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**To: The Honorable Members of the House Committee on Energy, Communications, and Technology**  
**Date: November 1, 2023**  
**From: Tim Langholz, NFIB Michigan Assistant State Director**  
**Re: Opposition to Senate Bills 271, 273, and 502**

On behalf of over 10,000 small business owners in Michigan, NFIB is writing to express its opposition to Senate Bills 271, 273, and 502 which would create a renewable energy mandate by 2040, essentially creating a mechanism for utility customers to no longer have options when choosing how to heat their buildings or which appliances to use. While we appreciate the more measured approach that the new bill language represents, small business is still concerned about the negative repercussions these bills could have moving forward.

Michigan residents are currently paying some of the highest energy prices compared to surrounding states. NFIB members have consistently said that reliability and affordability are their two top requirements when it comes to energy policy. On the whole, most small businesses do not have the margin to absorb additional costs that will come with mandating the move away from non-renewable fuel sources. This means that either small businesses must increase their prices or cease doing business – both of these options have repercussions on Michigan citizens and their communities. The provision in SB 502 requiring prevailing wage be paid on any new energy facilities only adds to the cost. Artificial and arbitrary wage requirements and labyrinth of record keeping that come with prevailing wage laws can add anywhere from 10% - 15% to a construction project.

Even more important than cost to NFIB members is reliability. Michigan's crumbling electric grid continues to be a concern. In its 2023 report card, the American Society of Civil Engineers (ASCE), gave Michigan's energy grid a D, citing the continuing increase in reliability issues since 2018. Adding more of a load to the already struggling grid is reason to give pause to these bills.

Additionally, NFIB members have been consistent on ensuring choice when it comes to how they heat their businesses and which energy sources they use to do so. For instance, approximately 76% of restaurants use natural gas to cook. Of that group, 90% of those said that it would negatively impact the quality of their food if they were to change to an electric cooktop. That would be a large detriment to the entire industry and their consumer base.

Lastly, utilities have already been moving toward more renewable forms of energy without government mandates. Small business owners want to be good stewards of our environment, as do most citizens. However, massive shifts in energy policy with arbitrary dates without proper infrastructure and technology to support these policies could have negative consequences and even chaos that hurts not only small businesses, but all Michiganders.

Again, we ask that you vote NO on SBs 271, 273, and 502. Thank you for your support of small business.