

Compilation of Executive Directives, Legislation, and Initiatives Environmental Advisory Council meeting on the “Power of Green” May 17, 2007

Energy Efficiency

Economic Development and Growth through Environmental Efficiency (EDGE2)

A multi-stakeholder, multi-state department initiative was established in 2005, led by the Department of Environmental Quality (DEQ) with the goal of evaluating state energy and clean technology programs and policies and providing recommendations to the Governor. The charge of the group was to look at policies and actions to:

1. Promote energy efficient and clean technology business practices at Michigan businesses, to control energy costs and improve business competitiveness.
2. Support research and development of clean technology, and promote commercialization of this technology by Michigan companies.
3. Create incentives to support and attract clean technology companies to Michigan.
4. Look at opportunities to promote clean technology and alternative energy through the 21st Century Jobs Fund.

Executive Directive No. 2005-4 “Energy Efficiency in State Facilities”

- Issued effective April 22, 2005 (Earth Day).
- Includes energy efficiency savings target for the state of Michigan:
 - 10 percent reduction in energy use by December 31, 2008.
 - 20 percent reduction in grid-based energy purchases by December 31, 2015.
- The Department of Management and Budget (DMB) to implement energy conservation measures in state facilities.
- Changes in vehicle fleet – use of hybrids and alternative fuels.
- Require purchase of green goods/supplies, where feasible.
- New buildings for state agencies and universities/colleges to comport with the United States Green Building Council, Leadership in Energy and Environmental Design (LEED) certification.
- By June 30, 2005, the DMB, DEQ, and Department of Labor and Economic Growth (DLEG) to recommend additional opportunities for EDGE2. This led to the issuance of Executive Directive 2006-02 (which was the central recommendation of EDGE2).

Executive Directive 2006-04 “Electric Conservation Measures for State Departments and Agencies”

- Issued effective July 31, 2006.
- Emergency energy reduction measures due to high temperatures and corresponding high electric demand on the Midwest Independent System Operator (MISO) transmission grid.
- Ended effective August 2006.

Executive Directive 2007-06 “Reduction of Energy Use”

- Issued January 25, 2007.
- Requires the DMB to create and submit a plan to the Governor by March 30, 2007, to reduce state electricity and other energy expenditures by 10 percent from the level of energy usage during the fiscal year, ending September 30, 2006.
- Plan must include measures to enhance coordinated energy purchasing with local units of government and other political subdivisions of the state.

Renewable and Alternative Energy

Executive Directive No. 2006-2 “21st Century Energy Plan”

- Issued effective April 6, 2006.
- Calls for the development of a comprehensive plan for meeting the state’s electric power needs, including proposal for a renewable portfolio standard.
- Includes recommendations to ensure the state can both reliably meet its growing electric needs and keep electric costs competitive.
- Plan will encourage the use of new technologies and explore ways to continue the growth of the alternative energy industry in Michigan.
- To be developed in cooperation with representatives from the public and private sectors, including the directors of the DEQ and other appropriate state departments.
- Final report submitted to Governor on January 31, 2007.

Michigan Renewable Energy Program (MREP)

- The MREP established under Section 10r(6) of 2000 PA 141.
- The MREP was charged with informing customers of the availability and value of using renewable energy generation and the potential for reduced pollution, promote the use of existing renewable energy sources, and encourage the development of new facilities.
- Over 100 participants in six committees: biomass, solar, wind, economic impacts, financing, ratemaking and net metering.

Michigan Wind Working Group

- Formed by the Michigan Public Service Commission and the DLEG, Energy Office with over 50 stakeholders.
- Created the Wind Siting Guidelines for small- and large-wind systems.

Renewable Fuels

The Governor signed a seven bill package on renewable fuels into law, effective July 7, 2006, which included, in addition to the Michigan Renewable Fuels Commission and the Renaissance Zones further elaborated below, tax incentives, state purchasing requirements, standards for fuels, and funding for fueling infrastructure.

Michigan Renewable Fuels Commission (Commission) was established Under Public Act 272 of 2006

- Tasked the Commission (made up of various public and private stakeholders) to evaluate and develop policy strategies and specific recommendations for Michigan’s political leadership to consider implementing, which would promote research, development, production, and distribution of alternative fuels in Michigan.

Michigan Renaissance Zones established Under Public Acts 270 and 273 of 2006

- Expanded eligibility under the existing Michigan Renaissance Zone act to allow for 10 additional zones to offer tax incentives to renewable energy production facilities.
- Addresses the definition of agricultural processing facilities for the purposes of qualifying for tax incentives under the Michigan Renaissance Zone Act.

Product Stewardship

Executive Directive 2006-06 “Promotion of Green Chemistry...”

- Issued effective October 17, 2006.

- Tasks the DEQ with establishing a Green Chemistry Support Roundtable and developing and promoting a Green Chemistry Support Program for sustainable economic development and protection of public health.

Environmental Purchasing

- The DEQ works both internally and externally to state government to promote and deploy environmentally preferred products in Michigan. This is accomplished through our work with task forces, committees, and workgroups; as well as through our voluntary partnerships.

Several examples include:

- Ensuring more environmentally preferred products are available for purchase under state contract.
- Initiating a project with the Department of Natural Resources (DNR) on greening state parks, including the adoption of bio-fuels and bio-cleaners.
- Encouraging green purchasing to hotels and motels through the Green Lodging Michigan partnership.

Climate Change

Two major climate change initiatives were announced this month:

- Michigan has joined a group of 31 states as charter members of The Climate Registry, a multi-state effort to address climate change. The newly formed organization will assist businesses from all sectors in measuring, tracking, and verifying emissions of greenhouse gases that are known to contribute to climate change.
- The Michigan Department of Agriculture announced a partnership with the Delta Institute and the Michigan Association of Conservation Districts to form the Michigan Conservation and Climate Initiative (MCCI). The project allows farmers and landowners to earn greenhouse gas emission credits when they use conservation tillage, plant grasses or trees, or capture methane with manure digesters. For more information go to, <http://www.michiganclimate.org/>.
- In addition, the DNR has a pilot Michigan Forest Carbon Offset and Trading Program that allows landowners to earn greenhouse gas emission credits and earn revenue through their sale on the Chicago Climate Exchange. It is similar to the MCCI project and is being administered by the Delta Institute.

Legislation Proposed

Over 20 separate bills (see attached) related to energy have been proposed by the Michigan legislature covering issues such as:

- Renewable Portfolio Standards
- Energy efficiency
- Wind generated energy
- Energy policy
- Renewable fuels
- Biomass
- Solar energy

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