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Capitol Corner

News Brief

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100% 'Clean Energy' By 2040 Passes Senate

Electric companies need to run 100% on "clean energy" – which includes nuclear power and methane digesters controlling organic waste decomposition – by 2040 under an expansive energy reform package driven by Senate Democrats.

All four bills – altogether dealing with clean energy goalposts, potential labor needs, and job training and utility reviews – methodically passed this evening on party-line 20-18 votes after numerous Republican amendments all failed on the same party-line votes.

Outside of setting the 2040 deadline, SB 271 by Sen. Erika GEISS (D-Taylor), requires electric companies regulated by the Michigan Public Service Commission (MPSC) to depend 50% on renewable energy – such as wind, solar and geothermal power, as well as hydropower – from 2030 to 2034.

In 2035, the renewable energy credit portfolio must make up 60% of a utility's energy sources.

Meanwhile, the 100% "clean energy" portfolio expected by 2040 could consist of any of the renewable energy sources, and new and existing gas plants using technology with a carbon capture and storage (CCS) rate of 90%. Nuclear and biomass energy can also be incorporated into the portfolio under the bills.

"All the scientific evidence that we must do something now, that we must embark on these changes now, is before us. This legislation marks the beginning of taking bold action to address this urgent crisis, one that is a clear and present danger, and failure to tackle it meaningfully cannot be an option," Geiss said. "This isn't just about the business community or about utilities – this is about our planet that we live on together."

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Sen. John DAMOOSE (R-Harbor Springs) offered an unsuccessful amendment to halt the legislation's clean energy goals if energy rates exceed the rate of inflation. His point was that the legislation makes a lot of lofty promises, "but the only thing Michigan residents can be sure of is that they will deliver higher rates."

Sen. Joseph BELLINO JR. (R-Monroe) attempted to tie-bar SB 271 with his own legislation, SB 10, which preempts local governments from implementing bans or penalties against natural gas use or the installation of natural gas infrastructure.

Furthermore, Sen. Jonathan LINDSEY (R-Brooklyn) made the case that the legislation should be linked to eliminating the 1% cap on rooftop solar installations, restricting how many panels an individual can install and have connected to the energy grid. His effort by the same 18-20 vote.

"Again, we're about to vote on significant legislation rushed through this chamber at lightning speed," said Sen. Dan LAUWERS (R-Brockway), the minority vice chair of the Senate Energy and Environment Committee. "Michigan residents need and deserve reliable and affordable energy, but that's not what they're gonna get here today. Instead, Democrats have unapologetically put forward a plan to drive up costs and make our energy grid even less reliable."

Lauwers added that "capital is a coward," with businesses that can benefit and contribute to Michigan's economy running away from risks. He illustrated how the legislative package could create uncertainty for manufacturing in the state, and push manufacturers to relocate to states with less burdensome energy mandates.

"This is no way to grow our population," he said.

The other three energy bills that passed today include:

- **SB 502** requires the MPSC to consider environmental justice, human health impacts, greenhouse gas reduction and sulfur oxide emissions when approving a utility company's proposed five-year Integrated Resources Plan (IRP).

Sen. Sue SHINK (D-Ann Arbor)'s bill also charges the MPSC with verifying that workers are receiving prevailing wage and fringe benefits for a utility's latest projects.

If an energy utility serving at least 100,000 residential customers files for a cost recovery proceeding, it must pay \$2 million – \$1.8 million if not all of its customers are residential – to the Utility Consumer Representation Fund to finance administrative and judicial proceedings. These are increases from the current \$650,000 and \$900,000 fees.

- **SB 273** sets a goal for Michigan's electric providers that their energy waste reduction programs save the equivalent of 2% of their retail electricity sales from the previous year. Starting in 2026, the current 1% savings that is mandated in law will go up to 1.5%, with the aforementioned 2% being an incentivized goal.

"This is now an opportunity for us to help our citizens across the state save dollars and resources. I'm also proud that we now have been working with our co-ops, as well as our municipal entities, and now every citizen will have access to energy efficiency opportunities," said Sen. Sam SINGH (D-East Lansing) on his SB 273.

He added that under the legislation, at least 25% of an electric provider's total energy waste reduction program spending must be dedicated to low-income communities.

For natural gas providers, at least 35% of their total energy waste reduction program spending must be appropriated to low-income communities, and beginning in 2026, their incremental energy savings must be worth .875% of overall retail natural gas sales from the prior year.

- **SB 519** creates a transition program that could offer supplemental income, health care benefits, retirement benefits and educational opportunities for residents who lose their jobs in the fossil fuel industry due to the transition to renewable energy.

The "Community and Worker Economic Transition Office" within Michigan's Department of Labor and Economic Opportunity (LEO) would be charged with helping communities and running the aforementioned program.

[Senate Dems Vote To Scrap Private Insurance Abortion Rider](#)

Senate Democrats approved legislation today repealing Michigan's 10-year-old Abortion Insurance Opt-Out Act, which prohibited private insurers from offering abortion coverage as a standard feature in their plans.

