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MICHIGAN HOUSE OF REPRESENTATIVES  
**REPRESENTATIVE GARY GLENN**  
ASSOCIATE SPEAKER PRO TEMPORE  
*Chairman, House Energy Policy Committee*

COMMITTEES:  
COMMUNICATIONS AND  
TECHNOLOGY  
ENERGY POLICY  
INSURANCE  
MILITARY AND  
VETERANS AFFAIRS

**M E M O R A N D U M**

TO: House Energy Policy Committee Members  
FROM: Representative Gary Glenn  
RE: Re-organization of the Michigan Agency for Energy  
DATE: February 6, 2018

On May 18, 2015, through Executive Order 2015-10, Governor Snyder created the Michigan Agency for Energy (MAE). The agency was created within the Department of Licensing and Regulatory Affairs (LARA) but exercises its powers, duties, and functions independently of LARA.

The Executive Order prescribed the following:

1. Created an Executive Director appointed by the Governor who will also serve as a member of the Governor's cabinet.
2. MAE will analyze, make recommendations, and administer certain programs related to energy for the Governor and all agencies within the executive branch of government. In addition, MAE will provide information and act as a clearinghouse for information received on energy matters to the executive branch of government, other branches of government, and the federal government.

Executive Order 2015-10, made the following transfers from other governmental agencies to MAE.

1. Retired Engineers Technical Assistance Program and Air Policy Program created under MCL 324.14511 and 324.14512 from the Department of Environmental Quality to MAE.
2. Michigan Energy Office transferred from the Michigan Economic Development Corporation and the Michigan Strategic Fund to LARA. The Executive Order then transferred the Michigan Energy Office from LARA to the MAE.

**Executive Order 2015-10 describes the relationship and transfers certain functions between the Public Service Commission (PSC) and MAE.**

1. The PSC shall exercise its functions as an autonomous entity independently from the Director of LARA and the Executive Director of MAE.

2. The PSC shall retain sole power and jurisdiction to hear and pass upon all matters pertaining to the regulation of public utilities, common carriers, or similar entities.

#### **Transfers from PSC to MAE**

1. The powers, duties, and functions related to property are transferred from the PSC to MAE.
2. The legislative liaison and communications specialist of PSC shall be transferred to MAE; however, the PSC may request the services of these individuals when needed.
3. The customer service division of the PSC is transferred to MAE.
4. Energy Markets and Energy Data Security sections of the PSC shall be transferred to the MAE. Also, one human resource position and any positions dedicated to property functions shall be transferred from PSC to MAE.
5. Energy Advisory Committee Authorities created under MCL 10.82 shall be transferred from LARA to MAE.

On January 9, 2018 Gov. Rick Snyder announced another restructuring of the Michigan Agency for Energy (MAE) and the Michigan Public Service Commission (PSC).

Under the **Executive Order, EO 2018-1**, the PSC takes back over some of MAE's responsibilities, such as the customer service division, and the Michigan Energy Assistance Program. MAE will retain the Energy Security division, including energy emergency responsibilities, the Energy Office, which administers grant programs, and External Affairs.

MAE also will retain the responsibility and personnel necessary to represent Michigan's interests on national, regional and regulatory policy so it can carry out its responsibilities under state law.

#### **Transfers from MAE to the PSC**

1. Property for the PSC is transferred back to PSC from MAE, (This transfer was originally made under EO 2015-10).
2. Administrative Service Division and Customer Service Division are transferred back to the PSC from MAE, (This transfer was originally made under EO 2015-10).
3. Energy Markets Section is being transferred back to the PSC from MAE, minus 1 position to represent MAE at state, regional and federal forums. (This transfer was originally made under EO 2015-10).

In May 2015, Governor Snyder announced the formation of MAE and transferred many functions from DEQ, MEDC, and most importantly, the PSC. In his announcement that implemented these transfers, the Governor suggested this was necessary so Michigan can be *"ready to adapt to energy challenges in the coming years, and seize the opportunity to develop solutions that will ensure families and businesses have affordable, reliable, and environmentally protective energy."*

Val Brader, the Executive Director of MAE, also suggested the reason for the Executive order was to ensure that *"as Michigan shifts from the energy sources of the past to those*

*of our future, we will focus on energy policies that will help families and businesses have affordable, reliable, and environmentally-protective energy. We will make those decisions in Michigan and not be directed by Washington D.C."*

To carry out the vision of the Governor and Director Brader, the Governor believed it was important to implement EO 2015-10 and consolidate certain entities and services. Director Brader has also suggested on many occasions that duplication of services is not acceptable.

**Questions:**

**How is EO 2018-1 necessary in order to focus on energy policies that will help families and businesses have affordable, reliable, and environmentally protective energy?**

**Why is the duplication of services and transferring functions back to the PSC from MAE good public policy in 2018 but not in 2015?**