



February 17, 2011

Senate Natural Resources Committee
Lansing, Michigan

Re: SR 10 & SCR 6 – EPA Regulation of greenhouse gas emissions

Dear Senators,

The Michigan Environmental Council is deeply concerned that our current level of emission of greenhouse gases will have a number of negative consequences in Michigan, including:

- 1) Lowering of Great Lakes levels
- 2) Introduction and establishment of new invasive species, including viruses and diseases that will impact both public health and have potentially devastating impacts on natural resources.
- 3) More erratic weather and storm events that will result in more flooding during the winter months and regional drought conditions during the summer months with significant impacts on our agricultural sector. In the case of major rain events we can expect to have more combined sewer overflows degraded water quality.

These impacts will be experienced most severely by our children and their children.

In truth, the regulation of greenhouse gases is not our first choice in addressing this problem. However, given the absence of responsible action by state and federal legislators to address the issue in other meaningful ways, we support the administration's efforts to prompt further action.

What is most frustrating about this issue is that the solution is simple, and it is one that helps families remain in their homes and makes our businesses more globally competitive – investments in energy efficiency. Michigan residents spent \$35 billion dollars on fuel last year. Every 1% more efficient we become in our use of energy injects \$350 million into our economy.

The cost of reducing the demand for electricity is about 2-3 cents a kilowatt. That amount is less than the cost to operate and maintain a power plant, and ¼ of the costs of building a new coal-fired power plant. In addition, spending on energy efficiency also

has huge benefits in the reduction of health care costs. Our current over-reliance on coal-fired power plants is having detrimental impacts on public health. Consider the following:

- 1) Pollution from coal plants causes hundreds of premature deaths annually in Michigan.
- 2) Coal plants are the largest emitters of mercury into our environment, resulting in one out of every six women have elevated mercury in their body that could impact their children.
- 3) Particulate matter pollution for power plants is a significant contributor to Michigan's high asthma rates.

We agree that regulation must be cost effective and consider all costs – unfortunately our current regulations of the utility industry fail to do that. The National Academy of Science report last year estimated that each year public health costs related to coal-fired power plants amounts to \$62 billion a year. Those costs are ignored by those regulating utilities. The dirtiest 10% of the plants cause 43% of the problem. About 1/3 of Michigan coal capacity was built before 1960.

Solution is not a moratorium on new regulations – but, regulations that reduce the long-term total costs of power production on society. In Michigan, we should be requiring our utilities to do long-term resource plans, and make those investments that will provide a smooth and steady transition a cleaner energy future for our children. The law should require the utilities to make those investments that are the most “reasonable and prudent” from the perspective of ratepayers if they want cost recovery from Michigan residents.

Michigan residents are tired about people complaining about what someone else is doing. We want our legislators to take positive steps toward a solution. We therefore ask members to oppose these resolutions and instead take positive steps toward solving the underlying problem, our wasteful energy practices.

Sincerely,

James Clift, Policy Director