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Michigan Competitive Fuels Act: Enriching utilities and greenwashing data centers

The Clean Fuels Michigan Summit, held yesterday (November 12, 2025) on the University of Michigan campus, is part of a PR campaign to shine a positive light on a deeply flawed proposal, the Michigan Competitive Fuels Act, expected to be introduced in the Michigan Senate any day by Senator Sam Singh [D-28]. Clean Fuels Michigan, a coalition of industry trade groups that stand to benefit financially if the bill is passed, is trying to sell Michiganders a bill of goods under the guise of sustainability. A previous iteration of the bill, introduced in 2023, stalled amid opposition from a broad coalition of environmental, public health, and environmental justice organizations.

The Competitive Fuels Act will enrich corporations, especially DTE and Consumers Energy, by rewarding them with lucrative carbon credits for producing "Renewable Natural Gas," also known as RNG. RNG also earns valuable federal carbon and tax credits and benefits from a suite of public subsidies. It is the foundation upon which the Competitive Fuels Act is built. However, methane gas produced from manure and other industrial waste streams is not clean; it is identical to fossil gas. Methane gas labeled "RNG" is DTE and Consumers Energy's "vision" for Michigan's energy future.

Energy-intensive data centers are turning to RNG as a fuel source to greenwash their enormous electricity footprints. Many of the Michigan Democratic and Republican legislators who voted for tax breaks for data centers and Big Tech accept donations from DTE and Consumers Energy. Governor Whitmer similarly supports data centers and takes utility money. Whitmer's signature MI Healthy Climate Plan and the clean energy package of bills passed in 2023 promote RNG as a so-called "clean" fuel.

Clean Fuels Michigan will tell you this bill is the best way to electrify the transportation sector. However, the Competitive Fuels Act, modeled after California's controversial Low Carbon Fuel Standard (LCFS) Program, will prioritize RNG and other combustion biofuels over truly clean renewables. About 80% of the credit value under California's LCFS Program has gone to combustion biofuels, year after year.

"Michigan is already a magnet for data centers," said Valerie Schey, Michiganders for a Just Farming System. "If the Michigan Legislature passes the Competitive Fuels Act, our state will become an even bigger draw for data centers, adding to DTE and Consumers Energy's bottom lines. And Michiganders will pay the price."

What DTE and Consumers won't tell you is how much money they stand to make off of RNG if a Michigan version of California's LCFS is enacted. Nor will they tell you that those profits will **not** benefit ratepayers or lower your utility bills. Instead, those profits will be funneled back to

utility executives and shareholders. The utilities and other RNG proponents fail to mention that RNG is far more expensive to produce than fossil gas and that prices at the pump will likely increase. They will claim that electricity as a fuel for EVs will become more affordable (eventually). Don't count on it.

Energy affordability, the loss of local control over data center and RNG production facilities, public health, and Michigan's clean-energy future are on the line. Lawmakers should reject the Competitive Fuels Act and instead invest in truly renewable energy solutions that put people first.

Michiganders for a Just Farming System

A grassroots organization dedicated to advancing a fair and just food and farm system that works for independent family farmers and prioritizes communities and the environment over corporate profits.

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