



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY  
LANSING



LIESL EICHLER CLARK  
DIRECTOR

**MICHIGAN COUNCIL ON CLIMATE SOLUTIONS MEETING**  
**Meeting Minutes**

Tuesday, September 28, 2021 – 3:00 to 5:00 p.m.  
Virtual Meeting via Microsoft Teams  
Find meeting information at [Michigan.gov/Climate](https://Michigan.gov/Climate)

**Attendees**

|                     |                         |
|---------------------|-------------------------|
| Niles Annelin       | Phyllis Meadows         |
| Frank Beaver        | Jonathan Overpeck       |
| Liesl Eichler Clark | Tanya Paslawski         |
| Mary Draves         | Cynthia Render-Williams |
| Kerry Duggan        | Joseph Rivet            |
| Rachel Eubanks      | Phillip Roos            |
| Meghan Groen        | Dan Scripps             |
| James Harrison      | Derrell Slaughter       |
| Judson Herzer       | Samuel Stolper          |
| Brandon Hofmeister  | Ron Voglewede           |
| Marnese Jackson     | Scott Whitcomb          |

**MEETING GOALS**

- Review and discuss recommendations from the Buildings and Housing Workgroup.

**Meeting Notes**

- **Welcome, Attendance (Liesl Clark, Director, EGLE)**
  - The meeting commenced at 3:00 p.m.
  - Attendance was taken.
  - Council members received the recommendation text ahead of the meeting. Members were asked to identify their top 3 recommendations, and provide feedback in the document on SharePoint.
- **Council Business (Liesl Clark, EGLE)**

- Derrell Slaughter moved and Mary Draves seconded a motion to approve the agenda. The agenda was approved unanimously by voice vote.
- Derrell Slaughter moved and Mary Draves seconded a motion to approve minutes from the August 24 council meeting. The minutes were approved unanimously by voice vote.
- Additional meeting dates:
  - Tuesday, 10/19, 1:00pm-3:00pm (new date)
  - Monday, 11/1, 1:00pm-3:00pm (new date)
  - Tues, 12/14, 3:00pm-5:00pm (in place of the 12/28 meeting)
  - Derrell Slaughter moved and James Harrison seconded the motion to approve. The new dates were approved unanimously by voice vote.
- Timeline:
  - Draft Healthy Climate Plan released in early January
  - Public comment beginning on January 14
  - Final plan delivered to Governor on March 14
  - Implementation phase will follow
- **Reminder of the Charge for the Workgroups (Liesl Clark, EGLE)**
  - Main question: What needs to happen by 2030 in order to meet the 2050 goal?
  - General workgroup process:
    - Phase 1: level setting
    - Phase 2: deliberation and decision making
    - Phase 3: reviewing recommendations
- **Overview by Workgroup Co-Chairs (Charlotte Jameson, Michigan Environmental Council & Karen Gould, Michigan Public Service Commission)**
  - Process:
    - 13 meetings with presentations from experts as well as open dialogue from stakeholders
    - Created outline of the recommendations and reviewed them with the group
  - Emissions from building have been trending up
  - Key solution buckets from RMI study:
    - Efficiency
    - Electrification
    - Grid interaction
    - Low carbon fuels and embodied carbon (this was picked up more in other workgroups)
  - Cutting direct emissions in half by 2030 in order to meet midcentury goals
  - Enhancing equity was a key consideration in crafting the recommendations

- Recommendations:
  - Energy efficiency was a top priority
    - Energy Efficiency can also enable or strengthen other recommendations
    - Ramp up current programs
  - Electrification features heavily in any roadmap for building decarbonization
    - Full electrification with a green grid would decarbonize the building sector
    - Problem of scale – requires the replacement of many individual appliances with long turnover windows
    - Focus on low-income and BIPOC residents
      - Don't want low-income communities to have to pay for an increasingly expensive gas system
      - BIPOC communities often deal with more health and safety issues relating to air quality
  - Near-term strategies:
    - Switching propane, electric resistance heat, and oil heat customers to efficient cold-climate heat pumps
    - Programs and funding for low income and BIPOC communities to electrify and focus on remediation of health and safety issues
    - Capitalize on equipment turnover window
  - New construction:
    - Update building codes for new construction
    - All electric construction can be economical now in certain areas
  - Funding and financing:
    - Utility on-bill financing programs
    - Michigan Saves financing programs
    - Governor and Legislative appropriations
    - Education on impact of increased efficiency
  - Workforce development
  - Building Energy Codes are currently in a process of being updated
  - Additional recommendations:
    - Energy benchmarking and building performance standards
    - Public health
    - Demand response programs
- **Council Discussion of Recommendations (on-screen notes taken)**
  - High Level Themes:

