



*"Changing the energy culture one stakeholder at a time."*

09/12/17

**Subject: Access to Fair and Equitable Electric Choice**

**Dear House Energy Committee members**

My name is Robert L. Bernardi and I am the President of Executive Energy Services LLC.

I represent over 100 Retail, Commercial, Industrial and Public School Customers in Michigan.

Our Customers save over \$8 million per year on electric choice and that brings jobs along with families into the state with money going back in class rooms. Although we now have 40 public schools on Electric Choice saving \$6,249,363 per year, I have been asked to speak on behalf of eleven of those districts and two of our Commercial Customers. These eleven customers have saved just over \$16 Million since enrolling in Electric Choice and I have submitted with my testimony letters and emails from each of these customers.

I provided Testimony in both the House and Senate on the different Energy bills and submit to you today clarifying testimony regarding Senate Bills 437 and 438 that indeed will open your eyes to why I believe choice is good for this state. I was on the phone with Law makers at 5 am when much of Section 6w of the above bill was being changed in favor of electric choice in order for the bill to pass.

From the information I have obtained and attending PA 341 6w staff technical conferences it is clear the work with legislators may be getting lost in translation. The ability for the Choice market to function fairly is being threatened by how rules and regulation are developing. Two items taken out of Senate Bill 437 6w were "50% of proportional share of local clearing requirements" and "The in state generation or Local Clearing Requirement" and are NOT in the Current Law PA341. This law was passed only because of the agreement to allow access to all available capacity in the entire MISO system and NOT limited only to MI Zone 7. All Customers paid for Transmission upgrades over the last 10 years and should be able to access generation resources outside of MI that MISO deems to be viable and reliable. Supporters of SB 437 did not want to "Dwell in the past" and don't want to discuss the \$540 million choice customers paid for MI Utility owned Power plants. Included in my testimony are quotes from MI Utilities after the 2008 law promising to build new generation. NONE were built, WHY, WHERE DID THE MONEY GO? Please ensure the intent of this law is not compromised by unintended rules and regulations. Protect the ability of Electric Choice to operate fairly in an open market and if you open up choice in the future investors will build new generation plants in MI.

Sincerely,

Robert L. Bernardi

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Rebuttal and clarifying testimony regarding Senate Bills 437 and 438 (Electric Choice)  
presented to the Michigan State Senate May 5, 2016 by Robert L. Bernardi and Executive  
Energy:

1. Larger Electric Choice savings are yielded in the Michigan market because only 10% of this market is deregulated; the reference to Illinois is misleading because Illinois is 100% electric choice.
2. Earlier testimony referred to two plants in IL closing as a bad thing. In reality, those plants did not clear the auction because as a fully deregulated industry the market was showing no capacity concerns; therefore no new capacity is needed.
3. "If this bill passes with the current amended language, it will cost a school district using 8,000,000 kWh per year more than 6X what they pay today for the increased capacity cost from \$3.40/MWD to \$72/MWD. Put another way, the cost for capacity increase will jump \$20,000 annually compared to the savings this Choice customer currently has of \$124,000."
4. Senator Nof's commented on Suppliers leaving the state: Direct Energy, Constellation, Integrys (now part of Exelon) among other Alternative Energy Suppliers (AESs) — none of whom ever left Michigan in 2008 as he stated. This despite the fact they were banned from 90% of the market by the state legislature.
5. AESs have been reliably serving customers without concern since 2003. They never left and they were never unreliable.
6. I also noted that the deregulated arms of both DTE and CE pulled back on retail electricity in early 2003. CMS in fact made huge mistakes and had to close their electric and gas marketing division which slowed Choice participation and caused energy prices to skyrocket. That seasons two major hurricanes also significantly impacted pricing.
7. I have proof that DTE's electric Power Supply Cost Recovery (PSCR) went down when natural gas costs were high. I asked the committee how that can happen. DTE also lowered their full service rates during this up market when all other suppliers' prices were rising. I asked the committee how that could happen as well. No response was given. This pricing forced customers to return to the utility for a 12 month period. Within 12 months DTE raised its rates and Oakland County and 10,000 other customers ran back to choice; in a 3 month period the 10% was full.

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8. Senator Nofs belayed the irrelevant point that the list of school districts represented by committee members was incorrect when the total dollars saved was all that mattered. He fixated on schools paying \$72/MWD and he wants them to pay more. The question should be, why others are paying \$460! Why aren't we asking the utilities to be more competitive? The utilities already have a 90% customer-base guarantee. **I also pointed out that the market is paying \$262/MWD for new generation, so why should our customer pay CE or DTE \$460?**
  9. To answer Senator Proos, the market will build when it becomes necessary. Unlike the current system in Michigan where DTE and CMS know they make money hand over fist each time they construct a new building and that construction — unlike in a competitive market — is built on the backs of Michigan schoolchildren, families and businesses. The market sends that signal by offering the \$260 price to build new generation — a maximum/capped market price — only when construction/generation is being built (versus the \$73 price in the current MISO (market) auction.) And even then, schools still save about \$3-Million because its \$200 below the \$460 that DTE/CMS charge customers today! **I specifically told the board that with Choice and the Energy Optimization program, the State MAY NOT NEED more generation after the five year span in which the utilities have stated they need no new generation. Regardless, no one can predict that and there are smarter people working on it now; we should let them do their jobs.**

I believe my testimony was taped but you can use any of this to draft your letter.

