



CLEAN ENERGY PACKAGE

Michigan EIBC's mission is to grow Michigan's **advanced energy economy** by fostering opportunities for **innovation** and **business growth** and offering a unified voice in creating a business-friendly environment for the advanced energy industry in Michigan.



Leadership Council



Life Is On



Members



Members



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- VARNUM ATTORNEYS AT LAW
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- VELOCITY PARTNERS
- VESCO OIL CORPORATION
- Warner
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- WINDEMULLER Partners in your success
- WT SOLUTIONS
- Zausmer

The MI Healthy Climate Plan



Mitigate the worst impacts of climate change



Spur economic development and create good-paying jobs



Capture economic development and create good-paying jobs



Protect and improve the health of Michiganders

OBJECTIVES OF THE MI HEALTHY CLIMATE PLAN



Position Michigan as a leader in climate action



Protect our natural resources and wildlife



Make Michigan energy independent



Address environmental injustices

action
leader in climate

wildlife
resources and

independent

injustices

The package at a glance

In November 2023, Governor Gretchen Whitmer signed the Clean Energy Future package and the Clean Energy and Jobs Act, overdelivering on her “What’s Next Address” commitments.

Final package:

- SB 271, Sen. Geiss (D-Taylor), set a 100% clean energy standard by 2040.
- SB 273, Sen. Singh (D-East Lansing), enhanced energy efficiency programs.
- SB 502, Sen. Shink (D-Northfield Twp), expanded the scope of the MPSC, allowing consideration of affordability, environmental justice, and climate.
- SB 591, Sen. Singh (D-East Lansing), created the Office of Community and Worker Economic Transition within the Department of Labor and Economic Opportunity.
- HB 5120-21, Rep. Aiyash (D-Hamtramck) and Rep. Puri (D-Canton), streamlined processes to deploy renewable projects.

2023 Clean Energy Law Major Changes

ISSUE	PREVIOUS LAW	NEW LAW
Clean Energy Standard	N/A	100% clean by 2040; 80% by 2035.
Renewable Portfolio Standard	15% by 2021 (already met)	50% by 2030; 60% by 2035.
Energy Storage Standard	N/A	2,500 MW by 2030; requires long-duration storage study.
Distributed Generation Cap	1% of peak load; divided 50% <20kW; 25% for 20-150kW; 25% for 150-550kW (digesters only).	10% of peak load; split for <20kW at least 50%; 50% for >20kW-110% of annual load (no carve out for digesters).
EWR Standard	1% for electric; 0.75% for gas. Municipal and co-ops exempted.	1.5% for electric; 0.85% for gas. Target of 2% for electric. Municipal and co-op utilities not exempt.
Minimum Spend for Low-Income EWR	N/A	Ramp to 25%/35% of electric/gas EWR spending on low-income programs.
Allowances for Electrification	Not allowed.	Allows for efficient electrification plans; incents whole-home efficiency measures; requires electrification potential studies.
MPSC Scope and Considerations	Does not allow MPSC to consider climate or environmental justice. No requirements on labor standards.	Requires findings that IRP promote public health with a priority on EJ communities; allows commission to consider climate change and affordability; adds labor standards to IRP and siting cases.
Wind/Solar/Storage Siting	N/A	Creates a state siting process at the MPSC if local ordinances do not allow projects to proceed.

Impact

Makes Michigan a Top 5 State in Clean Energy Leadership. Michigan's 100% clean energy standard by 2040 (and 80% by 2035) will surge the state into national leadership and make Michigan the strongest state on clean energy policy in the Midwest.

Allows for Historic Increases in Renewable Energy. Michigan's 50% renewable energy standard by 2030 and 60% by 2035 will increase renewables by nearly 4x in 10 years. These bills also establish a new energy storage standard of 2,500MW. Additionally, this package streamlines the siting process for large-scale wind, solar, and storage projects while supporting communities that host projects.

Includes Real Progress on Rooftop Solar. The package expands the number of families and businesses able to generate electricity with rooftop solar and distributed generation (DG). Current statute allows for a 1% cap on DG. While many utilities have increased beyond the 1% cap, this enshrines a 10% requirement into law.

