



Date: February 27, 2023

To: Michigan Public Service Commission
Cc: Chair Dan Scripps
Commissioner Tremaine Phillips
Commissioner Katherine Peretick
Lynn Beck
Brad Banks
Re: Consumers Energy Proposals to Low Carbon Energy Infrastructure Grant Program

Thank you for the opportunity to provide written these comments on Consumers Energy’s renewable natural gas proposals to the Low Carbon Energy Infrastructure Grant Program (the “Program”), on behalf of Natural Resources Defense Council, Strategen, Sierra Club, Michigan Environmental Council, Michigan Food for All and the Earth Project, and J Koepfel Consulting LLC.

Consumers Energy (the “Company”) has submitted four Low Carbon Energy Infrastructure Enhancement and Development Program (the “Program”) grant proposals to build and operate four renewable natural gas (RNG) facilities in Michigan and connect new customers to its gas distribution system.¹ In total, Consumers Energy is seeking more than \$29 million in taxpayer funding to develop these projects. Although RNG may play a niche role in decarbonizing certain sectors of the economy, it is unlikely to be a leading strategy for achieving significant emissions reductions from the building sector. The state has a very limited supply of RNG, which should be directed towards decarbonizing hard-to-electrify sectors of the economy, such as industrial processes. Yet, the Company’s proposal to connect households along the route from RNG facilities to the gas distribution system contradicts the goal to use these taxpayer funds to reduce emissions. Furthermore, based on the Company’s proposals and most recent rate case filing, it is not clear that the utility would even maintain the environmental attributes associated with the RNG production to claim any emissions reductions. We also observe that the Program would have been a great opportunity for Consumers Energy to propose a residential and small business electrification program, which is a known, cost-effective strategy capable of achieving significant emissions reductions. Unfortunately, the Company has instead opted to focus taxpayer funds on strategies

¹ https://mpsc_grantproposals.apps.lara.state.mi.us/.

that will increase the Company's rate base but have only limited, at best, effectiveness in reducing emissions from the gas distribution system. At worst, as described in these comments, the Company's proposal could prove counter-productive over the long-term.

In our comments below, we discuss how Consumers Energy's RNG proposals are inconsistent with the criteria identified in the Program. We also outline our proposal that the Company use this opportunity instead to propose an electrification program to achieve more meaningful, cost-effective emissions reductions that will help the state achieve its emissions reduction goals.

I. Grant Criteria and Legislative Intent

The Legislature established the Low Carbon Energy Infrastructure Grant Program "for the purposes of planning, developing, designing, acquiring, or constructing low carbon energy facilities."² According to the MPSC's evaluation guidelines, grant proposals will be awarded up to 100 available points, with the highest weighting assigned to "Program Priorities and Impact" such that prioritized proposals:

- Are supported by a cost-benefit analysis,
- Facilitate the largest number of end-use customers achieving access to low carbon energy facilities at the lowest total cost,
- Reduce customer energy cost burdens, and
- Support the reduction of emissions.

We understand that the Legislature intended to award grants to projects that have the highest impact reducing emissions and energy burdens at the lowest cost for the most people. The use of the superlative "lowest" suggests that the Legislature intended proposals to be cost effective in reducing emissions *relative to alternatives*. Given that gas distribution infrastructure typically has a lifespan of up to several decades, we believe that the Legislature intended to fund projects with *lasting impacts* such that investments remain cost-effective *well into the lifespan of the infrastructure, even amid rapid technological advancements*. It is thus important to evaluate a proposal's cost effectiveness in reducing emissions not only relative to the status quo in the short-term, but over a multi-decade horizon and relative to alternatives, including expected technological advancements and evolving market dynamics. Our comments evaluate Consumers' grant proposals according to the above criteria while reflecting these considerations.

II. Evaluation of Consumers Energy's Proposals

RNG is a relatively scarce resource that can be a highly valuable decarbonization tool when applied to appropriate use cases, such as industrial processes where few alternative approaches to decarbonization are feasible. In their recent RNG inventory study, the MPSC found that RNG

² <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/activity/EIED-Grant/Low-Carbon-EIED-Grant-RFP.pdf>.

could cost-effectively only replace about 8.5 percent of residential, commercial, and industrial gas use in the state.³ As we explain later in our comments, this already limited opportunity overstates RNG's ability in practice to offset gas distribution utilities' emissions.