Regards,

Robert L. Bernardi  
Executive Energy Services

ecb

**Utility Pro**  
By Executive Energy

**ENERGY  
DRIVER**



Michigan utilities' quotes from 2008 (just scratching the surface):

"Meanwhile, the Democrats can claim 🐾 [HB 5524](#) is a job-creator. It allows Consumers Energy and Detroit Edison to get the capital they need to construct new power plants."

<http://www.mirsnews.com/capsule.php?gid=1074#16346>

"Jeff **HOLYFIELD** with Consumers Energy countered that if the utilities had gotten everything they wanted the legislation would have passed a year ago and electric choice would have been completely repealed... "We think it's going to be good for our customers. It's going to be good for the state. It's really going to make sure the families and businesses in Michigan have the power they need at an affordable price for the next 20 years," Holyfield added."

<http://www.mirsnews.com/capsule.php?gid=1082#16467>

"A spokesperson for Consumers Energy, one of the two major utilities, along with DTE Energy, affected by the bills, said the bills are critical to ensuring the state has adequate power supply in the future.

"This legislation is looking forward and not back," said Jeff Holyfield.

Consumers is planning on investing some \$6 billion in the state if the package moves and that should keep electric rate increases at the rate of inflation.

Lori Kessler of DTE said, "We're faced with a regulatory structure than fails to provide the stability needed to finance new power plants" which makes the bills needed.

<http://www.mitechnews.com/articles.asp?id=8019&sec=102>

Here's a longer one about Consumer's promise to build a new coal plant in Bay County. They canceled those plans in 2010 based on "economic conditions."

*Meanwhile, Jeff **HOLYFIELD**, spokesman for Consumers Energy, said the company is moving ahead with its plans for building a major coal plant in the Bay City area, and those plans are not environmentally adverse. In fact, according to testimony by others representing Consumers Energy, the new coal plants, could allow the older - less environmentally friendly plants to eventually be closed.*

*"Currently, 5 percent of our power is produced through renewable sources," Holyfield said. "On May 1, we presented the Public Service Commission (PSC) with our balanced Energy Initiative. This was to comply with the 21st Century Energy Plan put forward by former PSC Chair Peter **LARK**."*

*Holyfield pointed out that, in his plan, Lark stated that there would be an increased demand for energy in Michigan.*

*"Our initiative would be to meet this demand and also increase the percentage of energy we*

*produce from renewable sources from 5 percent to 10 percent by 2015, presuming that's what the portfolio requires," Holyfield said.*

*According to Holyfield the new coal plant Consumers Energy plans to build in Bay City would help meet the increasing demand for energy with an energy source that is at least as clean if not cleaner than current coal plants provide.*

*"Michigan's current coal fleet is the second oldest in the U.S.," Holyfield said. "Our new clean coal plant up in Bay City would exceed environmental standards. Just building it would be a boost to the economy of the area. The project costs \$2 billion and would employ 1,800 workers during its construction period."*

*But Holyfield added that it would take a "major change" to PA 141 for Consumers Energy to commit to the Bay City project.*

**Schools Electric Choice Savings by District**  
**Committee Hearing Authorized Representatives**

Electric Choice Customer	Savings on Choice
Huron Valley Schools, Sandra Elka and Nancy Coratti Super	\$3,136,188
Berkley Schools, Dennis McDavid Super	\$ 702,889
West Bloomfield, Jerry Hill Super	\$1,409,386
Oak Park Schools, Janette Brill BM	\$ 791,868
Clarkston Community Schools, Mary Beth Rogers BM	\$3,183,939
Riverview Community School District, Lonnie Draper BM	\$ 409,288
Avondale Community Schools, Frank Lams BM	\$1,759,703
Hartland Consolidated Schools, Scott Bacon BM	\$2,064,095
Madison District Public Schools, Michelle Schurman BM	\$ 207,317
Howell Public Schools, Rick Terres BM	\$2,020,029
Lincoln Park Public Schools	\$ 500,000
 Total Door Systems	 \$ 213,499

**From:** Patricia Yulkowski [mailto:patricia@totaldoor.com]  
**Sent:** Monday, September 11, 2017 10:17 AM  
**To:** Rob Bernardi <rbernardi@Executiveenergy.info>  
**Subject:** RE: URGENT Speaker of the House asking for testimony this Tuesday

Rob,  
I authorize you to reference my district as requested below.

