

January 11, 2016

State of Michigan  
Executive Office of the Governor  
P.O. Box 30013  
Lansing, MI 48909

Dear Governor Snyder,

Members of the Michigan BlueGreen Alliance—a partnership of labor unions and environmental organizations—agree with your decision to move forward on a State Plan to meet the U.S. Environmental Protection Agency’s Clean Power Plan. It is the prudent way to take advantage of the Clean Power Plan’s flexibility for compliance, which allows each state to determine for itself which mechanisms make the most sense for its citizens, workers, and economy in complying with the national standards, while allowing states to join together to submit regional implementation plans. We believe identifying the appropriate mix of approaches to reduce carbon emissions in the power sector that meets state target will also bolster new and emerging sectors of the efficiency and no- and low-carbon emitting energy economy.

We began meetings to discuss how Michigan can meet the carbon pollution reductions of the Clean Power Plan utilizing a variety of energy technologies and policy levers and that will maximize job creation and security at family-sustaining wages through the inclusion of a variety of labor standards and skills certifications. Below are our recommendations.

While many generation sources will continue to supply Michigan’s power, markets and policy adoption have already started moving us towards resources that reduce the State’s carbon emissions. We believe increasing the use of no- and low-carbon energy and efficient use of our existing and future sources of power will be important pathways towards emission reductions, competitiveness and economic growth. To maximize the family-sustaining job creation associated with any increase in the use of renewable energy, we believe:

1. It is important to require the use of Michigan materials and Michigan labor in renewable power manufacturing, deployment, generation and maintenance when feasible;
2. The 2 percent cap on spending should be eliminated to further allow utilities to more deeply invest in energy efficiency in our state; and
3. The annual electric energy efficiency savings should be increased. We support creating a structure that incentivizes utilities to participate in demand side energy efficiency programs and “decouples” their revenues from energy usage alone.

Furthermore, we urge you to support the regulated market for power to ensure fairness across customer classes, and improve planning, reliability and security for Michigan's energy economy. In addition, an expanded Integrated Resource Planning process for Michigan, which is transparent and includes meaningful stakeholder input and engaged commission oversight, will require consideration of multiple inputs such as forecasts, environmental protection standards, reliability, fuel options, and demand-side options, among other items.

Finally, a transition to a lower-carbon energy supply will result in some power plants shutting down. Just as regulated utilities can recover their stranded costs when plants close, the workers and communities affected by these closures should be able to recover their equity and investment. This means advocating for proactive planning with guaranteed and sufficient funding to address tax base shortfalls and benefits obligations, job training, economic support and development opportunities for workers (both directly and indirectly affected) and affected communities.

Sincerely,

Michael Bolton,  
Director, USW District 2

David Hecker,  
President, AFT Michigan

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Enclosure *Clean Power Plan and Quality Job Creation*



cc:

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