

# HB 5218 Michigan Renewable Energy Resources Act



1

## Michigan at an Energy & Economic Crossroads

- Loss of manufacturing jobs, rising energy costs, global warming, negative impact on local environment.
- "When you come to a fork in the road, take it." Yogi Berra



## Michigan's Energy Situation

2005 Michigan consumed about 19,207 MW of electricity, of that:

- 57.3% of that energy produced from COAL
- 26.8% NUCLEAR
- 11.1% GAS
- 2.5 % Other Fuel Types
- 2.3% **RENEWABLE ENERGY**

MREP 2006 Report  
www.dleg.state.mi.us/mpsc/reports/energy/05summer/ea-summer05.pdf

3

## Renewable Portfolio Standard

- Michigan taking a step toward Renewable Energy
- Renewable Portfolio Standard (RPS)
- 4% by 2012 and 10% by 2015
- Energy Conservation
- Efficiency Standards

4

## Renewable Energy Sources Act

- standard offer contract – 20 years
- Set rates
- ROI- 10% to 30%
- Utilities required to accept w/out discrimination
- Differentiated prices for wind and solar

5

## Renewable Energy Sources Act

Includes all renewable sources of energy:

- solar
- wind
- hydroelectric
- geothermal
- landfill gas
- sewage treatment gas
- Biofuel
- biomass-derived electricity

6

## Renewable Energy Sources Act

Following rates would be set by Michigan Public Service Commission:

- \$0.10-\$0.65 p/kwh..... Hydroelectric
- \$0.10-\$0.085 p/kwh..... Landfill & Sewage Gas
- \$0.145-\$0.105 p/kwh... Biomass & Biogas
- \$0.19-\$0.09 - p/kwh... Geothermal
- \$0.105-\$0.25 p/kwh..... Wind
- \$0.50-\$0.71 p/kwh..... Solar

7

## Renewable Energy Sources Act

Germany, Spain, Denmark, Ontario, Canada and 45 other countries implementing feed-in rate policy.

### German Success:

- 249,000 new jobs
- \$12.7 billion renewable energy investments
- 1.3 million solar panels installed.
- saved 57 million tons of emitted carbon dioxide
- saved citizens over a billion dollars in electricity costs.
- renewable energy produced from 6.3% in 2000 to 12% in 2006.
- 2007 14% of electricity from renewable energy

2008 Germany's Federal Ministry for the Environment, Nature Conservation and Nuclear: Development of Renewable Energies in Germany in 2007

8

## Renewable Energy Sources Act

Average German household energy costs w/ consumption of 292 kWh per month:

- 2005 - \$2.82 a month - Price of a loaf of bread
- 2017 - Maximum cost of \$4.38 a month
- 2020 - Decrease to \$4.23 a month
- As infrastructure is built and technologies advance, price decreases
- Fossil fuel prices will rise!

2007 Germany's Federal Ministry for the Environment, Nature Conservation and Nuclear: What Electricity from Renewable Energies Cost

9

## Renewable Energy Sources Act: Investors

- Stable long-term market.
- 20 year contract and predictable set prices.
- Goldman Sachs listed REP at top of their "How to power alternative energy" list.

10

## Renewable Energy Sources Act: Business

- You generate power from renewable energy and feed it into grid....
- The utility company sends you a check!
- Fair and open market mechanisms
- ROI corresponds to size of system.

11

## RESA: Job Creation Engine

- Michigan is to wind what Saudi Arabia is to oil.
- Michigan has 2,000 firms active in industrial sectors
- supply rotors, generators, electronic equipment, iron and steel pipes, tubing and other necessary parts.
- Michigan has highly skilled workforce.

Renewable Energy Policy Report 2006

12

## RESA: Job Creation Engine

- Michigan stands to gain **34,000 new jobs**.
- **\$5.5 billion in investments**.
- **Oakland County** would receive **\$480 million in investments**.
- **3,063 jobs** from the development of wind, solar, geothermal and biomass technology.

Renewable Energy Policy Report 2006

13

## Renewable Energy Sources Act

REP policies are necessary and the best approach:

- Encourage entrepreneurship.
- Expand green energy marketplace.
- Create jobs and wealth.
- Stimulate economy... while
- Reduce pollution and greenhouse gas emissions.

14

## We have come to the fork in the road...



15

## Next Step?

- Contact your state legislator
- Ask for their support of HB 5218
- For more information email [kathleenlaw@house.mi.gov](mailto:kathleenlaw@house.mi.gov)

16