The available inventory of RNG in Michigan is simply insufficient to offset the supply that gas utilities must procure to serve homes and businesses in the quantities necessary for meaningful emissions reductions. Yet, Consumers Energy is proposing to use this limited resource in its gas distribution system, locking customers for decades into an expanded gas distribution system that is not decarbonizing to any meaningful degree. In essence, the Company proposes to spend substantial taxpayer dollars on a dead-end: even if the Company achieves marginal emissions reductions by blending RNG with fossil gas into its distribution system, the industrial sector will have lost one of the few resources capable of decarbonizing industrial processes.

Moreover, it is not clear that Consumers Energy's proposals to invest in RNG production facilities will reduce any emissions. The grant proposals do not specify what will happen to the environmental attributes associated with the production of RNG. This is a worrying omission, especially given that in its most recent rate case, the Company proposed to sell (rather than retain) the environmental attributes associated with an RNG facility.⁴ If the utility sells the environmental attributes associated with the RNG, then they would be selling the rights to claim emissions offsets. In short, taxpayers would subsidize expensive projects would amount to little more than an accounting exercise for moving environmental attributes around to various market players, including to those outside of Michigan.

a. The Company's proposals do not facilitate large numbers of end-use customers in achieving access to low carbon energy facilities at the lowest total cost.

In order to contextualize the cost of the project, it is useful to translate the proposal into a consistent "dollars per household" format. Due to the physical properties of gas, the Company is not able to restrict RNG delivery to a specific number of households served. However, the Company has translated the projected volume of RNG delivered into an equivalent number of households served, assuming that those households consumed gas comprised entirely of RNG. The table below indicates that the cost of the project is quite high.

³ <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/workgroups/RenewableNaturalGas/MI-RNG-Study-Final-Report-9-23-22.pdf?rev=213e31ab46c24ce1b799eeb8a42f0824&hash=5B8C2CEB98C8F8F20C7D65F4C4153CE1>.

⁴ Docket U-21148, Direct Testimony of Neal P. Dreisig, p. 18, lines 10-11.

Table 1: RNG Facility Cost per Household

Project	Equivalent # of Homes	Cost	Cost/Home
Wilson Centennial Farms	567	\$9.00M	\$15.9k
Spring Creek Farm	787	\$7.04M	\$8.9k
Swisslane Centennial Farms	689	\$6.26M	\$9.1k
TDI Centennial Farms	553	\$5.99M	\$10.8k
Total	2,596	\$28.29M	\$10.9k

The budgets for the Company’s proposals appear to include only requested grant funds from taxpayers rather than full project costs. Thus, it is difficult to quantify the full cost of the project.

For example, in addition to the Company’s RNG proposals, the Company also proposes connecting new customers to the gas system. The total cost of this component of the program remains unclear. Expanding the Company’s gas system may require funding from customers or from the Company’s Customer Attachment Program to cover the line extensions or gas appliance upgrades. While not included in the budget, the Company assumes that new customers would be responsible for installing a gas furnace, which the Company estimates to be approximately \$3k with annual O&M costs of \$1.1k.⁵

Regardless, Table 1 indicates that the project is expensive, even if underestimated. Given that, as explained below, the proposals would have minimal (if any) impact on emissions relative to alternative approaches, substantial taxpayer investment in the project has not been justified.

b. The Company’s proposals would have limited impact on emissions relative to alternatives.

There are several problems with the Company’s proposals that limit their effectiveness as a meaningful solution to decarbonization: 1) the limited supply of RNG limits the potential of this resource to serve as a meaningful solution for gas utility decarbonization, 2) the potential to double count environmental attributes, 3) continued public health impacts, and 4) the proposal to invest in RNG while also expanding the gas distribution system.

i. Michigan has a Limited Supply of RNG

RNG is a scarce and valuable resource that could play an important role for decarbonizing hard-to-electrify sectors such as industrial processes. According to a 2022 ICF report on Michigan RNG supply, the state has an “achievable potential” of 8.5 percent of Michigan’s annual natural

