

Opposition to SB 103 – proposed “Transmission Infrastructure Planning Act”
House Energy Committee
November 3, 2021

The Michigan Chemistry Council is the voice for Michigan’s chemical industry, one of our state’s largest manufacturing sectors. 96% of all manufactured goods are directly touched by the business of chemistry, making our industry essential to every facet of Michigan’s economy.

Energy is the most significant issue of concern for the business of chemistry, which depends greatly upon affordable energy sources for its feedstocks and manufacturing processes. Unfortunately, the MCC’s members remain significantly disadvantaged by Michigan’s high energy costs – a fact only confirmed by recent news reports. Our members have consistently said that Michigan’s energy costs are a major barrier to continued growth by our industry, which competes not only nationally but globally for new investments and jobs.

Our 2021 policy priorities focus on several energy-related issues, including the expansion of competitive electric markets and increased import capacity. In particular, the MCC has long supported efforts by the MPSC, MISO, and FERC to improve transmission planning and to invest in cost-effective transmission improvements where possible.

Unfortunately, while the MCC recognizes there are ongoing discussions on how to improve transmission planning, this proposed legislation would only create additional barriers by enacting further statutory monopolies for transmission development. The MCC does not believe it makes sense to prohibit competitive options and place Michigan in conflict with MISO’s competitive transmission processes. This is particularly true at a time when FERC has begun a comprehensive update of federal rules for regional transmission planning and cost allocation. The most recent changes to SB 103 do nothing to make this legislation any less anti-competitive or to address this fundamental flaw.

Furthermore, the MCC doesn’t believe there is an objective assessment of the problem or a demonstration of the need for this legislation in Michigan. Instead, the MCC supports legislation like House Bills 4806 and 4807, which would allow any MISO-qualified transmission developer to be able to exercise eminent domain for competitive transmission projects. We believe it only makes sense to open up this authority for all qualified developers, as was done in 2004 when the new independent transmission companies (like ITC and ATC) were spun off of the incumbent utilities.

Especially as our utilities and manufacturers alike seek to transition to cleaner energy resources, it is important to prioritize competitive policies that help keep our costs low and promote Michigan jobs. Thank you for your consideration of the MCC’s perspective, and we look forward to working with you.