Total Door has had substantial savings from the energy choice program. As a manufacturer that sources locally, we need all the help we can get. We are doing our job to support and contribute to the community and we need Lansing to do their job and support the choice program.

Rob please let me know if there is anything else I can do to help.

Sincerely,

Patricia Yulkowski  
C.E.O. & President  
Total Door Systems  
Phone: 248-623-6899 x103  
Fax: 248-623-6866  
E-Mail: [pyulkowski@totaldoor.com](mailto:pyulkowski@totaldoor.com)  
Company Website: [www.totaldoor.com](http://www.totaldoor.com)



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# Oak Park Schools

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13900 Granzon, Oak Park, Mi 48237 | (248) 336-7700 | jbrill@oakparkschools.org

09/12/17

**Subject: Access to Fair and Equitable Electric Choice**

**Dear House Energy Committee Members:**

I represent thousands of parents, teachers and employees in the Oak Park Schools who watched as I worked tirelessly with local legislators to ensure open and equitable access to Electric Choice and the hundreds of thousands of dollars it has saved our district. Newly enacted legislation (PA 341), **intended to secure that option**, is now being undermined. Your committee needs to address this issue immediately and make sure Electric Choice remains a viable option for Michigan rate payers.

The ability to procure energy from a competitive supplier has saved our school district **\$791,868**. The impact of these savings on our budget cannot be overstated. Teaching and staff positions were saved and learning environments were substantially improved.

I am writing this letter because I am being informed that even though the intent of PA 341 was to maintain Electric Choice, the ability for the Choice market to function fairly is being threatened by how rules and regulation are developing. If Electric Choice is eliminated, the Oak Park School District will suffer.

PA 341 was passed to save Electric Choice. Please ensure the intent of this law is not compromised by unintended rules and regulations. Protect the ability of Electric Choice to operate fairly in an open market.

**Sincerely,**

**Janette Brill, Business Manager**  
Oak Park Schools





Tel: 248.684.8000  
Fax: 248.684.8235  
www.hvs.org

2390 South Milford Road,  
Highland, MI 48357

9/12/17

**Subject: School District's ability to continue to participate in electric choice**

Dear Michigan Representatives:

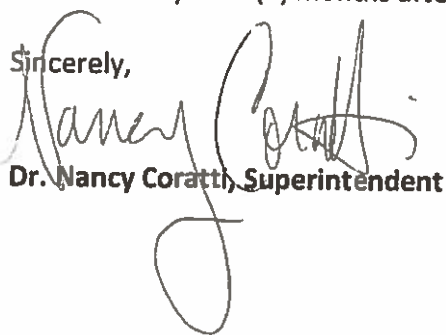
Our School District worked very hard with our local legislators to make sure the ability to procure electric supply from a third-party was not eliminated in the law that was recently passed in December 2016.

The ability to procure electric supply from a third-party has saved the School District at least ~~\$400,000~~ <sup>\$3,136,188</sup> since participating in the program. This allowed the School District to maintain approximately 4.5 teachers on the payroll, keeping the teacher-to-student ratio that is critical to achieving higher test scores.

I am writing this letter because I am being informed that even though the intent of the passed legislation (PA 341) was to maintain electric choice, the ability to participate in electric choice is being threatened by how the rules and regulation are being advocated by various electric utilities, and therefore may be decided by the Michigan Public Service Commission. If electric choice was eliminated, the School District would be negatively impacted, and would have to look for ways to reduce the budget.

Please explain to me how the School District can be assured that electric choice will be maintained given the strong advocacy that looks to seriously curtail, if not eliminate, electric choice merely nine (9) months after the legislation passed in December 2016.

Sincerely,



Dr. Nancy Coratti, Superintendent

Superintendent Dr. Nancy Coratti  
Inspiring and building futures...one student at a time

# Avondale Community Schools

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2940 Waukegan St., Auburn Hills, Mi 48326 | (248) 537-6000 | frank.lams@avondale.k12.mi.us

09/12/17

**Subject: Access to Fair and Equitable Electric Choice**

**Dear House Energy Committee Members:**

Avondale Community Schools believes Electric Choice should be open to all districts and businesses in the state. The state should be more flexible on allowing choice without the recent "penalties" being put on top of the market costs. Newly enacted legislation (PA 341), **intended to secure that option**, is now being undermined. Your committee needs to address this issue immediately and make sure Electric Choice remains a viable option for Michigan rate payers.

The ability to procure energy from a competitive supplier has saved our school district **\$1,759,703**. The impact of these savings on our budget cannot be overstated. Teaching and staff positions were saved and learning environments were substantially improved.

