



June 15, 2020

Representative Joe Bellino
Chairman of House Energy Committee
PO Box 30036
Lansing, MI 48909-7536

Re: House Bill 5145

Dear Representative Bellino and Members of the House Energy Committee:

I am writing in support of House Bill 5145 sponsored by Representative Markkanen and urge a yes vote from Committee Members.

The Great Lakes Renewable Energy Association (GLREA) is an association of renewable energy businesses that install renewable energy systems – solar, wind and geothermal. The majority of our members are small business that have grown as homeowners, farmers and business have realized that they can save money on energy costs and support a clean environment by installing their own renewable energy system and therefore are generating electricity for their home and business needs.

The renewable energy industry is a growing economic sector in Michigan with 249 companies that provide over 92,000 jobs and has been a driver for new economic development

House Bill 5145 removes a 1% Cap that limits the number of solar energy systems that can be installed in Michigan. This Cap was put into law in 2008 in Public Act 295, the original legislation that established the public policy framework for renewable energy in Michigan. At that time there were virtually no solar systems in Michigan so establishing a Cap seemed appropriate as we learned about the interest in the solar market.

Since 2008 we now have over 5,100 solar installations in Michigan and we are fast closing in on the 1% Cap with DTE and Consumers Energy. The Upper Peninsula Power Company (UPPCO) had already reached the 1% Cap and agreed to increase the Cap to 2% because of the immense interest from homeowners and business for taking control of their energy costs by installing their own solar energy system.

But we need to establish clear public policy across Michigan regarding the *clear right* of homeowners and business to have the *option* of generating their own electricity. HB 5145 will do this by removing the Cap so all homeowners and business can choose to generate their own electricity by installing a renewable energy system if they want to.

And contrary to what Consumers Energy and DTE say, solar owners are paying their fair share to maintain the electrical grid through the monthly service charge of \$7.50 per month that they always have to pay. In addition, the extra electricity that is exported back to the utilities when the solar systems generates more electricity than can be used, benefits the utilities and helps them to save money because then the utility has less need to bring on an expensive temporary power plant to meet high demand in the summer time because of air conditioning use.

One key reason for the continual expansion of renewable energy in Michigan is that it saves money as compared to buying electricity from a utility. Installing your own energy system allows a home and business owner to control their energy expenditures because you know exactly what your costs are to receive that electricity and to pay off your system. That cost is predictable and it doesn't go up.

Whereas utility electrical costs are consistently going up every year (much higher than inflation), making it very difficult for homeowners and business to pay the energy bills. Consumers Energy filed for a new rate increase in late February asking for a 14% increase in residential rates and DTE sought a 9.1% increase in its recent rate case.

As Michigan reopens its economy due to COVID 19, one huge boost would be to enact HB 5145. As was stated previously, the renewable energy industry is a bright spot in Michigan for creating new jobs.

Prior to the out break of the virus there were 92,000 jobs in Michigan involved in installing renewable energy systems and energy efficiency work. By enacting HB 5145, a clear signal would be sent to all the renewable energy businesses that they can gear up and hire even more people because there would be no limit on the market for renewable energy.

But if the current 1% Cap remains, the market for solar will slow down and many jobs will disappear and the competitive market for electricity will be eliminated, which will cause energy costs to increase even faster.

The market for solar energy has grown in Michigan quite simply because it saves homeowners and business money on their energy costs and offers an alternative from having to buy electricity from a utility, whose rates have consistently increased since 2008.

Please support House Bill 5145 so that home owners and business (particularly small business), have the *option* and the *freedom to choose* if they want to generate their own electricity by installing a solar energy system.

Very truly yours,

John Freeman - Executive Director
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cc: Representative Wendzel	Representative Lasinski – Minority Vice Chair
Representative Alexander	Representative Sneller
Representative Frederick	Representative T. Carter
Representative Lower	Representative Haadsma
Representative Filler	Representative Kupp
Representative Markkanen	Representative Monoogian
Representative Mueller	Representative Shannon
Representative O'Malley	
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