

THE REINVENTION OF MICHIGAN CONTINUES.

2015 STATE OF THE STATE ADDRESS

GOVERNOR RICK SNYDER

ISSUE BRIEFING: ENERGY POLICY

OUR GOAL

- ▶ Michigan's energy policy needs to be set by Michiganders if our system is going to be adaptable and energy will be affordable, reliable, and environmentally protective. If we don't set our own policies here in Michigan, decisions will be made for us in Washington, D.C., and we won't like them. We need a state-driven plan to ensure we make enough power in the right places to keep the lights on.

WHERE WE STAND TODAY

- ▶ In the Upper Peninsula, when there was not a state-developed solution to a power plant retirement, the federal system put us on the road to endless dependence at unacceptable costs, and it took a tremendous amount of work to stop that. We worked collaboratively to ensure there are now a series of agreements in place that lay the groundwork for elimination of a costly utility rate payment for Upper Peninsula families and job providers, while providing the region with long-term, cost-effective energy reliability. Still today, we are having the same kind of problems develop in the Lower Peninsula.

NEXT STEPS: TAKING CONTROL OF OUR ENERGY FUTURE

- ▶ **Agency for Energy:** We need to take back control over our energy future for the sake of both peninsulas. As such, Governor Snyder is reorganizing his Administration to put under a single roof the key players in our energy policy in a new Agency for Energy, so we have the expertise we need to make decisions that are adaptable, affordable, reliable, and environmentally protective.
- ▶ **Special Message:** Governor Snyder will deliver a Special Message on energy in March. This year we need to take control over our energy policy so the federal government does not do it for us. We must be proactive and make sure our energy policy doesn't send people ping-ponging back and forth between agencies like Washington does.

GUIDING PRINCIPLES – POISED FOR SUCCESS

- ▶ We need to make sure that Michigan's reliability supports the just-in-time manufacturing that is key to the state's economy and the electricity in rural areas that powers our agricultural future. And we need to ensure affordability for everyone – residents and businesses.

But above all, our policies should play to Michigan's strengths. For instance, we have an especially good foundation for fuels of the future: natural gas and renewables. And we can achieve an enormous amount just by eliminating energy waste.

We have a robust and growing natural gas infrastructure (pipelines, supply, storage, homes using natural gas as a heating source). We achieved an aggressive renewable portfolio standard on time and at a lower cost than we expected.

Not only can we lower costs by reducing waste, we can grow Michigan. We have Pure Michigan Business Connect opportunities when it comes to reducing energy waste. We have companies that design, manufacture, and install products to make our businesses and homes more efficient, so Michigan has a supply chain already in place that will also benefit.