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PROTECTING OUR GREAT LAKES BY PROTECTING OUR POCKETBOOKS

Michigan League of Conservation Voters

Patty Birkholz, *West Michigan Director*

Grand Rapids Public Energy Forum

February 25th, 2013

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Act No. 295
Public Acts of 2008
Approved by the Governor
October 6, 2008

Filed with the Secretary of State
October 6, 2008

EFFECTIVE DATE: October 6, 2008

STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008

Introduced by Senators Birkholz, Kahn, Hardiman, Jansen, Switalski and Barcia

ENROLLED SENATE BILL No. 213

AN ACT to require certain providers of electric service to establish renewable energy programs; to require certain providers of electric or natural gas service to establish energy optimization programs; to authorize the use of certain energy systems to meet the requirements of those programs; to provide for the approval of energy optimization service companies; to provide for certain charges on electric and natural gas bills; to promote energy conservation by state agencies and the public; to create a wind energy resource zone board and provide for its powers and duties; to authorize the creation and implementation of wind energy resource zones; to provide for expedited transmission line siting certificates; to provide for a net metering program and the responsibilities of certain providers of electric service and customers with respect to net metering; to provide for fees; to prescribe the powers and duties of certain state agencies and officials; to require the promulgation of rules and the issuance of orders; and to provide for civil sanctions, remedies, and penalties.

Michigan Energy Plan - Goals

- Control Costs
- Minimize Risk
- Fair Rates for Customers
- Promote Economic Development
- Protect Public Health and Natural Resources
- Preserve Excellent Reliability

