



# 2018 Legislative Candidate Questionnaire Report

July 9, 2018

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## Introduction

The [Institute for Energy Innovation \(IEI\)](#) is a Michigan-based non-profit that works to promote greater public understanding of advanced energy and its economic potential for Michigan, and to inform the policy and public discussion on Michigan's energy challenges and opportunities. IEI is governed by a group of energy leaders with deep connections to industry, research, finance, and policy.

The [Michigan Energy Innovation Business Council \(Michigan EIBC\)](#) is a business trade association representing advanced energy companies doing business in Michigan. Michigan EIBC's mission is to grow Michigan's advanced energy economy by fostering opportunities for innovation and business growth and offering a unified voice in creating a business-friendly environment for the advanced energy industry in Michigan.

## Key Legislative Issues for 2018

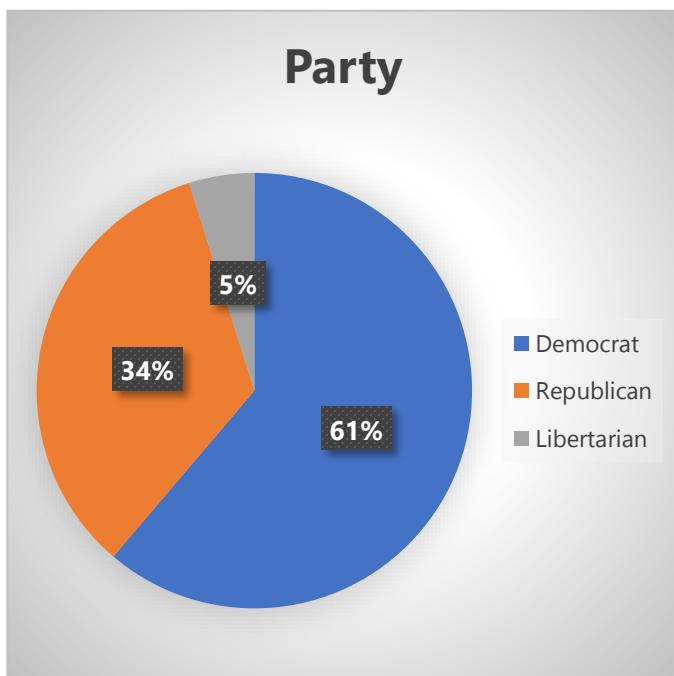
Michigan EIBC member companies establish advanced energy priorities for each legislative session. These priorities were reaffirmed by the Michigan EIBC Policy Committee and the Board in early 2018. Among these priorities are the following:

- Reducing energy waste in Michigan
- Providing meaningful market access to advanced energy businesses
- Increasing renewable energy in Michigan
- Voluntary renewable energy purchasing options
- Supporting customer-owned electricity generation
- Establishing fair and consistent taxation of renewable energy installations
- Access to capital/financing for advanced energy projects
- Fostering energy innovation
- Modernizing the distribution grid
- Supporting advanced transportation