⁵ See, e.g., Consumers Energy Proposal for Renewable Natural Gas Project at Wilson Centennial Farms at 9

gas use for the residential, commercial, and industrial sectors.⁶ Even this modest estimate likely overstates the quantity of RNG that will be available to Michigan for use in the buildings sector. The RNG Study did not account for competing demands for RNG across different sectors and states, such as demand for Michigan’s RNG to satisfy the Federal Renewable Fuel Standard and the California and Oregon Low Carbon Fuel Standards transportation programs. Due to federal and state policies, a significant amount of RNG is currently used in the transportation sector to meet the aforementioned transportation emissions reduction programs.⁷ As more sectors of the economy look to decarbonize, RNG will also be in demand in industrial processes and other hard-to-electrify industries.

ii. Electrification is a Clean, Abundant Alternative

Conversely, electrifying buildings is already a cost-effective and widely available decarbonization strategy. As a dual provider of both gas and electricity, it would have been prudent for Consumers Energy to submit an electrification project to this Program as a cost-effective, decarbonization solution. Michigan’s electric grid has been decarbonizing over the last decade. In 2021, over 40% of electricity generated in Michigan came from carbon-free energy sources such as renewables and nuclear.⁸ Moreover, the grid is expected to become even cleaner over the next two decades. Several electric utilities have announced plans to decarbonize their electric grids – including Consumers Energy’s electric company, which recently proposed plans to generate electricity that is coal-free by 2025 and 90% clean by 2040.⁹ In addition, Michigan Governor Whitmer has called for a 60% renewable electricity generation by 2030 and economy-wide carbon neutrality by 2050 in the state’s MI Healthy Climate Plan.¹⁰

It would be counterproductive and costly to use the state’s limited RNG supply to achieve, at best, marginal emissions reductions. Such an approach wastes the emissions reduction potential of RNG. Fortunately, it is possible to decarbonize industrial processes and buildings by reserving RNG (what remains that is not already being leverage in other sectors, like transportation) for the former and applying strategic electrification to the latter.

iii. Potential for Double Counting of Environmental Attributes

Consumers Energy’s proposals do not state whether the Company intends to retain the environmental attributes associated with the production of RNG, or sell them in carbon markets, such as the federal renewable fuel standard and California’s and Oregon’s Low Carbon Fuel

⁶ <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/workgroups/RenewableNaturalGas/MI-RNG-Study-Final-Report-9-23-22.pdf?rev=213e31ab46c24ce1b799eeb8a42f0824&hash=5B8C2CEB98C8F8F20C7D65F4C4153CE1>.

⁷ <https://www.act-news.com/news/rng-as-transportation-fuel-on-road-volume-grows-to-39/>.

⁸ <https://www.eia.gov/state/?sid=MI#tabs-4>.

⁹ <https://www.consumersenergy.com/news-releases/news-release-details/2021/06/23/consumers-energy-announces-plan-to-end-coal-use-by-2025-lead-michigans-clean-energy-transformation>.

¹⁰ <https://www.michigan.gov/egle/-/media/Project/Websites/egle/Documents/Offices/OCE/MI-Healthy-Climate-Plan.pdf>.

Standard (LCFS) programs. This is an alarming omission, especially in light of Consumers Energy’s most recent RNG filing. In its 2022 rate case, Consumer Energy included a proposal to build and operate a RNG facility, but intended to sell all the environmental attributes associated with the RNG production.¹¹ A basic premise of emission trading schemes is that an entity cannot both sell the environmental attribute to another party *and* also claim that same RNG is providing environmental benefits in its own territory. To do otherwise amounts to double counting, as the sale of the environmental attribute allows another party to pollute and claim its action as emissions-free. If the Company were to sell the environmental attributes, neither the company, its customer, nor taxpayers would realize the environmental benefits of converting from conventional gas to RNG—again calling into question the long-term emissions benefits of the Company’s proposal.

ii. Public Health Impacts

Although the Company claims that some RNG pollutants would be eliminated as part of the digester’s installation, even after this process, RNG continues (like conventional gas), to have negative public health impacts. For example, the Company’s proposals do not attempt to quantify how it would curb emissions of sulfur dioxide or volatile organic compounds (VOCs). In addition, in contrast to electrification, the Company’s proposals would infuse a small amount of RNG into its system comprised primarily of conventional gas, which continues to include several harmful pollutants often released alongside methane. While there are a variety of factors that influence indoor air quality, with ventilation being a chief factor, there is a growing body of research suggesting that homes with gas appliances can experience elevated levels of nitrogen dioxide and carbon monoxide.¹² Multiple studies have found that gas appliances are associated with high concentrations of these pollutants in homes – often higher than what the U.S. Environmental Protection Agency considers safe for outdoor air.¹³ Unsurprisingly, a growing body of research has found that gas-burning appliances in our homes harm human health, especially for children. Adding to these health concerns are the climate impacts of methane use in homes; a recent Stanford University study found that appliances such as gas stoves emit up to 1.3% of the gas they use as unburned methane, which has an annual emissions impact nationwide similar to that of approximately 500,000 gasoline powered cars.¹⁴

