HB 5218
Michigan Renewable Energy Resources Act

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/eaw-summer05.pdf

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
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

Renewable Energy Sources Act

Includes all renewable sources of energy:

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

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
**Renewable Energy Sources Act**

Average German household energy costs with 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!

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**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.
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.

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

Next Step?

- Contact your state legislator
- Ask for their support of HB 5218
- For more information email kathleenlaw@house.mi.gov