



International Brotherhood of Electrical Workers

Local 17

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Dean Bradley

Business Manager & Financial Secretary

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Dear House Energy Policy Committee members,

I would first like to thank Chairman Nesbitt for his leadership on this highly complex and incredibly important issue. Chairman Nesbitt's plan is a Michigan-first policy that will enable Michigan to plan for the future and allow Michigan's hard-working men and women to produce Michigan's energy. Our economy, our jobs, our families depend on a stable electric supply, and Local 17 commends your focus on the future of affordable, reliable electricity for our state.

Michigan is in a period of profound transformation. As our state rebounds from one of its worst periods of economic recession, it's crucial that our lawmakers enact policies that continue to facilitate the comeback. In some cases, that might mean taking a hands-off approach, while others, like new energy policy, will require more involvement from our state's legislature.

We are at a crossroads in Michigan; our workforce is changing hands to the younger generations, our energy production fleet is on the cutting edge of development and in the middle of it all; our state is experiencing unparalleled business and job growth. It is crucial that our next energy policy allows our state to continue to rebound – and regulation will be the key.

Looking back at Michigan's experience in the hybrid system, we see cost shifting and subsidies that the vast majority of Michigan's families and businesses have had to shoulder. Going forward, the current structure is unworkable given Michigan needs to have adequate electric supply to power our state.

Currently, Retail Access customers have the ability to switch from provider to provider without paying for the reliable services from which they benefit. This poses reliability and affordability challenges in accurately assessing generation needs of the future. Given the difficulty in predicting customer load, utilities are faced with a unique challenge to plan for and build new assets in the most cost effective way while protecting system reliability.

If these issues are not resolved, Michigan's days of economic recovery could fumble. The Midwest grid operator has testified of a 2016 capacity shortfall, and consumers cannot accommodate the threat of volatility in electric rates. The legislature must enact a comprehensive new policy to remedy these issues and allow Michigan to plan for our state's energy future.

We have seen the dangers of the current structure in the recent Upper Peninsula energy crisis. We cannot risk Michigan's economic recovery by risking a similar crisis to repeat itself statewide.

Chairman Nesbitt has the right idea. Regulation of the energy market will keep a good thing going, and will help Michigan secure its own energy future.

Sincerely,

Business Manager / Financial Secretary
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