¹¹ See, U-21148, Direct Testimony of Neal P. Dreisig (December 2021) at 18

¹² Yifang Zhu, Rachel Connolly, Yan Lin, Timothy Mathews, Zemin Wang, “Effects of Residential Gas Appliances on Indoor and Outdoor Air Quality and Public Health in California,” UCLA Fielding School of Public Health, Department of Environmental Health Sciences, April 2020, available at: coeh.ph.ucla.edu/effects-of-residential-gas-appliances-on-indoor-and-outdoor-air-quality-and-public-health-in-california.

¹³ See, e.g., <https://www.sciencedirect.com/science/article/abs/pii/S036013231730255X>;
<https://eta.lbl.gov/publications/impact-natural-gas-appliances>.

¹⁴ Eric D. Lebel, Colin J. Finnegan, Zutao Ouyang, and Robert B. Jackson, “Methane and NOx Emissions from Natural Gas Stoves, Cooktops, and Ovens in Residential Homes,” *Environ. Sci. Technol.* (2022) 56 (4), 2529-2539 DOI: 10.1021/, available at [acs.est.1c04707](https://pubs.acs.org/doi/10.1021/acs.est.1c04707), available at pubs.acs.org/doi/10.1021/acs.est.1c04707.

iii. Gas System Expansion

The Company proposes to invest in RNG while simultaneously connecting new customers to its system. The Company frames its proposal as a cleaner alternative to propane, neglecting to mention that electrification is much cleaner than both options.

When new customers are added to the gas system, they are typically locked into the system for the life of their appliance, which can average 18 years for gas furnaces and 10-20 years for gas water heaters.¹⁵ Michiganders as a whole are locked into costs that span decades, as gas distribution pipelines often have useful lives of 30 – 50 years. As far as emissions reductions are concerned, being locked into the gas system will become an increasing liability over this lifespan as decarbonization of the electric grid accelerates.

In 2022, CMS Energy and Consumers Energy pledged to achieve net zero greenhouse gas emissions from the Company's entire natural gas production and delivery system, including customers and suppliers, by 2050. In its press release, the Company wrote, "achieving net zero emissions means eliminating the impact of emissions traced to the burning of natural gas by customers and greenhouse gas emissions caused by natural gas suppliers who produce and transport natural gas to Consumers Energy's system."¹⁶ Given RNG supply constraints, and the limited technical capabilities of "green" hydrogen to be blended into the gas distribution system, we are skeptical that it will be feasible to achieve net greenhouse gas neutrality across the Company's entire gas system without a substantial role for electrification. Consumers Energy agrees – its own net zero emissions goal identified electric heat pumps as a pathway for decarbonization.¹⁷ Yet their proposals to this Program neglect to include any opportunity for exploring building electrification as a decarbonization strategy.

c. The Company's proposals risk increasing energy burden over the long-term.

The Company calculates the monetary benefit of the project to customers as the difference between the future average carbon market price for RNG and the project-specific cost of RNG production, which the Company claims is significantly lower than the typical market price for RNG. This is a highly misleading measure of customer benefit. The Company's definition of monetary benefit to customers relies on the assumption that every captive customer served by the Company's RNG proposal is demanding access to RNG. This is not a reasonable assumption nor is it capturing the correct metric. A more appropriate method of evaluating the costs and benefits of the project would be to look at the cost of reducing emissions relative to *alternatives*.

¹⁵ Consumer Reports News, "By the Numbers: How long will your appliances last? It depends" (Mar. 21, 2009), www.consumerreports.org/cro/news/2009/03/by-the-numbers-how-long-will-your-appliances-last-it-depends/index.htm.

¹⁶ See <https://www.cmsenergy.com/investor-relations/news-releases/news-release-details/2022/CMS-Energy-to-Combat-Climate-Change-by-Achieving-Net-Zero-Greenhouse-Gas-Emissions-from-Entire-Natural-Gas-System-by-2050/default.aspx>

¹⁷ <https://www.consumersenergy.com/news-releases/news-release-details/2022/03/30/13/14/cms-energy-to-achieve-net-zero-greenhouse-gas-emissions-from-natural-gas-system-by-2050>.