Lowers Costs with Enhanced Waste Reduction. Michigan is a top 3 state for utility energy waste reduction (EWR) programs, and this package builds on that leadership by increasing our electric EWR standard to 1.5% and a goal of 2% (with increases for gas utilities as well). It also require EWR standards for municipal and cooperative utilities, which sunset years ago. Additionally, it creates opportunities for electrification and whole-home improvements, and require minimum spending levels for low-income families.

Impact cont.

Centers Environmental Justice in Decision Making. For the first time, these bills allows the MPSC to consider climate, EJ, and non-discrimination in their decision-making around long-term utility plans, expanding their toolbox to ensure equitable implementation of clean energy laws. The bills also expands public engagement and opportunities for residential ratepayer voices to be heard in MPSC proceedings.

Adopts Some of the Nation's Strongest Labor Standards for Clean Energy Workers. These bills allow the MPSC to prioritize worker benefits in long-term utility plans and siting cases, including the requirement of paying prevailing wage, entering into project labor agreements, and utilizing union apprenticeships. The bills encourage diverse workforce development and hiring from EJ and low-income communities for EWR programs. They also create an Office of Worker and Community Economic Transition to uplift workers and communities during the ongoing energy and transportation transition.



Health and Economic Impacts

SCENARIO	FEDERAL POLICY ONLY	FEDERAL + STATE POLICY
2035: avoided premature mortality (lives)	121	322
2050: avoided premature mortality (lives)	239	986
2035: monetized benefit from avoided premature mortality (\$)	\$1,025,030,000	\$2,721,040,000
2050: monetized benefit from avoided premature mortality (\$)	\$2,019,580,000	\$8,324,780,000
2035: percent change in GDP	0.82%	2.42%
2050: percent change in GDP	1.43%	2.51%
2035: total job-years added	38,057	123,198
2050: total job-years added	79,175	158,260
2024-2032: total federal tax credits/grants/rebates in Michigan in the power sector (\$)	\$4,661,922,390	\$9,930,679,935
2024-2050: total federal tax credits/grants/rebates in Michigan in the power sector (\$)	\$6,883,083,500	\$14,692,447,215

Electricity Rate Impact

YEAR	FEDERAL + STATE POLICY (\$/kWh)	NO POLICY SCENARIO (\$/kWh)	DIFFERENCE (\$/kWh)
2025	\$0.0813	\$0.0830	-\$0.0021
2030	\$0.0690	\$0.074	-\$0.0047

YEAR	FEDERAL POLICY ONLY (\$/kWh)	NO POLICY SCENARIO (\$/kWh)	DIFFERENCE (\$/kWh)
2025	\$0.082	\$0.0830	-\$0.0012
2030	\$0.071	\$0.074	-\$0.0027