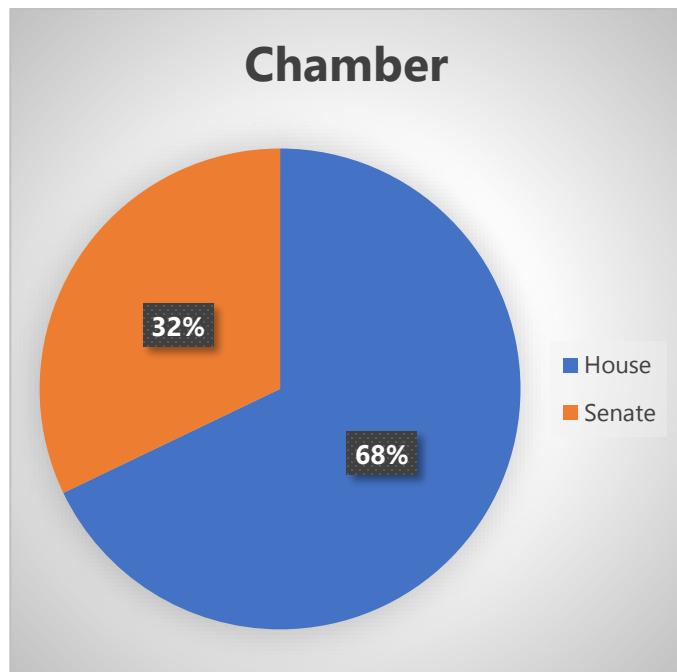
## Process

Together, IEI and Michigan EIBC sought the views of candidates running for seats at the Michigan legislature on the aforementioned advanced energy issues. IEI sent a questionnaire electronically and, upon request, via paper mail, to all 604 state legislative candidates on June 1, 2018. Candidates were given two weeks to respond to the questionnaire. While the questionnaire was open, IEI followed up with candidates several times via email and phone call to encourage completion.

In total, IEI received responses from 165 legislative candidates out of 604 contacted candidates or approximately 27% of all candidates. The responding candidates are competing in 109 districts or 74% of all races and all candidates who responded are running in contested races.



will play a major role in determining the state's future on energy policy and a host of other issues.



## Profile of 2018 Michigan Election Landscape

This November, all 110 seats in the Michigan House of Representatives and all 38 seats in the Michigan Senate are up for election. While many current legislators are expected to return to Lansing, at least 45 new state representatives and 28 new state senators will be elected due to term limits and seats that have been vacated. A new class of legislators has not been this big since at least 2010, and candidates elected this November

### **Candidate Response Breakdown**

PARTY: Of the respondents, 101 are Democrats (34%), 56 are Republicans (61%), and 8 are Libertarians (5%). Responses were received from 32% of all Democrats running, 22% of all Republicans running, and 27% of all Libertarians running.

TERM: Of the respondents, 20 are incumbents (12%) and 145 are running for a first term (88%). Of all incumbents running, 26% responded to the questionnaire and of all the first term candidates running, 28% responded to the questionnaire.

CHAMBER: Of the 165 respondents, 53 are running for state Senate and 112 are running for the state House. Responses were received from at least one candidate in 31 of 38 (82%) Senate races and 78 of 110 (71%) House races.

CHAMBER AND PARTY: Of the 53 respondents in Senate races, 32 are Democrats (60%), 16 are Republicans (30%), and 5 are Libertarian (9%). Of the 112 respondents in the state House races, 69 are Democrats (62%), 40 are Republicans (36%), and 3 are Libertarians (2%).

Of all the respondents, 70 candidates (42%) answered with a "Yes" to all questions (in line with Michigan EIBC's policy platform), while 56% of Democrats, 20% of Republicans, and 25% of Libertarians responded "Yes" to all questions.

In addition, Democrats and Republicans will fight for majorities through competitive seats across the state. The chairs of the energy committees in both the House and the Senate are term-limited, with incoming legislative leadership tasked with filling those important roles.

Voters will also elect a new governor, lieutenant governor, attorney general and secretary of state -- offices that will all be open for the first time since 2010. Michigan's next governor will play an important role in energy policy in a number of ways, including making appointments to the Michigan Public Service Commission (MPSC)<sup>1</sup> with vacancies anticipated in 2019 and 2021.

The 2018 election will be unique for a number of reasons,

including a likely long list of ballot proposals, several competitive congressional races across the state, and increased attention to politics at the national level -- all of which could lead to increased voter turnout this November, compared to the average gubernatorial election year.

## **Lay of the Land**

### **House**

Republicans currently hold the majority in the state House with 63 seats. Of the remaining seats, 46 are held by Democrats and 1 is currently vacant.

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<sup>1</sup> The MPSC is made up of no more than two commissioners from one party. The current appointments include two Independents and one Republican.

### *Competitive Races*

Competitive races are expected in approximately 15 House districts across the state. Of those seats, a majority are currently held by Republicans.