- Overlap across workgroups, and how the Council can make sense of those. Perhaps Greenlink Analytics can help with this.
- Lifting up the public health benefits of electrification/decarbonization measures.
  - There is an opportunity to align these benefits with the cost-benefits. This is important to keep in mind.
- Workforce opportunities, including diversifying the energy workforce
  - The workforce barrier – would like a goal related to the diversity of the workforce. Michigan could be a leader in this space.
- Broad interest in federal stimulus funds to support decarbonization
  - At a minimum, we need to leverage some of the American Rescue Plan dollars that have been allocated to the State of Michigan and local governments to drive down the cost of transition to electric appliances. What is missing is a clear plan and guidance for how to implement.
    - This overlaps with the workforce recommendations – the majority of this ARP money is going toward bill payments. If there is additional funding coming that can be used for electrification and weatherization we want to be prepared to use it.
- Ensuring that we're targeting the right goals with programs and policies (e.g., reducing emissions as opposed to just saving energy)
  - To the extent we are going to use an energy optimization standard toward a decarbonization standard, we need to think about how electrification will likely increase the amount of electricity sales which goes against EWR.
- Emphasis on education and outreach, including a focus on BIPOC and low income communities
  - Idea to separate item #6 - Education and outreach needs to be for everyone. I think a focus and prioritization on BIPOC and low-income communities is important enough as a stand-alone. With emphasis on obtaining the resources needed to contribute to this effort.
  - How do we communicate with all Michiganders and make sure the actions are feasible?
    - The importance of community engagement, especially in communities where there is not trust in the system. Need to think about how to overcome these barriers in the adoption of efficient/decarbonized technologies.

- Broad support for electrification, but also a concern raised about deciding on electrification as the only pathway before conducting the analysis.
      - Electrification might not be as easy as a push as people think – in a full electrification scenario there are real affordability concerns
      - Don't want to jump to the conclusion that full electrification is the primary solution for Michigan
      - Think we can still provide reliable and affordable energy while continuing to explore electrification
- Clarifying Questions:
  - What's the significance of the Minnesota ECO Act?
    - The ECO act is a good example of a recent bill that passed that updates Minnesota's energy efficiency standards to incorporate both energy savings and Greenhouse Gas emissions reductions.
    - Since it was a recent law in a neighboring state we thought it might serve as a good example for Michigan.
  - What is the Utility System Resource Cost Test?
    - Chosen by the legislation to see what utility programs are cost-effective. Measures what is a utility saving by running these programs. These savings will be passed onto customers.
  - What are the existing "incentives for fossil fuel appliances and equipment"?
    - Incentive examples for fossil fuel would be incentives for natural gas furnace, NG hot water heater, etc.
  - What are the top one or two recommendations in this section? How are we doing to implement these effectively? What was the affordability model that was taken into consideration?
    - It is such a complex topic that it is hard to pull out one or two recommendations – the goal is to increase EE, and this is how the workgroup saw to do that
    - We can learn more about beneficial electrification through studies and pilots
    - Utilities have increased their budgets for low-income programs, and while funding is an obstacle, utility programs are not the only option.
  - For EE, the goal is to cut emissions in half, what is the baseline for that?
    - This was analysis that was done by RMI for direct building emissions.
    - 50% from 2005 levels
  - For energy systems, as a roadmap did you consider low carbon fuels phase out?