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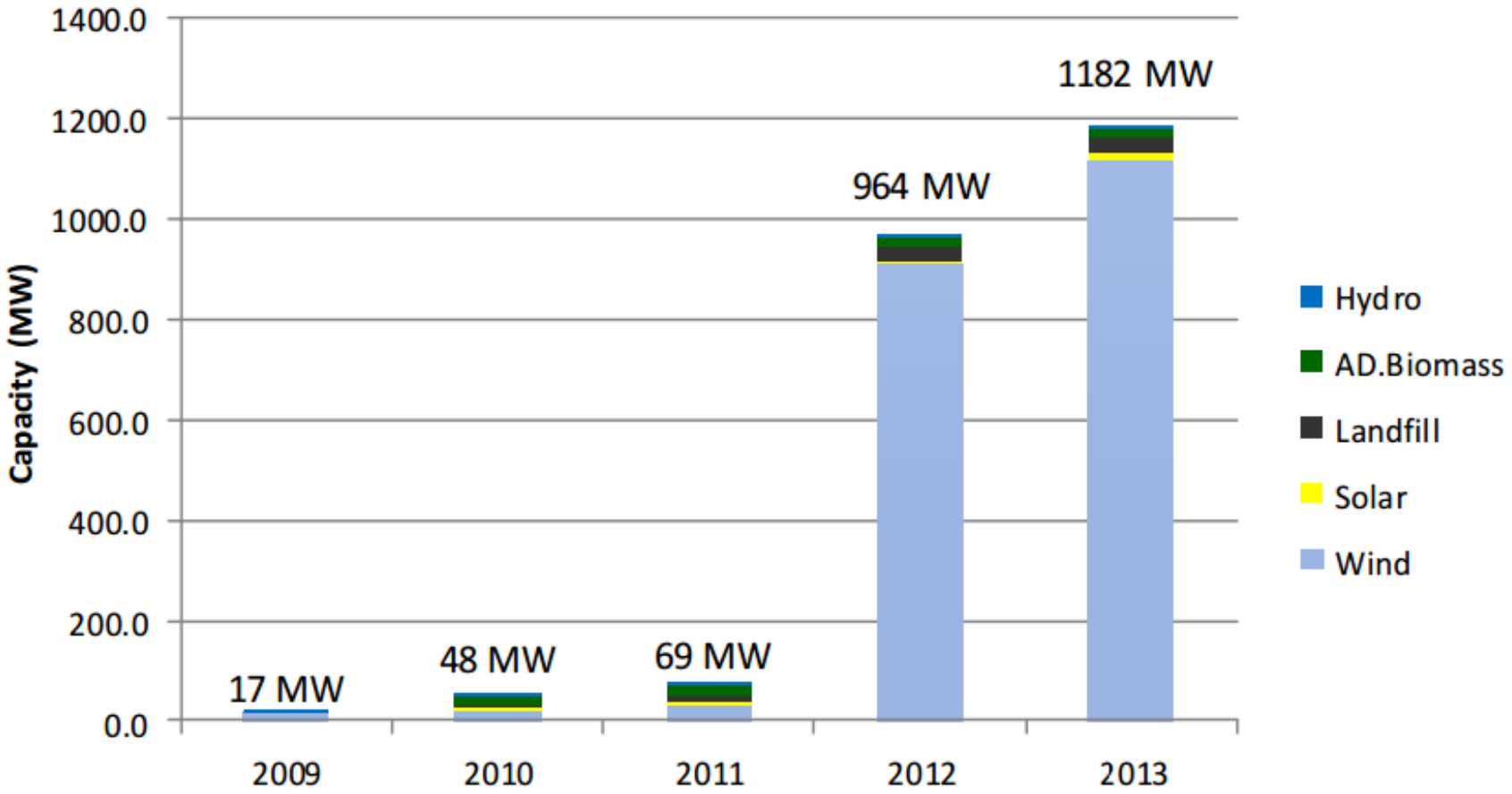