#### *Competitive House seats currently held by Democrats (3):*

- **HD 25 (Yanez\*-Macomb)**
- **HD 76 (Brinks\*-Grand Rapids)**
- **HD 110 (Dianda\*-Western UP)**

#### *Competitive House seats currently held by Republicans (12):*

- **HD 17 (Bellino-Monroe)**
- **HD 20 (Noble-Northville)**
- HD 39 (Kesto\*-West Bloomfield)
- **HD 40 (McCready\*-Birmingham)**
- **HD 41 (Howrylak\*-Troy)**
- **HD 61 (Iden-Portage)**
- **HD 62 (Bizon\*-Calhoun)**
- **HD 71 (Barrett\*-Eaton)**
- **HD 91 (Hughes\*-Muskegon)**
- **HD 99 (Hauck-Isabella)**
- **HD 101 (VanderWall\*-Ludington)**
- HD 108 (LaFave-Southern/mid-UP)

\* Indicates open seat (current representative is not running or is term-limited).

**Bold** indicates races where IEI received questionnaire responses from at least one candidate.

## **Senate**

Republicans currently hold the majority in the Senate with 27 seats. Of the remaining seats, 10 are held by Democrats and 1 is currently vacant but will likely be held by a Democrat following the November election.

### *Competitive Races*

Democrats would need to flip nine seats in the Senate to take the majority - an unlikely feat in any given year. All competitive seats are currently held by Republicans.

#### *Competitive Senate seats currently held by Republicans (9):*

- **SD 7 (Colbeck\*-Western Wayne)**

- **SD 10 (Rocca\*-Macomb)**
- SD 13 (Knollenberg-Troy)
- **SD 20 (O'Brien-Kalamazoo)**
- **SD 24 (Jones\*-Eaton County)**
- **SD 29 (Hildenbrand\*-Grand Rapids)**
- **SD 31 (Green\*-Bay City/Thumb)**
- **SD 34 (Hansen\*-Muskegon)**
- **SD 38 (Casperon\*-Upper Peninsula)**

\* Indicates open seat (current representative is not running or is term-limited).

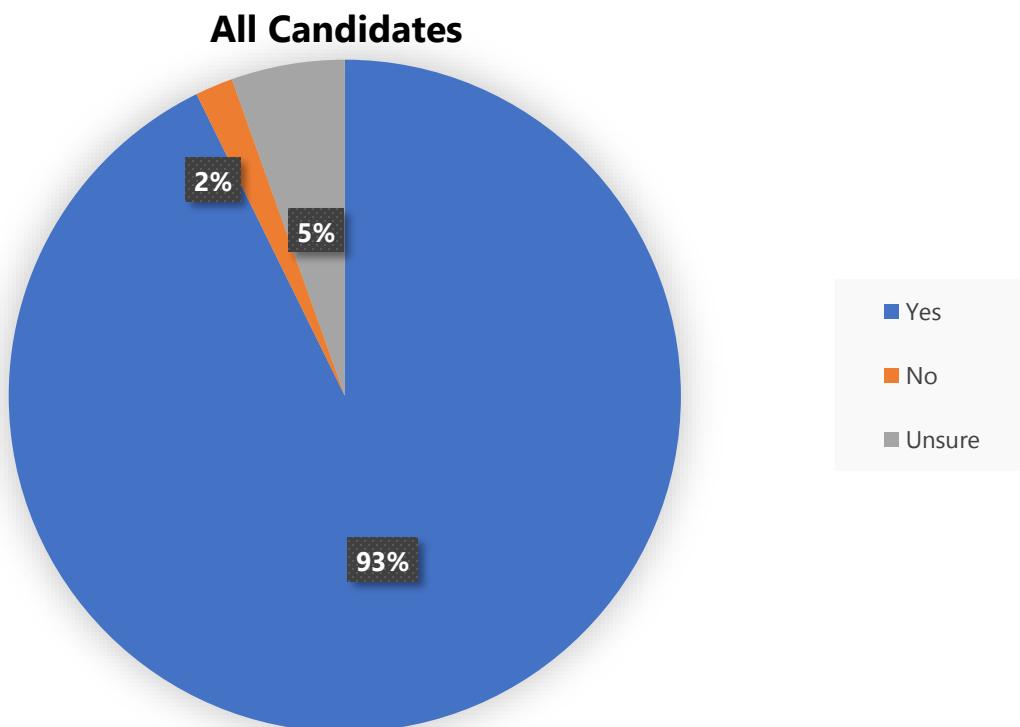
**Bold** indicates races where IEI received questionnaire responses from at least one candidate.