The new government arm would develop a transition plan that addresses the local impacts of a coal power station closing or how auto workers can best adapt to the evolving electric vehicle (EV) movement – and submit it to the Legislature and the Governor by the end of 2025.

It will additionally be responsible for lining up federal, state and local resources that can assist as electrification and renewable energy sources, like solar power and natural gas plants utilizing carbon capture and storage (CCS) technology, grow in prominence.

"The reality is that more than a dozen countries around the world, including the population of most industrialized nations, have already determined that they will be phasing out internal combustion engine vehicles within the next few years," said Sen. Mallory MCMORROW (D-Royal Oak) during floor debate on the legislation. "If we do not position our state, our workers and our signature industry to respond to this transition that we're living in, we will get left behind."

Speaking on the overall package, Singh explained how the legislation offers "off ramps," overseen by the public service commission, for utility providers who face issues with cost and reliability. However, he did say these periods where the legislation's deadlines won't apply are intended to be temporary.

Meanwhile, Senate Minority Leader Aric NESBITT (R-Lawton) and House Minority Leader Matt HALL (R-Kalamazoo) spoke to members of the media after today's session, where they admitted to viewing the legislation as an ultimate ban on natural gas. Although the legislation's language permits the use of natural gas with CCS technology being utilized, Nesbitt indicated that no methods have been set up to see carbon capture and sequestration be taken advantage of in Michigan.

"It's a talking point at the end of the day. They don't set up the process to actually do it and allow it here in the end," Nesbitt said. "Even with all this acceptance of what's there, the same environmental groups are going to be coming in and opposing anything on carbon capture and sequestration, because there's a whole goal of just banning natural gas at the end of the day."

Hall predicts that GOP representatives will be needed to pass the package in the end, "but you're not going to ban natural gas and get our support."

MIRS QUOTE OF THE WEEK

"I had to bathe and flush my toilet using bottled water. It was a terrible experience."

- Willy BRAKE, a member of the Michigan Welfare Rights Organization, testifying in favor of legislation that limit water utility charges to 2% or 3% of the household income of those under 200% of the federal poverty level.

The repeal was approved by a party-line vote, 20-18.

The Abortion Insurance Opt-Out Act that was approved by Republican Gov. Rick SNYDER's administration required "elective" abortion coverage to be purchased in private health plans through an optional rider, with an additional premium being bought.

Sen. Erika GEISS (D-Taylor)'s SB 593 would create the Reproductive Health Act (RHA) and codifies Proposal 3 of 2022 by making it clear that an "elective" abortion does not include efforts to remove a dead fetus or to preserve a woman's life.

The bill allows facilities that perform elective abortions to receive state grants and contracts. It stops the criminalization of a physician who aborts a "quick child," a fetus moving within the womb.

SB 593 follows other RHA bills that were approved earlier in the chamber on Oct. 19, consisting of SB 474, SB 475, SB 476 and SB 477.

Water Can't Be Shut Off If You're Paying At Least \$10 A Month Under Bills

Residents living on the cusp of poverty could only be charged 2% or 3% of their household income on their water bills if they enroll in a state program, under legislation that received more than three hours of House committee testimony today.

If paying even 2% of a household income is too heavy of a lift, the Low-Income Water Residential Affordability Program requires water companies to work with residents on a special payment arrangement. The bills read that as long a customer is paying at least \$10 a month for water or if the customer flakes out on a deal, service cannot be shut off.

The new Department of Health and Human Services (DHHS) fund would be funded through a \$2 monthly charge on everyone's water bills.

While talked about how among urban and progressive communities for years, water affordability became a more prominent issue during the COVID-19 pandemic when an estimated 317,000 Michigan households found themselves behind on their water bills, Sen. Stephanie CHANG (D-Detroit) told the House Natural Resources, Environment, Tourism and Outdoor Recreation Committee today.

"We are the Great Lakes State and water affordability must be addressed statewide to give every family a chance to make it in Michigan," Chang said.

Every corner of the state saw people having trouble paying their water bills, she said, causing water shutoffs that had families scrambling to fulfill the most basic of needs.

"I had to bathe and flush my toilet using bottled water. It

"I firmly believe that those who can become pregnant deserve to be given the power and freedom to make their own medical decisions, without outside judgment or interference," Geiss said last week. "The Reproductive Health Act sends a powerful message that we are serious about protecting the rights of all Michiganders — regardless of their gender, race, income or ZIP code. This legislation ensures that legal loopholes do not infringe upon their rights any further."

The bills that were voted on previously would lift multiple abortion-related regulations, like by no longer mandating procedural abortion clinics to be licensed as freestanding surgical outpatient facilities, eliminating detailed reporting obligations to the Michigan Department of Health and Human Services (DHHS) and no longer requiring patients to physically receive certain information at least 24 hours ahead of procedure.

was a terrible experience," said Willy BRAKE, a member of the Michigan Welfare Rights Organization.