More importantly, the Company's RNG proposals do not attempt to address how they will reduce energy burden, per Program requirements. Evaluating the impact of the Company's proposals on energy burden would require information on how the Company's proposals would affect rates – information which the Company has not provided. Because RNG is typically more expensive than conventional gas and requires substantial new infrastructure investment, we would expect the Company's proposals to create upward rate pressure rather than reduce energy burden. In the Company's last rate case, for example, they proposed to construct a new RNG facility that would produce RNG at a forecast cost of \$58.39/Dth in 2024 and above \$50/Dth until at least 2030.¹⁸ This figure is nearly nine times the current spot price of gas, which has averaged \$5.73/Dth since 2022 at Consumers Citygate – an already high cost of gas given inflation over the previous year.¹⁹ There is thus every expectation that the project will increase rates, and thus energy burden.

In regard to the Company's line extension proposals, the Company focuses on connecting customers to a fuel source that it claims is cheaper than those customers' existing heating source, propane. We encourage the Commission to take a long-term and holistic view of costs as well as the associated risks of investments. For example, Consumers' cost analysis is only focused on the comparison of commodity costs, but does not include the costs and risks associated with an expanded distribution system. The Company's proposals to use state money to add connections to the gas system is a risky prospect for captive customers, especially those with limited resources. The trend towards electric buildings is picking up pace. There is growing concern that, as more and more consumers switch to electric appliances, low income and vulnerable consumers will be stuck with higher bills that reflect an increasingly expensive gas system.

In 2022, more Americans bought heat pumps than traditional fossil-fuel furnaces.²⁰ Cold weather states like Maine are leading the adoption of electric heat pumps.²¹ This trend is likely to accelerate with the passage of the Inflation Reduction Act, which includes hundreds of millions of dollars to help consumers make the switch to electric appliances. As gas customers opt to take advantage of the improved economics of electrification, there is a risk that their departure will increase gas rates for remaining customers, and that those most unable to afford electrification will be saddled with ever increasing gas bills, a dynamic that would only be exacerbated by gas expansions.

When customers defect from the gas system over the coming years due to the improved economics of electrification – or due to the passage of legally binding decarbonization policies, or the growing market and availability of electric appliances – gas sales revenues will decrease, but fixed costs will remain level. Fixed costs may even increase if the Company is permitted to expand its infrastructure. This will result in increased costs for remaining customers including low-income residents and renters as stranded assets are recovered through rates. It is important to note that increased rates will occur under such conditions whether a customer fully departs from the gas

¹⁸ U-21148, Consumers Energy Response to MNS-CE-0254, cited in, Direct Testimony of Bradley Cebulko submitted on behalf of NRDC (April 8, 2022) at 8.

¹⁹ Analysis based on S&P Global data.

²⁰ <https://www.nbcnews.com/science/environment/cheap-green-heat-pumps-take-hold-world-rcna70496>.

²¹ <https://www.washingtonpost.com/climate-environment/2023/02/07/maine-gas-industry-heat-pumps/>.

system (fuel switching) or remains on the gas system but consumes decreasing volumes of gas due to more efficient appliances, conservation, or partial electrification.

Expansion of the gas system presents an asymmetrical risk. The Company will rate base the capex associated with system expansion where it will earn a return on its investment throughout its depreciable life. If gas sales decline and gas infrastructure that was built today does not make sense in 20-30 years, those costs will most likely be assigned to customers.

The issue before the Commission is not only whether gas would reduce energy burden in the short-term, but whether it will continue to do so over the course of the multi-decade lifetime of the infrastructure. As electrification becomes increasingly cost competitive, there is a growing risk that the customers least able to afford electrification will become locked into an increasingly costly system that they cannot afford.