## Legislative Candidate Questionnaire

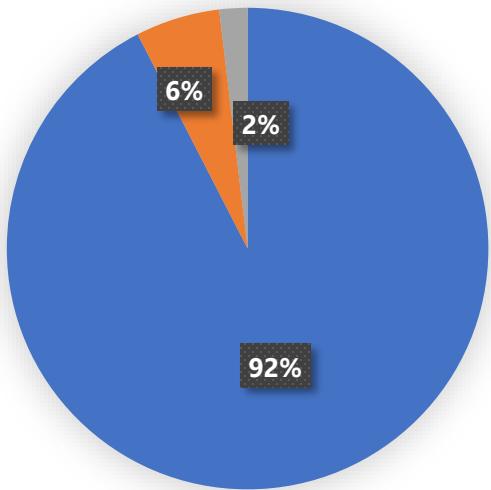
IEI asked the legislative candidates twelve questions accompanied by brief explanations of key energy policy issues. These questions and charts summarizing candidate responses are included below. Attached to this report is a full catalogue of all responses, including written comments where provided by candidates.

1. Energy efficiency and demand response remain the cheapest means of meeting Michigan's energy needs. According to the Michigan Public Service Commission (MPSC), every dollar spent on energy efficiency programs in 2016 could be expected to yield \$4.29 in benefits to ratepayers. Michigan's 2016 energy laws maintained energy efficiency standards at 1 percent per year for all investor owned utilities through 2021. Michigan's 2016 energy legislation also lifted the caps on the amount of money utilities can spend on energy efficiency programs and provided enhanced incentives to utilities for these investments.

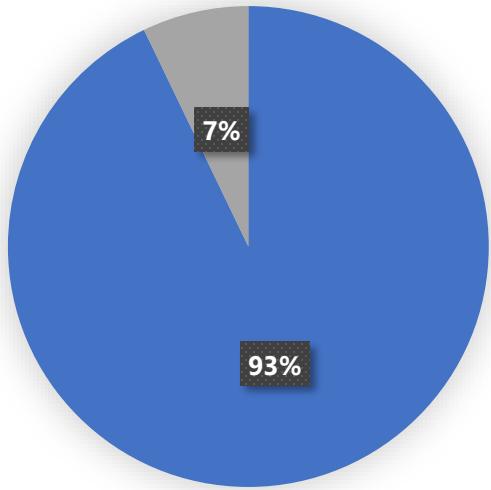
**Do you support maintaining and strengthening Michigan's existing energy optimization standard?**



