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Creating Jobs in Michigan's Renewable Energy Economy

Governor Jennifer M. Granholm has established Michigan's goal of being the renewable energy hub of North America. And we are moving quickly to capture the job-creating potential this industry offers. We are capitalizing on our unique natural resources and world-class workforce to build a new energy economy. This new economic sector represents our single best hope for attracting new investment and creating new jobs.

Michigan proudly remains the center of the nation's auto industry – our homegrown economic engine that powered Michigan's economy for decades. But the fact that one or more of our Detroit-based auto companies faces the very real threat of bankruptcy confirms that there is no other course in the 21st century but to diversify Michigan's economy.

In the last four years, we have created more than 11,000 new Michigan jobs in the renewable energy industry – good jobs at a family-sustaining wage. But now that the nation's energy agenda aligns with Michigan's plan, we can seize on this opportunity to do even more.

Increasing Our Renewable Energy Goals

After Governor Granholm called for it in her State of the State address last year, the Legislature passed Michigan's first renewable energy goal: at least 10 percent of the power we use will come from carbon-free sources by 2015, giving us new tools to develop this emerging industry. In the months since we put this goal in place, we have attracted manufacturers and designers, alternative energy visionaries and entrepreneurs, and the jobs they are creating, including:

- Mariah Power that announced they will build small, residential wind turbines in Manistee;
- Cascade Engineering that is expanding its Swift Wind Turbine in Grand Rapids;
- United Solar Ovonic that announced another new solar panel factory in Battle Creek;
- Global Wind Systems that will locate its first facility in Novi;
- Hemlock Semiconductor that announced its third, billion dollar expansion to build solar panels near Saginaw; and
- Dow Corning that will build a facility near Hemlock to manufacture monosilane, a key specialty gas used to manufacture thin-film solar cells and liquid crystal displays (LCDs).

And in her State of the State address, Granholm announced that Great Lakes Towers will locate in Monroe, creating 152 new jobs building wind turbine towers.

Michigan's "45 by '20" Plan

President Obama's recently announced goal of doubling the nation's use of renewable energy in just three years will result in an explosion of demand for wind and solar power. Now that the nation's goals align perfectly with the course we have chosen in Michigan, we will seize this opportunity and use the national demand for renewable energy to increase the supply of good-paying jobs in Michigan.

In her State of the State address, the governor called on the Legislature to significantly increase Michigan's renewable energy goals to ensure that we can take advantage of this job-creating opportunity.

Governor Granholm has asked the Legislature to enact a bold but achievable new energy standard: **by the year 2020, we will reduce our use of imported fossil fuels for generating electricity by 45 percent.** Michigan will reach this goal by increasing our use of renewable energy sources, energy efficiency, and other new technologies.

Instead of spending nearly \$2 billion a year importing coal and natural gas from other states and other countries, we will use energy produced by wind turbines and solar panels manufactured in Michigan. And we will use far less energy thanks to Michigan-made energy efficiency products installed by Michigan workers.

To help meet this ambitious new standard, Governor Granholm has offered a series of job-creating proposals:

- **Increase Renewable Energy Use Through Entrepreneurship**

Under the governor's proposal, Michigan will become the first state in the nation to let utility customers become entrepreneurs – making money by installing solar panels or wind systems on their homes and selling renewable energy back to the power company at a fair, pre-set price. Every rooftop of every home, school, and business could house small, energy-generating systems, producing clean energy that could be sold back to the power company.

Michigan is rapidly becoming the new Silicon Valley for the production of solar base materials – the components that make up photo-voltaic, solar energy systems. Michigan companies like Dow Corning, Hemlock Semiconductor, United Solar Ovonic, and Evergreen Solar are increasing production and creating good jobs. Mariah Power and Cascade Swift Wind Turbine create residential-scale wind turbines and their components. With passage of this bill, we will create a powerful new market for all of these new energy systems made by Michigan workers in Michigan companies.

- **Put Michigan Utilities in the Energy Efficiency Business**

Governor Granholm has asked the Public Service Commission to get our utility companies into the energy efficiency business by making changes in how we set their rates. Instead of investing in new power plants, utilities will have the incentives they need to invest in the products and technologies that allow us to use less energy in our homes. From fuel-efficient furnaces to LED light bulbs, Michigan's utilities will invest in products and technologies that will lower bills for Michigan consumers and create more jobs for Michigan workers developing and installing this technology. Unlike the coal and natural gas we buy from other states and other countries, money spent on energy efficiency will produce tens of thousands of new jobs right here in Michigan.

As proof it can be done, our state government has already cut energy consumption by 23 percent since 2005, saving taxpayers \$60 million.

- **Create the Michigan Energy Corps**

Michigan's rigorous new energy standard will require all of us to save energy and to use cleaner, renewable sources of energy in our schools, businesses, and homes. To help us reach our goal, Governor Granholm will create the Michigan Energy Corps (MEC) – putting thousands of unemployed Michigan citizens back to work weatherizing homes, schools, and public buildings, and installing renewable energy technologies.

The MEC will provide an opportunity for re-employment of dislocated workers from construction and other trades and will also provide training for citizens looking to upgrade their skills or transition into new employment.

In the next year, the MEC will help weatherize more than 100,000 homes and install energy efficiency and renewable energy technology in 1,000 schools and other public and private buildings. The work of the MEC will help us decrease our demand for energy and increase the demand for energy efficiency and renewable energy products made by Michigan companies and Michigan workers.

- **Launch Michigan Saves**

Every house uses energy, and every homeowner can improve their home's energy efficiency. Together with the state's utility companies, Governor Granholm announced the new Michigan Saves program, a plan to help Michigan families weatherize their homes and install more efficient, renewable energy technologies. Michigan homeowners will save money while helping to expand the market for energy efficiency and renewable energy products and services.

How does it work?

Michigan Saves is a simple financing system. With no cost up front, utility customers can install new energy technology and efficiency products, including new windows, insulation, or furnaces while paying for their investment on their monthly utility bill. Utility bills will not increase as a result of Michigan Saves – customers will owe less every month than if they had never installed the energy-saving products. It's a classic win-win: Michigan families will reduce their energy consumption and save money on utility bills, and renewable energy providers and businesses will have a low-cost way to promote a growing, sustainable market for energy efficiency and renewable energy products and services.