



October 11, 2023

Michigan House Energy, Communications and Technology Committee
Room 519, House Office Building
124 N Capitol Ave
Lansing MI, 48933

Dear Chairwoman Helena Scott and members of the Committee,

Advanced Energy United (United) is a national trade association representing the broad range of technologies and services in the clean energy industry, from electric vehicle manufacturers to large-scale renewable and energy storage developers to rooftop solar providers. We are committed to achieving a fully decarbonized economy and electrified transportation system while achieving an affordable, reliable, and resilient energy system.

Building new, and more large-scale renewable energy and battery storage in Michigan is a critical element of the state's decarbonization strategy. But regulatory inconsistencies, and uncertainty around permitting processes in Michigan inhibit the investments that renewable energy businesses are poised to make in the state. **United respectfully submits the following testimony in support of HB 5120, HB 5121, HB 5122, and HB 5123 as these bills will position the state to harness all the economic, environmental and consumer benefits of the clean energy transition that is underway in Michigan and nationally.**

United appreciates the work of the House and bill sponsors to address one of the primary barriers to building new large-scale clean energy projects in the state – siting and permitting. Balancing interests of various stakeholders when it comes to how the state reviews and issues permits for new wind, solar and storage projects is a challenging task, but this legislation strikes that balance well. HB 5120, HB 5121, HB 5122, and HB 5123 represent meaningful reform, lay a solid foundation for renewable development broadly, and further enables the state to achieve its decarbonization goals.

The benefits of large-scale renewable energy and storage projects

Large-scale renewables and storage are the backbone of Michigan-made energy and will help the state move away from imported energy and towards energy independence and security. Large-scale renewables produce energy more cost-effectively than other generation sources

and can help stabilize energy price as they are not subject to the price fluctuations inherent in fuel-based energy generation technologies. Large-scale energy storage supports grid reliability and further stabilizes electricity prices by providing a source of reliable power that can be dispatched on the grid during times of high energy costs and high demand. This power becomes cleaner as the grid decarbonizes and allows for a shift away from costly and polluting fossil-fuel baseload generation.

Moreover, the economics of large-scale renewables and battery storage continue to improve. According to Lazard's 2023 Levelized Cost of Energy report, utility-scale wind and solar supply-side energy resources, on average costing \$24 per MWh, compared to \$39 per MWh for natural gas and \$52 for coal. The report finds that although costs have increased on average for renewables due to inflation and supply chain issues, the cost for projects have gone down for companies with scale and expertise. What's more, tax credits from the Inflation Reduction Act (IRA) have placed both large-scale renewables and energy storage "on sale." This bill will help the state capture these federal funds by streamlining approval of projects, getting steel in the ground sooner and creating thousands of in-state jobs.

Renewables and battery storage represent a major economic opportunity for the state. According to the latest Clean Jobs Midwest Report, these sectors together employed about 13,000 Michiganders. Renewable energy also provides significant environmental and health benefits by saving water and reducing harmful pollutants and greenhouse gases including nitrous oxide and sulfur dioxide, which disproportionately devastate environmental justice communities surrounding fossil fuel plants. More renewable energy in Michigan will not only create a secure, reliable, and more affordable energy system while producing jobs and revitalizing communities, but will literally save lives.

Large-scale renewables provide immense benefits to local communities in through more local tax revenue, which goes to schools and infrastructure, more good-paying local jobs, more economic activity, and better energy system reliability from system upgrades which developers make to interconnect projects. Wind and solar are already delivering benefits to communities, as evidenced in the examples below:

- The UpJohn Institute conducted a study on a proposed 375 MW wind farm in Montcalm County. Findings show the project, representing \$776M in private investment would generate \$80 million in new local tax revenue over the life of the project (making the



project the single largest taxpayer in the county), increase the local tax base by over \$230M, create 875 construction phase jobs, 915 additional state and regional jobs, 48 long-term local jobs, and 78 long-term state jobs, resulting in \$300 million in personal income to the region.

- The Strategic Economic Research conducted an economic impact analysis on a proposed 300 MW wind farm in Ingham County. The analysis found the wind farm, representing a private investment of \$403M would create 324 construction phase jobs, 823 additional jobs for the state, 55 long-term local jobs, and 77 long-term state jobs. Development of the project is on hold due to siting and ordinance issues.
- To date, Gatriot County wind projects, representing \$2B in investment to date, have delivered \$82.7M in tax revenue since 2012, created 350 construction jobs and 38 full-time jobs.
- An economic impact study was performed for a project representative of a typical 150 MW solar development. The Coldwater Solar project on a Brownfield site would create 300 construction jobs and induce 250 jobs from increased local spending. Following passage of recent payment in lieu of taxes legislation, which provides \$7,000 per MW in tax revenue for a county, the expected annual local tax revenue is over \$1M, and \$31.5M over 30 years.

HB 5120, HB 5121, HB 5122, and HB 5123

HB 5120, HB 5121, HB 5122, and HB 5123 allow renewable developers of wind projects greater than 100MW and solar or storage projects greater than 50MW to seek approval from the MI Public Service Commission (MPSC). This legislation provides for flexibility in that that a project developer could choose to work with a local jurisdiction as current law allows. United supports this approach, as creates a process at the MPSC to make decisions regarding energy resources that widely serve the state. This is an appropriate oversight for the MPSC, as this agency already has authority over approval of other energy infrastructure projects and for other critical energy infrastructure, like pipelines and transmission lines. Local jurisdictions would maintain permitting processes for projects that fall under the thresholds established in the bill, and of course could still oversee larger projects should they have a process and ordinances in place that would be considered workable by any given large-scale project developer.



The creation of an MPSC process for larger projects sends a clear message that the state is eager to attract the investments and the jobs that large-scale renewable development creates. And it conveys that the state recognizes that a key element of doing business in any state is consistency and certainty in regulatory frameworks.

HB 5120, HB 5121, HB 5122, and HB 5123 maintain a significant degree of meaningful public engagement and involvement, as well as local government involvement. Minnesota and Wisconsin have similar approaches that have proven to be very successful in ensuring that multiple stakeholders are involved in shaping a project's final parameters without creating roadblocks for large-scale development needed to get renewable energy on the grid expeditiously. The legislation codifies strict labor, environmental, and community engagement standards, ensuring that projects approved have been rigorously vetted and that the impact on communities are seriously considered.

We thank you for the opportunity to provide this testimony in support of HB 5120, HB 5121, HB 5122, and HB 5123 and hope that you consider the immense benefits that this policy will deliver to the state of Michigan. **We urge you to pass HB 5120, HB 5121, HB 5122, and HB 5123.**

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Advanced Energy United