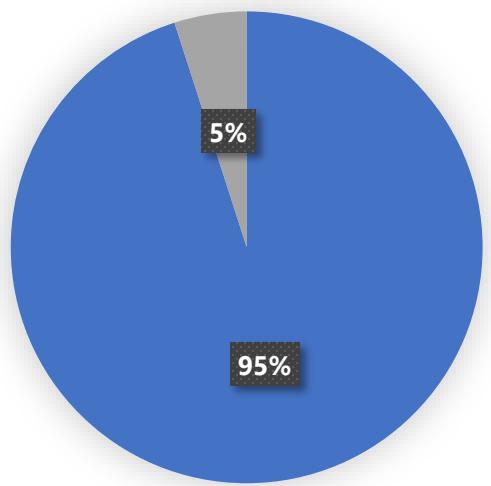
**Senate Candidates**



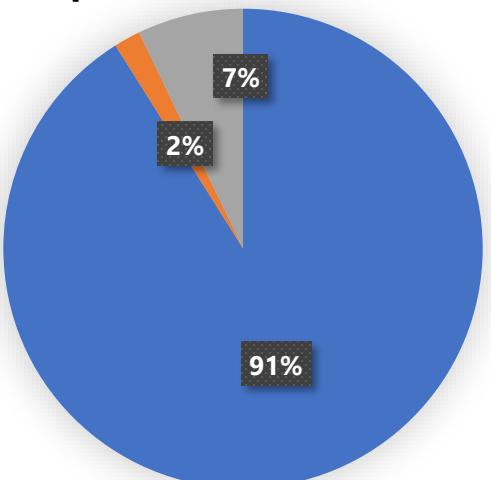
**House Candidates**



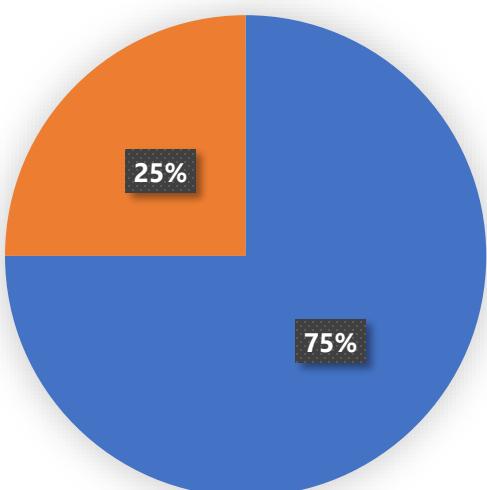
**Democratic Candidates**



**Republican Candidates**

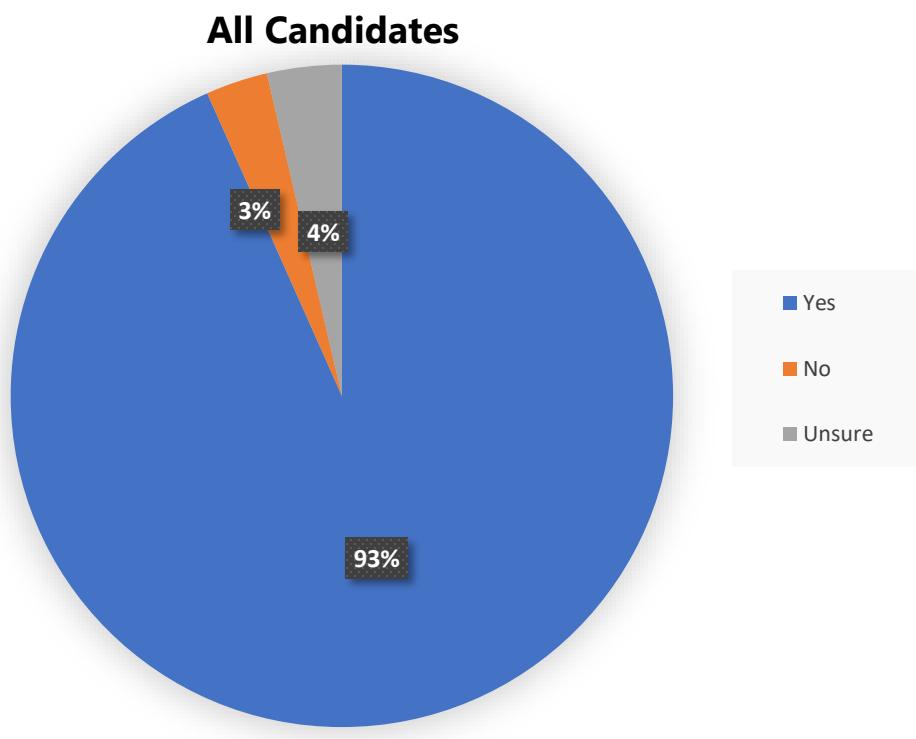


**Libertarian Candidates**

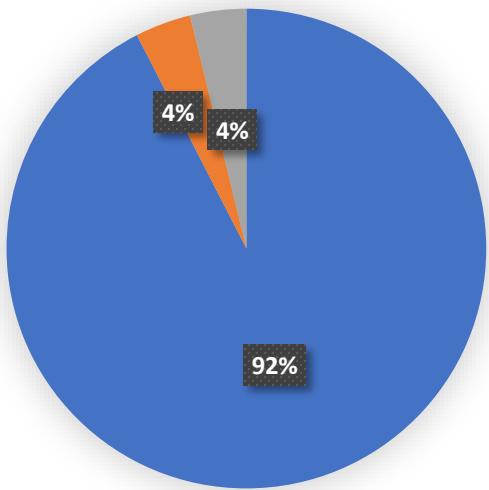


- Despite the clear economic and health benefits of energy efficiency upgrades for low-income customers, Michigan's low-income energy efficiency programs could be more effective. Michigan's utilities collect surcharges from all customers for energy efficiency programs, but do not spend an equivalent amount on programs for low-income customers. In addition, low-income customers are paying significantly more than their fair share for electricity when compared to other residential customers. These programs could be improved with increased funding, enhanced coordination with other programs for low-income customers and the creation of on-bill repayment programs.

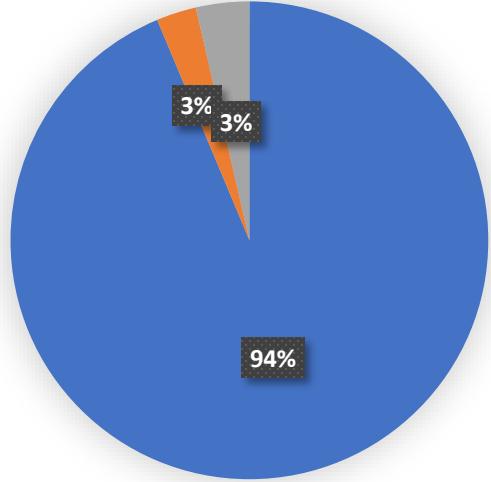
**Do you support policies to improve the effectiveness of energy efficiency programs for low-income customers?**