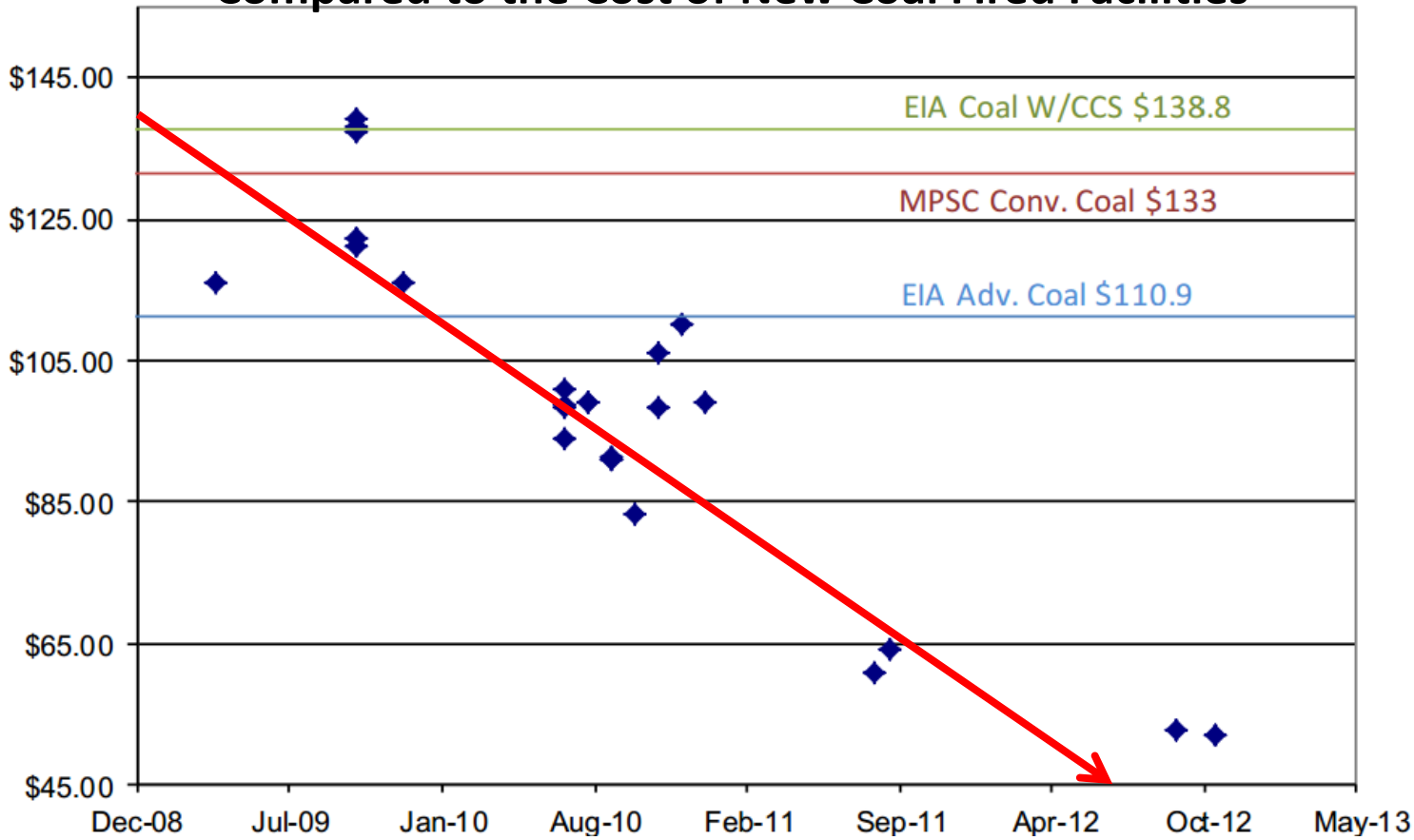
Controlling Costs

