



May 25, 2021

Representative Roger Hauck, Chairman
House Regulatory Reform Committee
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909-7514

Mr. Chairman Hauck and Fellow Committee Members,

My name is Mike Alaimo and I am the Director of Environmental and Energy Affairs for the Michigan Chamber of Commerce. Thank you for allowing me the time to speak today and express our support for HB 4575. Representing thousands of businesses across the state, the Michigan Chamber fights for energy policy and legislation that will reduce the cost of energy for consumers without subsidies or rate shifts and make Michigan a competitive place to live and work.

Increasingly we have seen at the local level a push to achieve net-zero carbon goals through the expressed intent to ban the construction of natural gas infrastructure to new construction projects. If enacted, bans to natural gas within local jurisdictions throughout the state would cause significant challenges to the grid, and hamper our ability as a state to keep energy prices stable and competitive. In fact, allowing local governments to enact such bans would, in our opinion, be in direct conflict with the mission of the Michigan Public Service Commission whose goal as stated on their website is: to serve the public by ensuring safe, reliable and accessible energy and telecommunications services at reasonable rates.

Local bans on natural gas would inhibit safety and reliability, as it would create a patchwork of distinct policy landscapes within jurisdictions that don't necessarily align with the statewide management of the grid. It reduces accessibility and affordability as such bans inherently limit a consumer's choice and prohibit the use of a clean and cost-competitive energy source.

The Michigan Chamber supports the de-carbonization of the grid, particularly through the deployment of renewable energy sources like solar power. We believe that the best pathway towards this goal is a market driven approach that leverages a diverse array of energy sources and technologies.

Natural gas is an efficient and clean source of energy that is delivered to homes throughout the state through a robust and heavily regulated distribution system. While there are those that have tried to link natural gas appliances with diminished indoor air quality, study after study shows that this is simply not the case. This important energy infrastructure helps to keep rates affordable in Michigan, but it will also help support the deployment of other clean and even renewable energy sources. Currently we utilize the natural gas distribution network to transport renewable natural gas, an energy source derived from a variety of feedstocks such as farming and agricultural operations, landfills and even municipal wastewater facilities. Further into the future, making the economics work for other zero carbon energy sources such as renewable hydrogen will also require leveraging Michigan's robust natural gas system.

Affordability is a critical component of this bill. A number of key manufacturing and service-based industries, such as the restaurant industry, rely heavily upon natural gas as an efficient and affordable energy solution. Banning natural gas would also be detrimental to the pocketbooks of thousands of Michigan residents currently using it to heat their homes. In fact, according to the Energy Information Administration, nearly a third of US households faced energy insecurity in 2015 for affordability-related reasons. Yet according to the US Department of Energy's September 2020 forecast, "natural gas remains the lowest cost way to heat your home and is the most immediate way to reduce the energy burden for low-income households."

Natural gas continues to be a safe, clean and affordable energy source relied upon by millions of Michiganders to heat their homes and power their business. As we transition towards a clean energy future, it is critical the state remain in the driver seat when it comes to our energy policy development to ensure clean energy solutions like natural gas continue to be a viable option for all Michiganders.