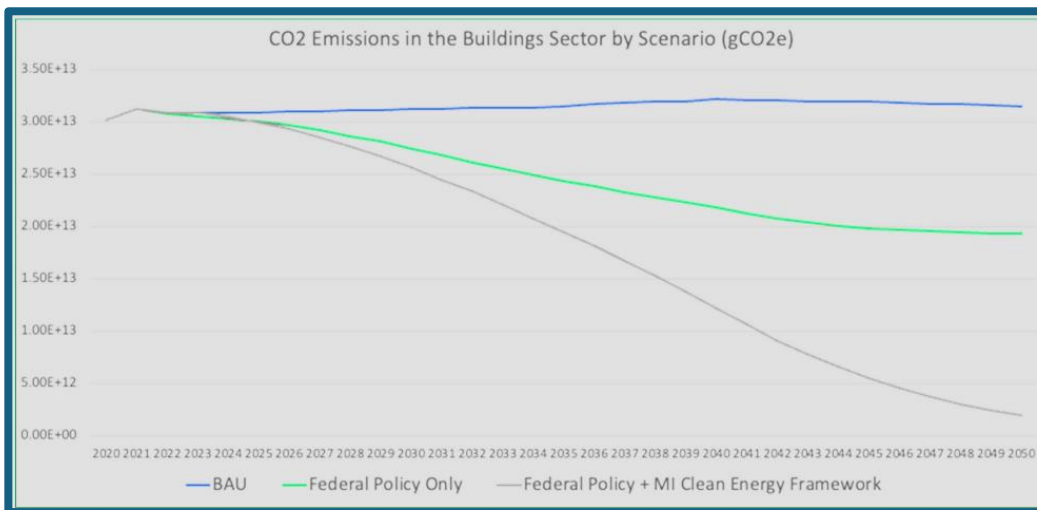
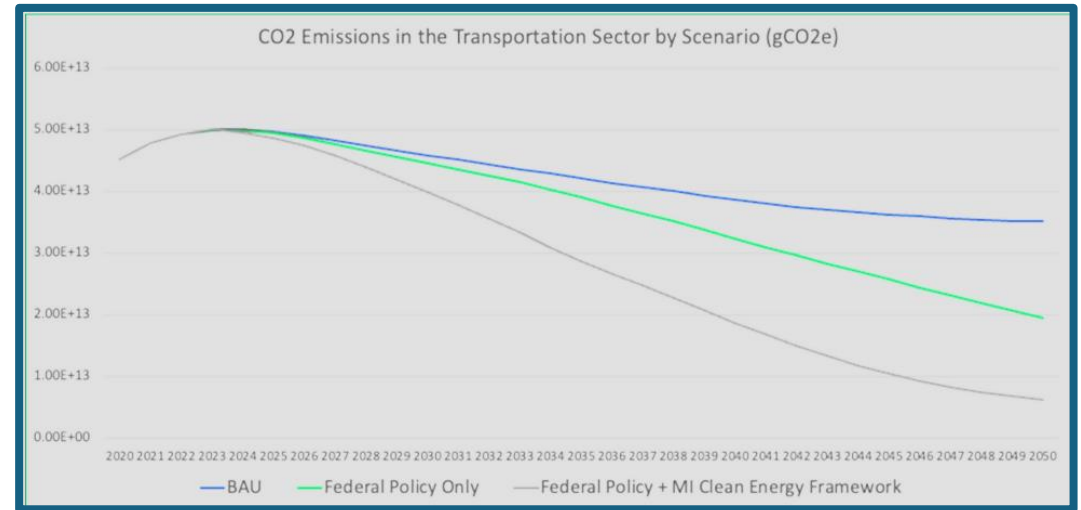
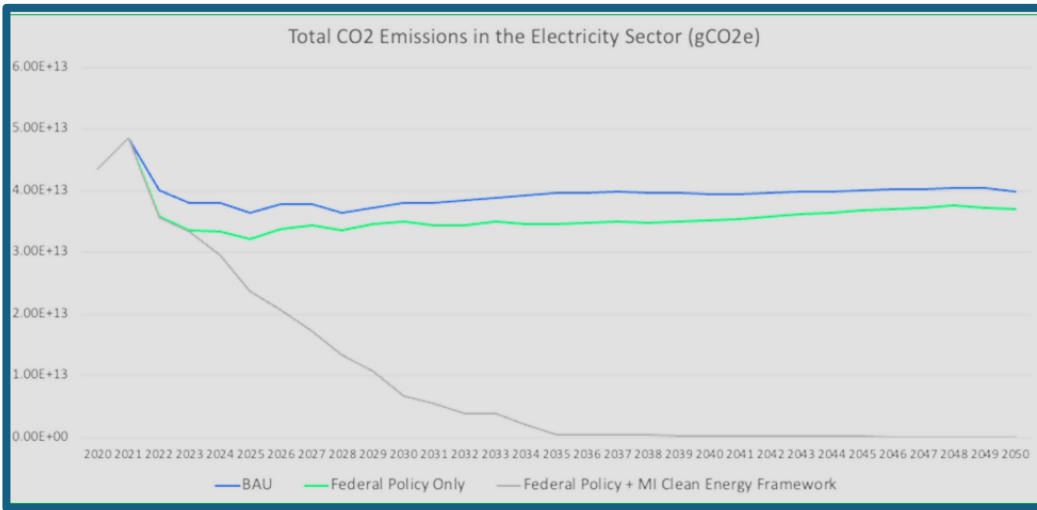
Avoid nearly 1,000 premature deaths and save \$8.3 billion in public health costs by 2050.

Lower household energy costs by \$145 a year by 2035.

Double the amount of investment Michigan will get from the Inflation Reduction Act.

Create almost 160,000 jobs by 2050.

Emissions Reductions by Sector



- 94% Electricity Sector Reduction
- 35% Transportation Sector Reduction
- 34% Building Sector Reduction



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