Figure 4: Cumulative Renewable Energy Capacity by Commercial Operation Date



Source: (MPSC Report, 2013)

Figure 10: Levelized Cost of MPSC Approved Contracts Over Time Compared to the Cost of New Coal Fired Facilities



Source: (MPSC Report, 2013)

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- The MPSC report also highlights the cost effectiveness of energy efficiency investments – reducing the demand for energy at a cost of only 2 cents/kwh

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Cost-Effectiveness of Energy Optimization and Renewable Energy Standards

- Combined Weighted Average Cost of Energy Optimization and Renewable Energy ($/megawatt hour): **$45.98**

- The cost of new coal is $133 per megawatt hour (MPSC Report 2013)

Renewable energy cost data is based on levelized costs provided as part of the renewable energy contract approval process

Source: Energy Optimization cost data from 2012 REPORT ON THE IMPLEMENTATION OF P.A. 295 UTILITY ENERGY OPTIMIZATION PROGRAMS

Pollution controls are expensive

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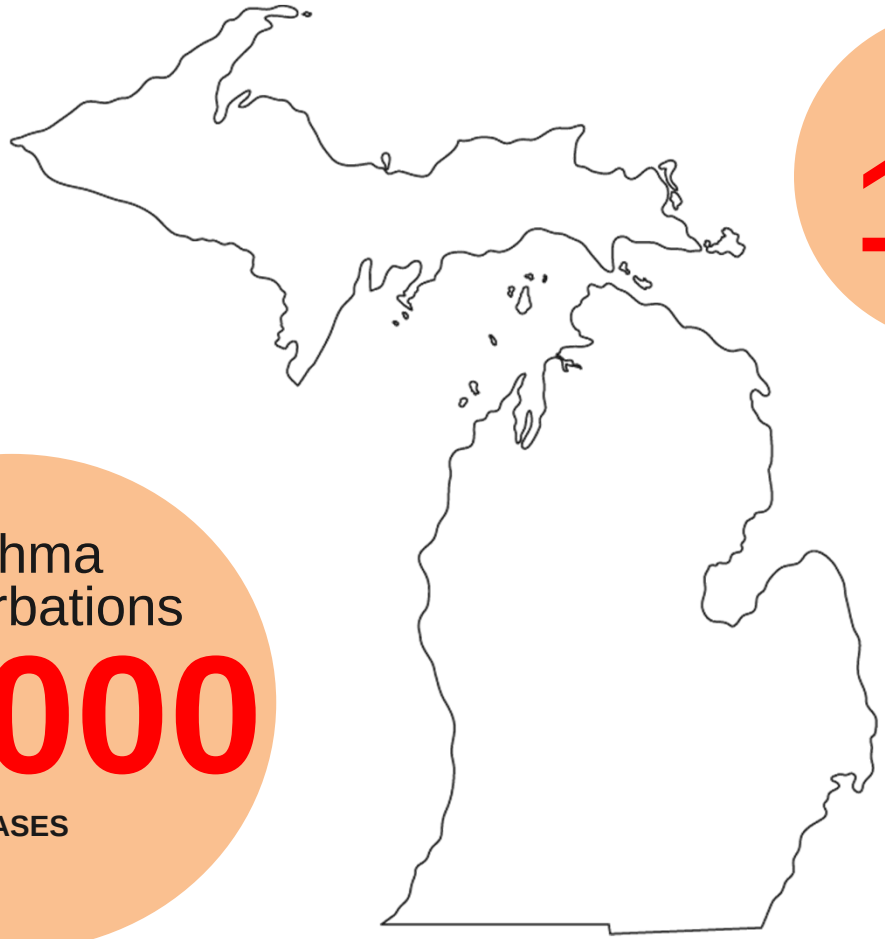
Annual Health Impact



