



June 13, 2016

Sen. Lisa Murkowski, Chair
U.S. Senate Committee on Energy
and Natural Resources
709 Hart Senate Building
Washington, D.C. 20510

Sen. Maria Cantwell, Ranking Member
U.S. Senate Committee on Energy
and Natural Resources
511 Hart Senate Office Building
Washington, DC 20510

Rep. Fred Upton, Chair
House Energy and Commerce Committee
2183 Rayburn House Office Building
Washington, D.C. 20515

Rep. Frank Pallone, Ranking Member
House Energy and Commerce Committee
237 Cannon House Office Building
Washington, DC 20515

Dear Chairwoman Murkowski, Chairman Upton, Senator Cantwell and Representative Pallone:

On behalf of the Michigan Energy Innovation Business Council (Michigan EIBC), I write to express our support for comprehensive federal energy legislation, and to thank both the House and Senate for passing broad energy legislation in H.R. 8 and S. 2012, respectively. As you consider convening a conference committee to resolve differences between the House and Senate bills, Michigan EIBC would encourage you to build on the positive elements contained in both bills to accelerate the transition to an advanced energy future.

Specifically, Michigan EIBC support a number of provisions in H.R. 8 and S. 2012, and encourages you to ensure these elements are included in the final legislation. These provisions include:

- Title I, Subtitle F of S. 2012 that would include expected energy savings when determining the value of homes in the mortgage underwriting process used by federal mortgage agencies. This provision would provide a powerful market-driven incentive for homeowners to invest in energy efficiency improvements that can lower utility bills to households by 30% or more.
- Title I, Section 1107 in H.R. 8, which would allow utilities the ability to obtain rate recovery when procuring cloud-based software for services such as energy efficiency. Currently, utilities can rate recover costs for physical software-based services, but not cloud-based services. This provision levels the playing field.
- Sections 1006 and 1016 of S. 2012 and Sections 3116 and 3117 of H.R. 8 that would create energy performance requirements and standards for federal buildings, helping to generate savings to taxpayers while reducing energy waste, that would improve the energy and water efficiency in federal buildings;
- Section 2017 of S. 2012 that would codify an Executive Order for federal buildings to reduce building energy intensity by 2.5% annually; and
- Section 1021 of S. 2012 that would require a study and report on energy savings and benefits of operational efficiency programs and services.



Michigan EIBC also encourages lawmakers to improve the legislation by making certain provisions technology neutral. For instance, while we support the idea to remove market barriers for distributed energy resources and micro-grids in Section 2309 in S. 2012, Michigan EIBC recommends that this section be amended to recognize the value and participation of other technologies, such as demand response, in federal energy markets.

Additionally, Section 1110 of H.R. 8 and Section 4302 of S. 2012 require an analysis by several Regional Transmission Organizations and FERC on availability of resources in capacity markets. Michigan EIBC supports a comprehensive analysis on the most cost-effective approaches to ensure reliability. However, the provisions, as drafted, ignore a diverse portfolio of resources that RTO's consider for purposes of reliability, including demand-side resources. Michigan EIBC recommends ensuring that the RTO's consider all technologies, on both the supply and demand side, as they performs their analyses.

Michigan EIBC and its member businesses support Congress' effort to modernize the U.S. energy system. We look forward to working with you to finalize this comprehensive energy legislation.

Sincerely,

Liesl Eichler Clark
President
Michigan Energy Innovation Business Council

cc:

Sen. Debbie Stabenow
Sen. Gary Peters

Rep. Dan Benishek
Rep. Bill Huizinga
Rep. Justin Amash
Rep. John Moolenaar
Rep. Dan Kildee
Rep. Tim Walberg
Rep. Mike Bishop
Rep. Sander Levin
Rep. Candice Miller
Rep. David Trott
Rep. Debbie Dingell
Rep. John Conyers