electric generating plants

Sierra Club Perspective

This amendment would dramatically raise electric rates, significantly increase our state's contribution to climate change, crush Michigan's emerging renewable energy industry and cripple our economy with coal plants we don't need and can't afford.

- The amendment directly violates the Clean Air Act and makes the state vulnerable to losing its entire air permitting program
- The language violates the provisions of the MI Environmental Protection Act regarding consideration of "feasible and prudent alternatives" to polluting energy sources

As contained in the 2008 energy legislation, the Michigan Public Service Commission (PSC) has the authority to determine need and consider alternatives to new electric generating plants proposed by investor owned utilities (Consumers and DTE). Both the Integrated Resource Planning (IRP) and Certificate of Need (CON) processes were supported by virtually all stakeholders in 2008. These processes require that all energy options are compared on a level playing field, that all costs and all benefits are included in that comparison, assuring that Michigan gets the best deal for its energy dollar.

However, the PSC does NOT have the authority to conduct alternatives or needs analysis for cooperatives, municipal and merchant plants. Two such plants are currently being proposed for Michigan by Wolverine Power Cooperative and Holland Board of Public Works.

To provide the same level of assurances for non-utility customers, the Governor issued Executive Directive (ED) 2009-2. The ED established a process similar to the IRP and CON for non-utility coal plant proposals. The amendment to HB 5220 will undermine and un-do the Governor's Directive, allowing any number of coal plants to be built and paid for by Michigan ratepayers - despite the fact that doing so will harm our economy, undermine our fledgling renewable energy industry and expose our state to excessive financial risk from climate legislation.

Michigan MUST begin to invest in energy efficiency and renewable energy, which creates far more jobs at much lower cost than coal plants.

Please contact the Sierra Club Michigan Chapter office at (517) 484-2372 or Gayle Miller at (517) 420-7198 for more information.

December 18, 2009