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May 24, 2021

The Honorable Roger Hauck, Chairman
House Regulatory Reform Committee
House of Representatives
P.O. Box 30014
Lansing, MI 48909-7514

Dear Chairman Hauck and Members of the House Regulatory Reform Committee:

My name is Dan Dundas, and I am the President of the Michigan Electric and Gas Association (MEGA). MEGA is a statewide trade association of electric and gas utilities in the state who serve less than half a million customers. Collectively, MEGA members serve over 750,000 customers in Michigan, including over 450,000 natural gas customers.

MEGA appreciates the committee taking up House Bill 4575 and supports the legislation as introduced. Our members are focused on providing safe, reliable, and affordable electric and gas service to our customers in the state and we believe HB 4575 promotes these principles.

This legislation maintains customer choice, supports jobs in the natural gas industry, and promotes consistent statewide policies to reduce carbon and other emissions.

It is important that residents have the choice of what energy services they can access and utilize in their homes that best meets their budget and lifestyle. House Bill 4575 maintains that choice for the 84% of residents who have access to natural gas service to heat their homes, cook their food, and run their home-based businesses according to their needs.

Natural gas is a critical component of Michigan's economy, serving over 3.3 million residential and 265,000 commercial and industrial customers. Natural gas supports over 17,000 jobs in the state.

Natural gas is a readily available and affordable energy resource that utilizes the best of Michigan. Michigan has the most underground storage capacity for natural gas in the country, 1.1 trillion cubic feet, which assists in driving down the average cost of natural gas, where Michigan ranks 35th nationally.

Alpena Power Company
Citizens Gas Fuel Company
Indiana Michigan Power Company

Michigan Gas Utilities
SEMCO Energy Gas Company
Upper Michigan Energy Resources Corp

Upper Peninsula Power Company
Xcel Energy



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MEGA supports consistent, statewide policies that promote safe, reliable, and affordable energy. House Bill 4575 provides that energy supply decisions will be made at the state level through statewide policy, rather than through a piecemeal approach at the local level.

As natural gas is a critical component of our economy, MEGA recognizes the ongoing focus on reducing carbon and other emissions to create a healthier environment. Natural gas plays a critical role in helping reduce emissions and offering a path to energy independence.

Since 1990, the natural gas industry has reduced carbon dioxide emissions 16% and other hazardous air pollutants 55%. One way these reductions are possible is through improvements in the gas delivery system. According to the Statewide Utility Assessment authored by the Michigan Public Service Commission, gas utilities have invested over \$1 billion to replace over 1,300 miles of natural gas mains in the state since 2011.

Maintaining statewide policies allows for continued innovation in the deployment of energy efficiency programming and new technologies like renewable natural gas. In 2019 alone natural gas utilities achieved 143% of their statutory savings target, reducing over 5.37 million McF in natural gas use through utility energy efficiency programs.

MEGA thanks Representative Hoytenga for introducing the legislation and appreciates the committee taking up the bill. We thank the committee for the opportunity to comment and would welcome the opportunity to work on any revisions as the bill moves through the process.

Sincerely,

Dan Dundas, President

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