



Date: June 16, 2020

To: Members of the Michigan House Energy Committee

From: Joe Fedewa, Government Affairs Manager | Nick Occhipinti, Government Affairs

Director

Re: Support for HB 5145 eliminating distributed generation cap

Chairman Bellino and Members of the Committee on Energy:

Thank you for the opportunity for Michigan LCV to share our support for House Bill 5145 that would continue to allow homeowners and small businesses to generate their own clean, renewable, and affordable electricity without disruption.

Installing solar energy systems on residential homes and commercial buildings has been, and will continue to be, an essential part of our economy as we strive for greater energy independence and efficiency while creating thousands of high-paying clean energy jobs in Michigan. The market demand for rooftop solar energy has grown dramatically in Michigan as the cost of installation and maintenance decreases. Currently, our state is home to 249 renewable energy and energy efficiency companies who collectively employ 92,000 people. As utilities get closer to the existing 1% cap on distributed energy generation set in statute as part of the 2016 energy law, many of these jobs will be at risk if demand for renewable systems sharply decrease.

The current 1% cap based on each utility's peak energy demand is split between small residential systems, commercial systems, and small methane digesters. One utility in particular, UPPCO, has already exceeded this cap, and major utilities like DTE and Consumers Energy are well on their way to hitting it themselves. HB 5145 repeals this part of the 2016 energy law that would otherwise do damage to the solar industry by scaring off potential solar customers who would be unsure how much they would save on energy costs after their local utility hits the cap. We encourage the



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removal of this cap to avoid artificially restricting the benefits of installing a solar energy system that is connected to the electrical grid.

Thank you again for allowing Michigan LCV to voice its support for House Bill 5145 alongside many other clean energy advocates and business groups. We urge the House Committee on Energy to swiftly pass this much needed bipartisan reform to our energy law to allow the solar industry to continue to grow, helping both our environment and economy as we recover from the effects of COVID-19.

Please do not hesitate to contact our organization to provide clarification or further detail about our official position.

Respectfully,

Joe Fedewa
Government Affairs Manager
Michigan League of Conservation Voters