I am writing this letter because I am being informed that even though the intent of PA 341 was to maintain Electric Choice, the ability for the Choice market to function fairly is being threatened by how rules and regulation are developing. If Electric Choice is eliminated, the Clarkston Community School District will suffer.

PA 341 was passed to save Electric Choice. Please ensure the intent of this law is not compromised by unintended rules and regulations. Protect the ability of Electric Choice to operate fairly in an open market.

**Sincerely,**

**Frank Lams, Business Manager**

# Berkley School District

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14700 W. Lincoln St., Oak Park, Mi 48237 | (248) 837-8000 | DMcDavid@berkleyschools.org

09/12/17

**Subject: Access to Fair and Equitable Electric Choice**

**Dear House Energy Committee Members:**

I represent thousands of parents, teachers and employees in Berkley Schools who watched as I worked tirelessly with local legislators to ensure open and equitable access to Electric Choice and the hundreds of thousands of dollars it has saved our district. Newly enacted legislation (PA 341), **intended to secure that option**, is now being undermined. Your committee needs to address this issue immediately and make sure Electric Choice remains a viable option for Michigan rate payers.

The ability to procure energy from a competitive supplier has saved our school district **\$702,889**. The impact of these savings on our budget cannot be overstated. Teaching and staff positions were saved and learning environments were substantially improved along with additional funding for Band, Orchestra and Choir.

I am writing this letter because I am being informed that even though the intent of PA 341 was to maintain Electric Choice, the ability for the Choice market to function fairly is being threatened by how rules and regulation are developing. If Electric Choice is eliminated, the Berkley School District will suffer.

PA 341 was passed to save Electric Choice. Please ensure the intent of this law is not compromised by unintended rules and regulations. Protect the ability of Electric Choice to operate fairly in an open market.

**Sincerely,**

**Dennis McDavid, Superintendent**  
Berkley School District

# Hartland Consolidated Schools

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9525 Highland Road, Howell, Mi 48843 | (810) 626-2100 | [scottbacon@hartlandschools.us](mailto:scottbacon@hartlandschools.us)

09/12/17

**Subject: Access to Fair and Equitable Electric Choice**

**Dear House Energy Committee Members:**

I represent thousands of parents, teachers and employees in the Huron Valley School District who watched as I worked tirelessly with local legislators to ensure open and equitable access to Electric Choice and the hundreds of thousands of dollars it has saved our district. Newly enacted legislation (PA 341), **intended to secure that option**, is now being undermined. Your committee needs to address this issue immediately and make sure Electric Choice remains a viable option for Michigan rate payers.

The ability to procure energy from a competitive supplier has saved our school district **\$2,064,095**. The impact of these savings on our budget cannot be overstated. Teaching and staff positions were saved and learning environments were substantially improved.

I am writing this letter because I am being informed that even though the intent of PA 341 was to maintain Electric Choice, the ability for the Choice market to function fairly is being threatened by how rules and regulation are developing. If Electric Choice is eliminated, the Clarkston Community School District will suffer.

PA 341 was passed to save Electric Choice. Please ensure the intent of this law is not compromised by unintended rules and regulations. Protect the ability of Electric Choice to operate fairly in an open market.

**Sincerely,**

**Scott Bacon, Assistant Superintendent for Business and Operations**  
Hartland Consolidated Schools

# Lincoln Park Public Schools

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1650 Champaign, Lincoln Park, Mi 4146 | (734) 389-0200 | [angela.black@lpps.info](mailto:angela.black@lpps.info)

09/12/17

**Subject: Access to Fair and Equitable Electric Choice**

**Dear House Energy Committee Members:**

I represent thousands of parents, teachers and employees in Lincoln Park Public Schools who watched as I worked tirelessly with local legislators to ensure open and equitable access to Electric Choice and the hundreds of thousands of dollars it has saved our district. Newly enacted legislation (PA 341), **intended to secure that option**, is now being undermined. Your committee needs to address this issue immediately and make sure Electric Choice remains a viable option for Michigan rate payers.

The ability to procure energy from a competitive supplier has saved our school district **\$62,170 per year and north of \$500,000 in total**. The impact of these savings on our budget cannot be overstated. Teaching and staff positions were saved and learning environments were substantially improved along with additional funding for Band, Orchestra and Choir.

I am writing this letter because I am being informed that even though the intent of PA 341 was to maintain Electric Choice, the ability for the Choice market to function fairly is being threatened by how rules and regulation are developing. If Electric Choice is eliminated, the Berkley School District will suffer.

PA 341 was passed to save Electric Choice. Please ensure the intent of this law is not compromised by unintended rules and regulations. Protect the ability of Electric Choice to operate fairly in an open market.

**Sincerely,**

**Angela Black, Director of Finance**  
Lincoln Park Public Schools