Asthma Emergency Room Visits

140

CASES

Premature Mortality

180

CASES

Asthma Exacerbations

69,000

CASES

Minor Restricted Activity Days

72,000

CASES

Source: "Your Energy, Your Power" Case Study, NAACP Michigan State Chapter, October 2012

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Valuation of Annual Public Health Impacts

Electricity Generating Unit	Michigan	Continental U.S.
B.C. Cobb	$68,000,000	$450,000,000
Karn/Weadock	$120,000,000	$720,000,000
Harbor Beach	$11,000,000	$63,000,000
JH Campbell	$150,000,000	$700,000,000
JR Whiting	$560,000,000	$1,040,000,000
River Rouge	$340,000,000	$780,000,000
St. Clair	$65,000,000	$560,000,000
Trenton Channel	$140,000,000	$1,080,000,000
Total	$1,500,000,000	$5,400,000,000

Prepared for: Michigan Environmental Council
Prepared by: Environmental Health & Engineering, Inc. (2011)

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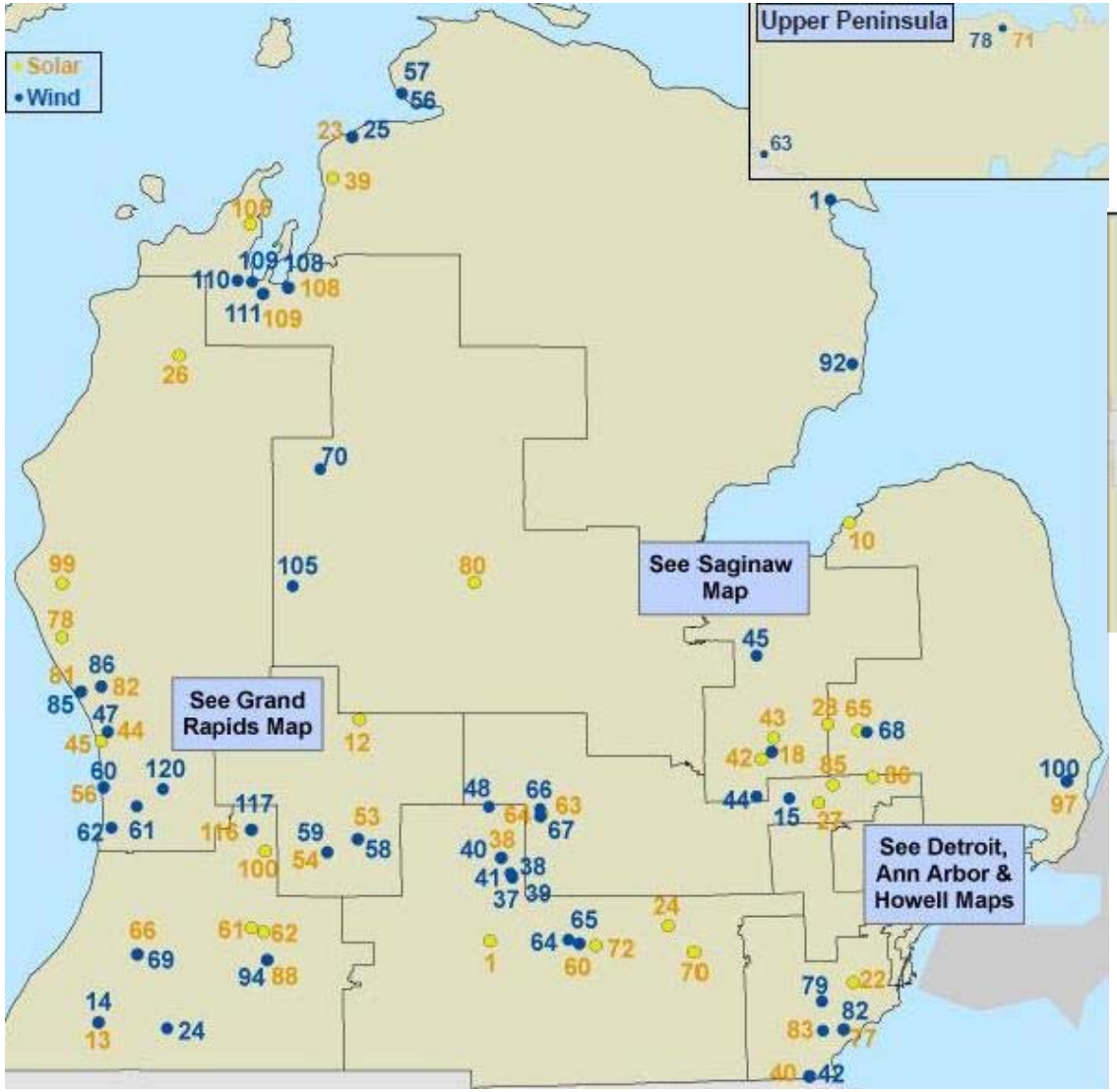
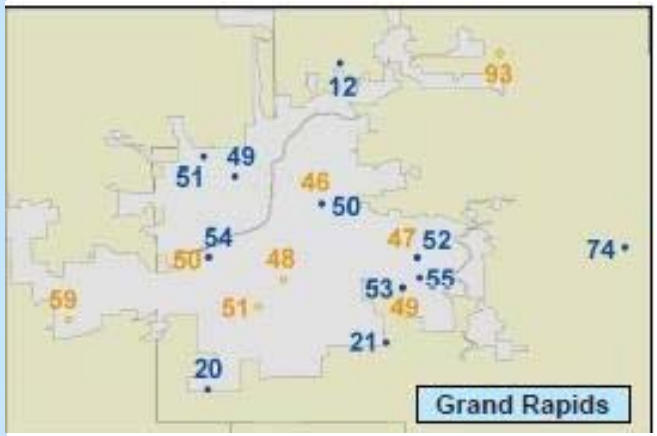
Benefits: Renewable Energy and Energy Efficiency

Goals	Renewable Energy
Control Costs	Cost at or below existing non-renewable resources
Minimize Risk	Long-term stable price contracts available
Fair Rates for Customers	Current surcharge inequitable
Promote Economic Development	Uses more Michigan made goods and workers
Protect Public Health	Reduces public health impacts of electricity production
Preserve Reliability	No impacts when mixed with complimentary resources

Goals	Energy Efficiency
Control Costs	Least cost method to meet future demand
Minimize Risk	Avoid risks related to fuel and capital costs
Fair Rates for Customers	Arbitrary cap results in higher energy costs
Promote Economic Development	Uses local workers and increases efficiency of Michigan businesses
Protect Public Health	Reduces impacts by avoiding generation
Preserve Reliability	Can improve reliability through reducing peak activity

Michigan and its Regions: Solar and Wind





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Outdoor Discovery Center Macatawa Greenway

www.**outdoordiscoverycenter**.org