Others spoke of similar experiences, living in households in which paying for utilities fell under paying rent and food in terms of priorities.

Later in the committee hearing, Committee Chair Rep. Laurie POHUTSKY (D-Livonia) confided that she, too, was forced to use a Panera bathroom and shower at a friend's house because her residence was without water.

At one point, Rep. Josh SCHRIVER (R-Oxford) quoted an online post that found the average water bill in Michigan was \$29. The testifier at the time explained that most public utilities separate their water charge from their sewer charge in their billing, but when the charges are added up in the final bill, it's much more than \$29 a month. The number \$80

THIS WEEK IN MICHIGAN HISTORY

On Oct. 28, 1912, Art SMITH and Aimee COUR decided to elope to Michigan in a plane because they couldn't marry in their home state. The 19-year-old Smith and 18-year-old Cour were too young to marry without parental consent in Indiana, and their parents were not exactly in favor of the marriage.

Smith, a stunt pilot, said he would fly them to Michigan for a wedding neither of their parents could stop. Unfortunately, the plane crashed in Hillsdale and the two had to be taken to a hotel for recovery, as there was no hospital in the area at the time. Eventually, someone found a minister, and the two were married from a hotel bed. It was history's first aerial elopement. The newlyweds spent another three weeks recovering in the hotel. Their parents, happy to see them alive, forgave them.

a month was shared with the committee as the average monthly water bill in Detroit.

"Do you pay \$29 a month for water?" Pohutsky asked Schriver. "Because I don't."

Rep. Abraham AIYASH (D-Hamtramck)'s HB 5088 and five other companion bills apply to all state water utilities but allow those utilities to develop their own program if the cap remains at 3% of the person's household income.

Pohutsky said she'd prefer to move the bills out of committee before session adjourns for the year, but she's leaving it up to the bill sponsors on whether to iron out any remaining issues in committee or on the House floor.

Highlights of HB 5088 and the remaining bills – Rep. Donavan MCKINNEY (D-Detroit)'s HB 5089 , Aiyash's HB 5090 , Rep. Mike MCFALL (D-Hazel Park)'s HB 5091 , Rep. Jimmie WILSON JR. (D-Ypsilanti)'s HB 5092 and McKinney's HB 5093 include:

- If the fund runs out of money, the discount disappears
- The fund can go toward plumbing repairs of up to \$2,500. The program would pay for repairs higher than that if there is "extreme need."
- A task force made up of DHHS director appointees representing water companies and their clients would oversee the program
- Customers who enter the program with unpaid water debt under \$1,500 can have that amount forgiven. Those who owe more than that could have their debt forgiven if

they make their agreed-upon monthly payments for two straight years.

- Customers can't have their water shutoff unless the water company posts a delinquency notice on the front door and then tries to get in touch with the resident three other times – either through email, text message or first-class mail.

The bills also set specific perimeters on when water can be shut off and limit the service restoration charge to \$150.

It also allows tenants to request a landlord move a water or sewer bill into their name, which makes the property management folks uneasy. The property is under their name and if a tenant fails to pay and the water gets shut off, they're responsible.

A final piece of the bill limits the penalties to a resident who extends their water hose to a neighbor who can't pay their bill to a civil infraction. The first offense is 50 hours of community service. The second offense is a \$250 fine. The third offense is a \$500 fine.

Rep. David MARTIN (R-Davison) was concerned his Genesee County residents would end up coughing up as much \$24 a year to cover the unfunded liability costs or management blunders coming out of the Detroit water system.

However, the bill reads that at least 80% of the money in the fund must be spent on helping the poor pay their bills.

The \$2-a-month charge can increase year-to-year, but cannot be 10% higher than it was the year before.

Governor Not Excited About Spousal Disclosure But Won't Veto It

An alternate financial disclosure bill requiring spouses of legislators, state executives and candidates for those positions reveal their financial matters may not be what Gov. Gretchen WHITMER wants to see, but she said today she would not veto it.

First off, Whitmer said she worries that such a requirement might sway a woman candidate from wanting to run for office.

"I think there is a legitimate concern that that kind of information could be held against female candidates for positions in a way that won't be held against male candidates," she told reporters during a scrum downtown.

But is the concern deep enough to warrant a veto?

Nope.

"If the Legislature is going to put it in and I'm going to sign it," she reveals, despite what she terms "red flags" for her.

The issue of expanding the state's Freedom of Information Act (FOIA) laws to the executive and legislative branches, produced a question from a Michigan Press Association member during today's forum who was under the impression she would veto such a matter.

Basically, she said she is not proposing the change. Legislative leaders and her office signed off on financial disclosure language that reflects what the Senate is working on. She's not advocating for more.

"If I do it unilaterally, they will lose any motivation to do anything. So that is a part of the leverage to get it done and not do it unilaterally," Whitmer said.

She reflected that lawmakers need to meet the voter's "minimum" requests outlined in Proposal 1, which required legislators, elected executive branch officials and candidates running for those positions to disclose their assets.

"Is that the whole picture of what we should do? No," she said.