

**Date:** June 3, 2015  
**To:** House Energy Policy Committee  
**From:** Andrew Vermeesch  
Associate Legislative Counsel, Michigan Farm Bureau  
**Re:** Written Testimony on House Bills 4303, 4304

Thank you for the opportunity to provide written testimony to the House Committee on Energy Policy in support of HB 4303 as well as HB 4304 which aims to expand natural gas to underserved areas.

Michigan Farm Bureau is the state's largest general farm organization representing more than 46,000 farm family members. Our policy efforts are grassroots driven -- local members develop, debate, and adopt our policy positions on an annual basis, first at the county and then state-level.

Michigan's agriculture industry provides over \$100 billion of economic activity and is one of the lead drivers in the state's economy. In order for Michigan's food and agriculture system to continue to prosper, Michigan farmers need to ensure that they have access to all forms of energy that are consistent, reliable, and affordable.

As you may be aware, technological developments have improved efficiencies in extraction techniques which has increased natural gas availability at a much lower cost than was previously possible with conventional technologies. This lower cost has made natural gas a competitive option for filling Michigan energy needs. Unfortunately for many farms and businesses located in rural areas, access to natural gas is limited and are often located "at the end of the line" due to lack of adequate infrastructure. This can often hinder their ability to expand their operation or compete with competitive energy prices.

HB 4303 would help expand access to many unserved and underserved rural areas by allowing utilities to establish an infrastructure cost recovery mechanism for expansion and extension of gas lines to supply the needs for producers around the state. Furthermore, HB 4304 would provide transparency and ensure that the cost recovery mechanism is used solely for natural gas expansion, prohibiting utilities from using rates to offset fines or other non-related items.

An excerpt from Michigan Farm Bureau policy

"We support:

- Development of affordable access to natural gas for rural farms, homes, and businesses.
- Further development and expansion of the use of natural gas in Michigan
- Ensure agriculture has access to all forms of energy that are consistent, reliable and affordable

As a grassroots organization, Michigan Farm Bureau recognizes the importance of investing in our energy infrastructure and it is a leading priority from our backed by our member-developed policy. We support both bills and ask for your support as they come up for consideration. Again, thank you for the opportunity to provide written testimony on behalf of Michigan Farm Bureau's 46,000 farm members. Our organization looks forward to continuing to work with the committee to improve Michigan's energy infrastructure needs.

Sincerely,



Andrew Vermeesch  
Associate Legislative Counsel