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Date: August 19, 2015
To: Senate Energy and Technology Committee
From: Andrew Vermeesch
Associate Legislative Counsel, Michigan Farm Bureau
Re: Written Testimony on Senate Bill 438

Thank you for the opportunity to provide written testimony to the Senate Energy and Technology Committee on Senate Bill 438 regarding changes to the net metering program.

Michigan Farm Bureau is the state's largest general farm organization representing more than 46,000 farm family members. Our policy efforts are grassroots driven -- local members develop, debate, and adopt our policy positions on an annual basis, first at the county and then state-level.

Michigan's agriculture industry provides over \$100 billion of economic activity and is one of the lead drivers in the state's economy. In order for Michigan's food and agriculture system to continue to prosper, it is vital that Michigan has sound policy in place to reduce base load demand and ensure that the industry has access to consistent and affordable energy.

The net metering program enables Michigan's utility, cooperative and Alternative Energy Supplier customers to develop on-site renewable energy electric generation projects to meet some or all of their electric energy needs and reduce their electric bills. Under the program, customers may install an on-site renewable energy electric generation project, such as a wind turbine or solar panel. The customer is able to reduce their electric purchases from the utility by using their generated electricity on site.

The current net meter program has been used by various farms across the state. One common example may be the placement of solar panels on a livestock barn that can be used to reduce the producer's energy consumption at their facility. Unfortunately, the proposed changes under SB 438 to the net metering program could limit feasibility for future projects as well as hinder current participants who made financial investment decisions based on existing structure.

Specifically, SB 438 alter the program requiring participants to buy all their electricity at retail rate regardless of how much energy they generate on-site. The excess generation that they produce will then be sold separately back to the utility at a reduced wholesale rate taking away from the viability of the program. Michigan Farm Bureau has concerns with this change. In fact, policy from our members state that we support net metering regulation that enables producers to sell excess power generated on farms back to utilities at an equitable rate.

As a grassroots organization, Michigan Farm Bureau recognizes the importance of having sound energy policy in our state and appreciate the efforts of the Senate Energy Committee. Again, thank you for the opportunity to provide written testimony on behalf of Michigan Farm Bureau's 46,000 farm members. Our organization looks forward to continuing to work with the committee to improve Michigan's energy policies.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Vermeesch'.

Andrew Vermeesch
Associate Legislative Counsel



MICHIGAN'S VOICE OF AGRICULTURE