- It was raised, but there was not time to dig deep. The energy production group looked closer at this topic
- What is the historical motivation for those fossil fuel appliance incentives? Affordability? It seems like we should remove those (as you recommend) and instead apply them to electric appliances, right?
  - The history goes back to PA 295 which requires both electric and natural gas utilities to reduce their load by 1% annually (electric) and 0.75% (natural gas). So that is the driver for the utilities. They will provide rebates to achieve those legislative goals. Staff and stakeholders are attempting to drive NG companies to move toward building shell measures.
- Do you have more information on the recommendation for a planning process for the gas distribution system?
  - Tried not to be too prescriptive on how to do this, but there are several other states looking at this that could be examples
  - The energy system group had a similar recommendation
- Appreciate the acknowledgement of the potential inequities of electrification – can we expand on the implications for public health?
- At any point, was there discussion of a health impact assessment at all levels?
  - There is one recommendation on public health
  - There are some pilots going on, this is something we are still learning about and is being considered in every recommendation and every workgroup
  - There is a clear impact of gas appliances on indoor air quality
  - Suggestion to lift up health benefits of electrifications in addition to the cost and Greenhouse Gas benefits
- In the areas where there is a recommendation for a study, do any of them have the opportunity to set benchmarks even if we don't have complete certainty?
  - The idea behind the studies is to help understand the cost implications of actions
  - Don't want to fall into the "analysis paralysis" – there were concerns about studying vs. action
  - There are some recommendations to start pilots which we can learn from as we go in addition to the studies
- Putting pressure on existing ways of doing things, are there opportunities to go bolder? If so, what are the roadblocks?
  - Some of the recommended studies will slow down the process. The idea behind the studies is to study the cost implications.

There was some push and pull in the work group on the pace of electrification. Thought of the workgroup was to make sure the studies can guide wise action and also begin taking action through pilots.

- Process question: What is the plan for modelling the GHG reductions and cost/benefit (economic, health, etc.) impacts for this workgroup's recommendations (as well as the other workgroups)?
  - Greenlink is looking at quantifying GHG and cost to make sure the public health, jobs, and economic development components are being looked at
  - Need some data to understand the implications of the recommendations
  - The Midcontinent States' Energy Collaborative is looking at GHG modeling from the power sector
- How specific will we get? Don't want this to become a thing that people read, but remain unclear on who will do what. Also, want to make sure that the philanthropic community is involved – foundations are an important stakeholder
  - The co-chairs have worked to identify who the actors are, but this is an important consideration
- Additional comments:
  - Current gas prices are low and fuel switching would likely move toward gas
  - Often, landlords have responsibility – need to ensure recommendations focus on renters and multifamily homes
    - The landlord issue has come up often and is touched on in the energy efficiency and building code recommendation
    - It will be important to education building and homeowners
  - Creating programs to lower the cost-curve of electrification is a top priority and provides a big bang for the buck
    - This includes innovation to bring down the cost of labor and equipment
    - Opportunity to reduce rules that optimize something else at the expense of CO2
  - Thought there would be more on appliances specifically – using federal stimulus money.
  - Demand response can enable the efficient and cost-effective operation of the energy system
  - It would be beneficial for Michigan to do a decarbonizing natural gas study – there is a lot that can be learned from that

- Conversation in the chat about ARP funding
    - Can work project money for about four years, need to think about the longevity of funding
    - Focus on effective and efficient use of ARP funding – learn from ARRA funding
  - Seems like there is a lot of opportunity to remove red tape. Reducing those legal barriers seems important.
  - From an equity perspective it would seem reasonable to prioritize electrification for low-income family owners in urban settings. We will also need to steadily monitor our progress and the extent to which BIPOC communities have access to and are obtaining electrification resources as a health improvement option - especially given the health disparities.
  - So it sounds like those natural gas appliances have been more energy efficient than the alternatives historically and that's why we might have wanted to subsidize them. Good to know. Incentivizing switching from say oil to natural gas does seem like a good thing in a vacuum, but I personally think better to apply those subsidies to electric appliances now.
    - Response: Unfortunately, the electric companies cannot incentive a customer to “add load” by electrifying a NG customer, a propane customer, etc.
  - Another consideration must be given to the lack of funding for workforce development in the weatherization area. The current weatherization programs are often unable to meet their spending goals because of the lack of workforce. DHHS will be receiving ARP money that will go unspent because of the lack of contractors.
    - In lieu of not having enough folks to do the weatherization and electrification work, I wonder if some of this funding can go towards addressing this workforce shortage.
- **Next Steps (Liesl Clark, EGLE)**
  - The next meeting is October 19 from 1 p.m. - 3 p.m.
  - Meeting materials and recordings are available at [Michigan.gov/climate](https://www.michigan.gov/climate).
- **Adjournment**
  - The meeting adjourned at 5:00 p.m.

**\*Approved at October 19, 2021, Council on Climate Solutions meeting.\***