

Environmental Justice Letter in Support of HB 4236

Date: April 14, 2021

To: Members of the House Democratic Caucus

From: Michigan Environmental Justice and Environmental Groups

Re: Support for HB 4236, Eliminating the Distributed Generation [small solar] Cap

HB 4236 is a small, but important step forward in Michigan's transition to a clean energy future. Michigan's 1% cap on distributed generation is not only nationally unique, but it is one of the most limiting caps across the country. HB 4236, which will remove the cap, benefits pollution reduction, provides good-paying jobs, advances energy independence opportunities for low-income communities, and improves our state's general well-being. We hope that you will join us in supporting this clean energy legislation.

Climate Solutions Require Bold Legislative Action; HB 4236 is an Early Step for Michigan

The climate crisis, which disproportionately affects low-income and BIPOC communities, is an international emergency with an ever-accelerating deadline to avert irreparable damage to our planet. We need bold, swift action to decarbonize our economy and protect our current youth and future generations from living with the effects of a post-climate disaster world. HB 4236 is a modest energy reform that lays the groundwork for broader reforms like community solar, grid modernization, and fossil fuel retirement, while increasing opportunities to provide good paying solar jobs to Michigan's working families and decrease hazardous air pollution.

Fossil Generation Releases Hazardous Air Pollution in Disproportionately Impacted BIPOC Communities

Solar energy generation is critical to decreasing air pollutants that damage public health. Rooftop solar installations reduce the need for fossil fuel power generation, which emit greenhouse gases and other disease-causing pollutants like sulfur oxides, nitrous oxides, and particulate matter. Moreover, research has shown that Michigan's fossil fuel power plants are disproportionately located in BIPOC communities like Detroit, whose residents subsequently experience the highest rates of pre-existing conditions like asthma, hypertension, and COPD in the state - most notably in zip code 48217, one of Michigan's most polluted zip codes. In the last year, we have seen these same communities die at higher rates from COVID-19 than their more affluent white counterparts due to the link between pollution and pre-existing conditions. As an example, data on confirmed COVID-19 cases showed that African Americans, who constitute 13% of Michigan's population, represent about 40% of the deaths in the state. Removing the 1% cap on distributed generation would make Michigan less reliant on fossil fuels, while improving health and quality of life in Michigan's most impacted communities.

Small Scale Solar Provides Reliable, Affordable Energy to Low-Income Communities

Low-income and BIPOC communities are most vulnerable to energy rate increases because every dollar impacts a greater percentage of their budget. According to a study released by Bloomberg Associates in 2018, approximately 50% of Detroit residents pay more than what is

considered “affordable” by the EPA (i.e. more than 10% of their income) on their utility bills, which has, over the years, led to thousands of low-income and BIPOC communities to experience heat and electricity shut offs¹. According to Elevate Energy, the average energy bill for people below the poverty line in Michigan is \$2,716/yr, which represents an average of 15% of their income. Furthermore, bill assistance programs, which are often subject to budget cuts and are difficult for households to qualify for, “do not systematically address the root causes of the energy burden” experienced by low-income households². Access to energy is a human right, and yet people both in inner cities and rural Michigan are unjustly at constant risk of shut offs and outages. What’s more, energy rates continue to skyrocket as utility companies spend millions of dollars to keep their aging, inefficient fossil fuel systems online. Michiganders need meaningful access to affordable and reliable energy. Solar energy is part of that solution.

Distributed generation is a sensible way to lower costs for Michigan ratepayers for several reasons. The MPSC has already designed rates for distributed generation to ensure the program will put downward pressure on energy prices; distributed generation systems depress costs by increasing available generation capacity during peak demand hours, when energy is traditionally the most expensive. Furthermore, distributed generation avoids inefficiencies due to the transmission of electricity over long distances, which also helps to decrease cost and lower rates. These and other technical and economic values provided by distributed energy generation will help stabilize ever-growing energy costs for low-income ratepayers while providing other widespread benefits across the state.

Distributed Energy Brings Energy Democracy and Climate Resilience

The energy crisis in Texas earlier this year showed the nation that climate-fueled extreme weather can have adverse impacts on energy production, especially at utility-scale generation sites. This event has had disastrous consequences on the lives of low-income and BIPOC communities, which represent the populations most vulnerable to extreme weather events. Michigan is not immune to the energy reliability crisis and continues to experience localized power outages due to extreme weather events, especially in communities like Detroit, where residents not only pay some of the highest energy rates in Michigan, but also suffer from some of the least reliable power in the state. This is the result of poorly upkept power grids and a longstanding lack of investment in their communities.

According to the US Department of Energy, distributed energy sourcing is the best way to increase grid resiliency as we look towards the clean energy future, as it diversifies our power investments and provides fewer pathways for mass failures to occur, especially for historically vulnerable communities, who need it the most. Furthermore, rooftop solar installations give consumers the power to generate their own clean energy, allowing them to become less reliant on fossil fuels while simultaneously decreasing their energy bills. To illustrate this, residents of Detroit and its surrounding communities like Highland Park have taken matters in their own

¹ Bloomberg Associates, *Detroit Utility Affordability: Initial Findings and Recommendations*, October 2018. Powerpoint Presentation.

² Elevate Energy, *Smarter Energy Use for All*, May 2017.
<https://www.elevatenp.org/wp-content/uploads/Energy-Burden-in-MI.pdf>.

hands to build community resilience, reduce emissions, and improve public health through the use of solar energy. From off-grid community solar in urban farms, to on-grid rooftop solar at churches, nonprofit organizations, and residences, to solar-powered street lights and solar powered wifi stations, solar energy has proven itself to be a transformative tool for social change within Detroit and its surrounding communities.

HB 4236 plays a crucial role in strengthening our solar economy, thus enabling these projects to take place, but also in supporting different municipalities across the state in their efforts of either growing their solar potential and/or meeting their commitment of 100% renewables before 2050.

HB 4236 Aligns Michigan with Gubernatorial and Federal Climate Leadership

Democratic leadership at the state and federal level are taking broad action on climate change, with Governor Whitmer and President Biden both announcing plans to reach 100% economy-wide carbon neutrality by 2050 and rebuild our national infrastructure. However, we cannot reach our national climate goals without rapidly electrifying and decarbonizing our energy sector. While large electric utilities must transition towards renewable energy, these transitions are also time-intensive and costly. To hasten Michigan's pace towards a carbon-free economy, we must pass HB 4236, giving citizens the power to reduce their own carbon footprint and decreasing the state's carbon-based energy demand.

The Cumulative Impacts of Pollution and Harm on Environmental Justice Communities Must Be Considered

Knowing that people of color and low-income communities are at the forefront of the energy reliability and affordability crisis, whilst also disproportionately bearing the burden of the health impacts that come from living, working, and playing in polluted neighborhoods, it is imperative that we as a collective make sure to consider their experience while making decisions about distributed generation. It's in everyone's interest to lessen the burden of fossil fuel use on most impacted communities. We now know that solar energy not only helps build grid resilience, but also good-paying jobs. It plays a significant role in helping us collectively reduce our emissions and improve public health. HB 4236 is one modest step in the direction of that just and climate resilient Michigan we are all fighting for, and we hope you will join us in supporting this legislation.

Sincerely,

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