In its proposal, the Company’s short-term focus on gas commodity costs relative to propane neglects the fact that electrification is not only likely to be the cheaper option today, but is poised to become increasingly cost competitive over the coming years. A 2020 RMI report compared the net present costs of “a new all-electric home versus a new mixed-fuel home that relies on gas for cooking, space heating, and water heating” in several major cities across the country, including in colder climates in the Midwest and Northeast, finding that all-electric homes were the cheaper option in every instance.²² Although Michigan cities were not included in the study, the table below presents RMI’s findings in cold climates, including Boston, Columbus, Minneapolis, and New York City. According to the report, a mixed-fuel home has higher up-front costs than an all-electric home in every state other than Minneapolis, where the “climate requires a higher capacity heat pump than other cities in the study.”²³ However, these costs are outweighed by 9% lower annual utility costs in Minneapolis – savings which are largely due to the substantially higher efficiency of heat pumps in comparison to gas appliances.²⁴

Table 2: RMI's Study on Cost of Electrification Relative to Mixed Fuel Homes

City	15-Year Net Present Cost, Mixed Fuel Home	15-Year Net Present Cost, All Electric Home	Savings
Boston, MA	\$29.5k	\$27.9k	\$1.6k
Columbus, OH	\$21.6k	\$17.7k	\$3.9k
Minneapolis, MN	\$22.1k	\$20.2k	\$1.9k
New York City, NY	\$34.5k	\$27.7k	\$6.8k

²² Claire McKenna, Amar Shah, and Leah Louis-Prescott, “The New Economics of Electrifying Buildings: An Analysis of Seven Cities,” Rocky Mountain Institute (RMI) (2020), <https://rmi.org/insight/the-new-economics-of-electrifying-buildings/>.

²³ *Id.*

²⁴ *Id.*; See also Claire McKenna, Amar Shah, Leah Louis-Prescott, “All-Electric New Homes: A Win for the Climate and the Economy,” Rocky Mountain Institute (RMI) (October 15, 2020), available at rmi.org/all-electric-new-homes-a-win-for-the-climate-and-the-economy; Claire McKenna, Amar Shah, and Mark Silberg, “It’s Time to Incentivize Residential Heat Pumps,” Rocky Mountain Institute (RMI) (June 8, 2020), available at rmi.org/its-time-to-incentivize-residential-heatpumps/.

It is notable that this study was published in 2020, well before gas prices had reached their current high levels and prior to the passage of the Inflation Reduction Act. This suggests that if recent price volatility (and longer-term trends) were taken into account, the cost savings associated with electrification could be substantially higher.

d. The Company's Cost Benefit Analysis ignores these realities.

The Company's cost-benefit analysis includes flaws on both the benefit and cost side of the equation. As stated above, the RNG benefit to customers assumes unreasonably that all captive customers desire access to RNG and is not an appropriate measure of energy burden, which the Program guidelines identify as a key criterion. It is also possible, although not certain due to the ambiguity in the Company's proposals, that it intends to double count emission reduction benefits by selling the environmental attributes associated with the RNG production. On the cost side of the equation, the Company has not explored how customers' energy burdens would increase as its expensive RNG projects are absorbed by rates.

In addition, even under the Company's unreasonable assumptions, the Wilson Centennial RNG project yields a benefit cost ratio of 0.81 under the Total Resource Cost (TRC) Test, indicating that the project is not cost effective from a TRC perspective. The project relies on the Company's line extension proposal to yield net benefits – however, the Company's CBA calculation for its line extension project also relies on assumptions that may be unreasonable. For example, the Company assumes that all projected customers capable of being served by the line extension proposal will actually be served, even though conversion to gas requires substantial contributions from the customer. If enrollments turn out to be lower than anticipated, then the project would yield a lower benefit cost ratio. In addition, the Company's CBA for its line extension proposal assumes that customers will use propane indefinitely and will not electrify – even though electrification is a much cleaner alternative, which the Company's line extension proposal would disincentivize.

Finally, we encourage the Commission to evaluate the Company's CBA in context. Even if the Company's CBA was remedied and showed net benefits, the benefits for this project must be weighed against the facts that one of the few resources available for decarbonizing industrial processes would no longer be available, that there are substantial limitations on the ability of Consumers' to decarbonize its gas system, and that investment in electrification would present far greater emissions reduction potential given a rapidly decarbonizing electric grid and the long lifespan of infrastructure investments.

Conclusion

The Company's proposals should be rejected. It is not reasonable to spend substantial taxpayer dollars on a scarce resource that has more appropriate use cases in a different sector, lock customers into a system with limited emissions reduction potential for decades to come and

increase energy burden for consumers—especially as more cost-effective alternatives like electrification are available and ready to be deployed.