

Navigating a Momentous Shift in Energy Policy

Michigan's New Clean Energy Laws Among Most Ambitious in the Country

Michigan's energy future is undergoing a significant transformation with the recent signing of a comprehensive set of bills by Gov. Gretchen Whitmer. The bills passed swiftly on party lines, with House and Senate Democrats comprising nearly all the support for the package of bills.

Collaborating closely with the Michigan Electric Cooperative Association (MECA), PIE&G will delve into an in-depth analysis of these newly enacted laws in the months ahead. Below is a brief overview focusing on two key bills that hold substantial implications for Michigan's electric cooperatives.

100% Clean Energy by 2040

Michigan's new 100% clean energy by 2040 target stands among the most ambitious in the country. It will require all state electric utilities to employ a portfolio of 100% carbon-free resources by 2040, surpassing the rigor of California's clean energy laws. Clean energy is largely defined as wind, solar, hydro, and nuclear.

This legislation mandates utilities to procure 50% of their energy from renewables by 2030, escalating to 60% by 2035—a substantial leap considering the Great Lakes State currently stands at 16%. Starting in 2035, the renewable portfolio standard transitions to a clean energy standard, requiring all utilities to obtain 100% of their energy from non-carbon-emitting sources by 2040.

This fall, Wolverine Power Cooperative made a long-term commitment on behalf of its cooperative members to buy power from the Palisades Nuclear Power Plant upon its restart. In the legislation, lawmakers recognize the Palisades Plant as a vital reliability asset, allowing its output to count toward both renewable and clean energy targets. This is beneficial for Michigan Electric Cooperative members and underscores the significance of the Palisades Power Purchase Agreement. Additionally, Michigan's electric cooperatives, as a group, already power members with over 50% carbon-free energy, placing us in a better position than many to meet the carbon-free requirement.

Nevertheless, the bill overall is still a “big lift” for Michigan. Utility and business community concerns remain regarding the pace of decarbonization and its impact on electric reliability and affordability. While Michigan's electric cooperatives support investments in clean energy, we must also consider the operational realities. Constructing large-scale projects demands considerable time and financial resources, as well as overcoming time-consuming regulatory hurdles, which makes the proposed timeline a challenge for the majority of the state's electric utilities. Additionally, the challenge of land acquisition looms, with an estimated need for approximately 200,000+ additional acres for wind and solar power generation to achieve the renewable energy targets in the legislation.

Energy Waste Reduction Requirement for Electric Co-ops

This bill mandates that electric co-op boards approve Energy Waste Reduction plans and programs. Co-ops are now obligated under statute to submit a formalized waste reduction plan to the Michigan Public Service Commission (MPSC) every four years. While this represents a more structured process compared to current cooperative practices, co-ops were able to successfully achieve the authority for their local boards to oversee these programs.

Notice to Members of Presque Isle Electric & Gas Co-op

Special Member Regulation Meeting set for Feb. 27 at 9:30 a.m. at the cooperative's Onaway office.

The board of directors will consider changes to the cooperative's rates and tariffs at its special meeting on Feb. 27, 2024, to be held at 3149 Main Street, Onaway, Michigan. The meeting will start at 9:30 a.m. and is open to all members of Presque Isle Electric & Gas Co-op.

The session will begin with an opportunity for members to provide direct input to the board of directors. Members are asked to call the cooperative one week prior to the meeting if they wish to attend. Time constraints on each member's comments will be at the discretion of the board chairman, but members are asked to keep comments to less than five minutes.

The following items will be discussed:

1. Reconciliation of the 2023 Power Supply Cost Recovery collections.
2. Consideration of adjustments to Electric Rates.

Notices of changes or additions to the cooperative's rates or service rules shall be sent to all members, as required by P.A. 167, by first-class mail or by publication in Michigan Country Lines at least 30 days prior to their effective date.

Participation: Any interested member may attend, and, to participate, should contact Presque Isle Electric & Gas Co-op at 800-423-6634 a week in advance. Comments may also be made before the meeting date by calling CEO Thomas Sobeck at 800-423-6634, or by email at tsobeck@pieg.com.