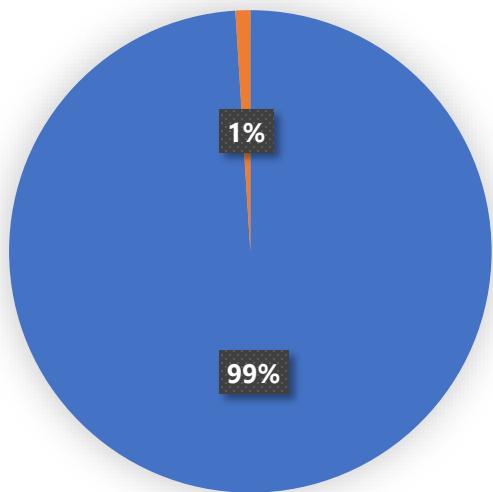
**Senate Candidates**



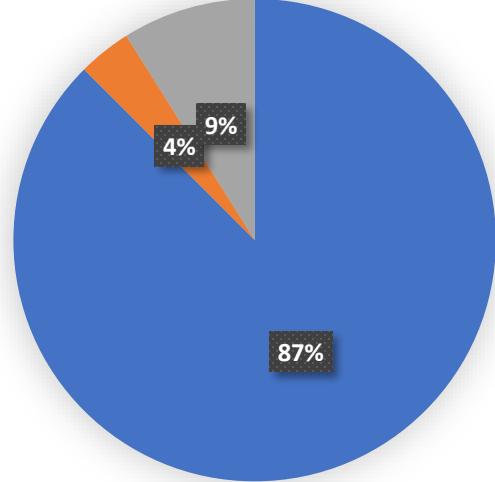
**House Candidates**



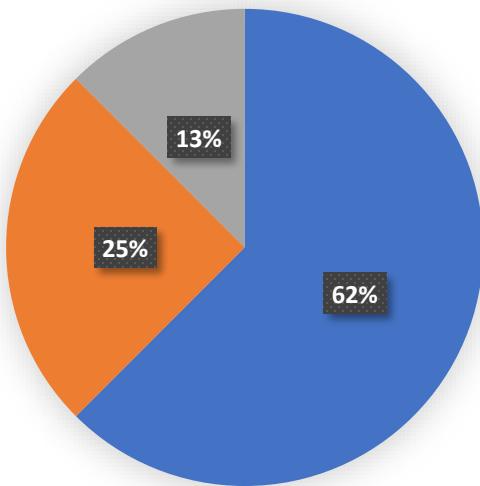
**Democratic Candidates**



**Republican Candidates**

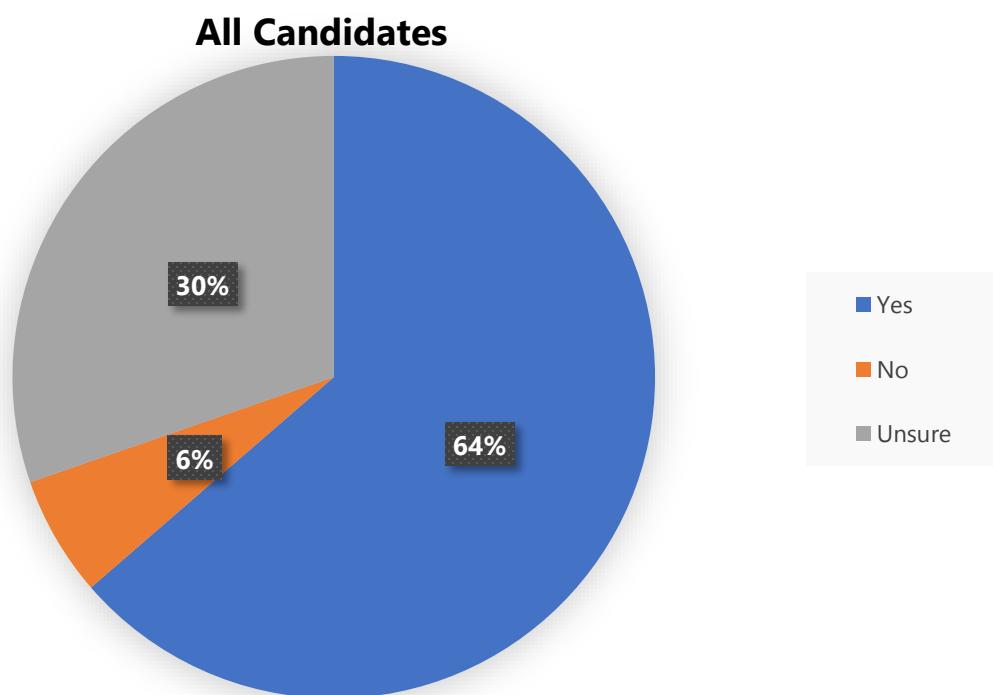


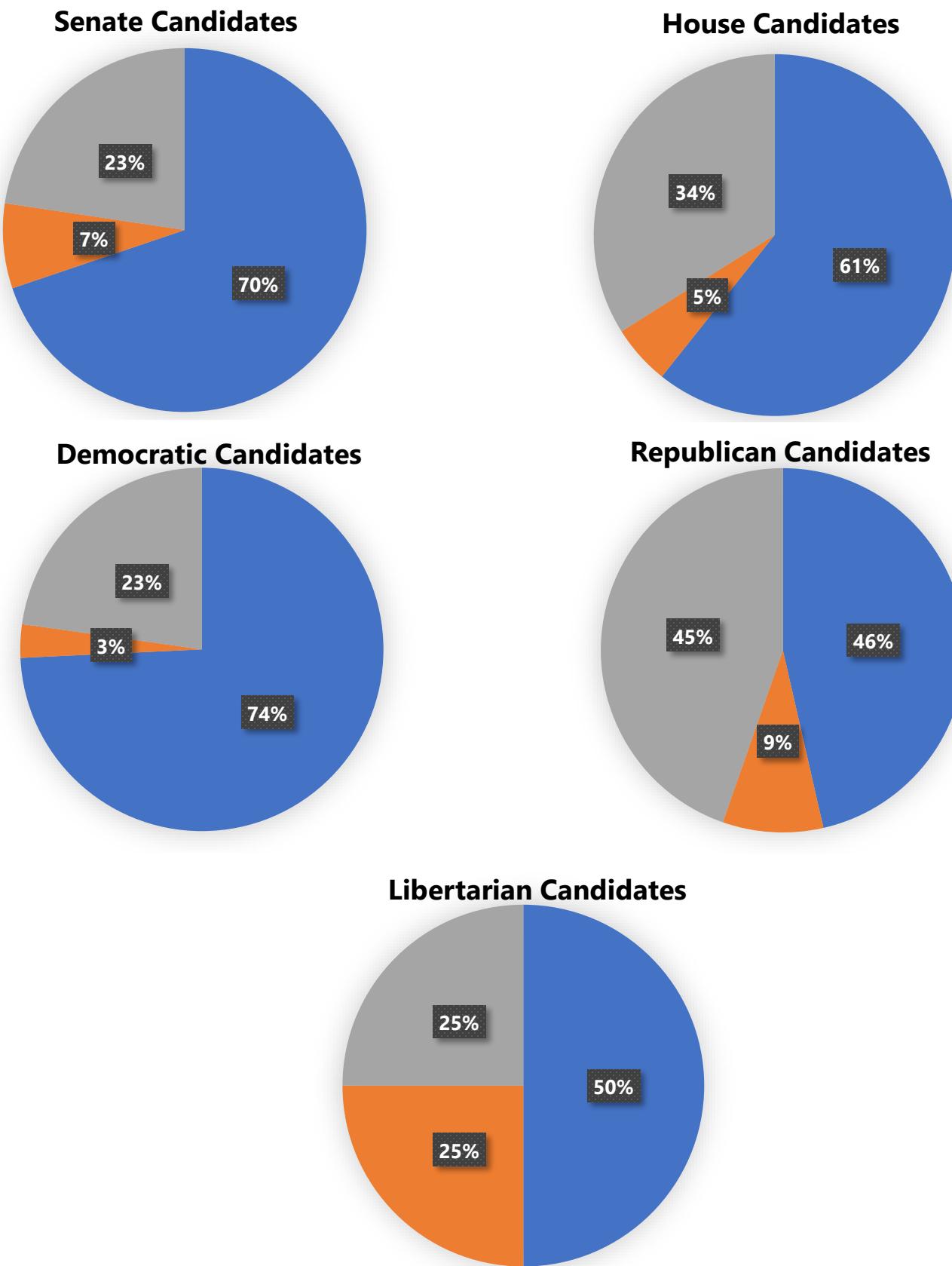
**Libertarian Candidates**



3. While Michigan utilities continue to emphasize their interest in advanced energy deployment, the best way to keep costs down and lower rate payer impact is to enable competition. In Michigan's 2008 energy statute, there was a provision commonly referred to as the "50-50 split," which required utilities to build 50 percent of the renewables required by the RPS and purchase the other 50 percent from third-party developers. This policy created competitive pressure for Michigan's regulated utilities, resulting in a lower cost for renewables and enabling Michigan to achieve its RPS ahead of schedule and at lower costs. However, this provision was removed in the 2016 energy legislation.

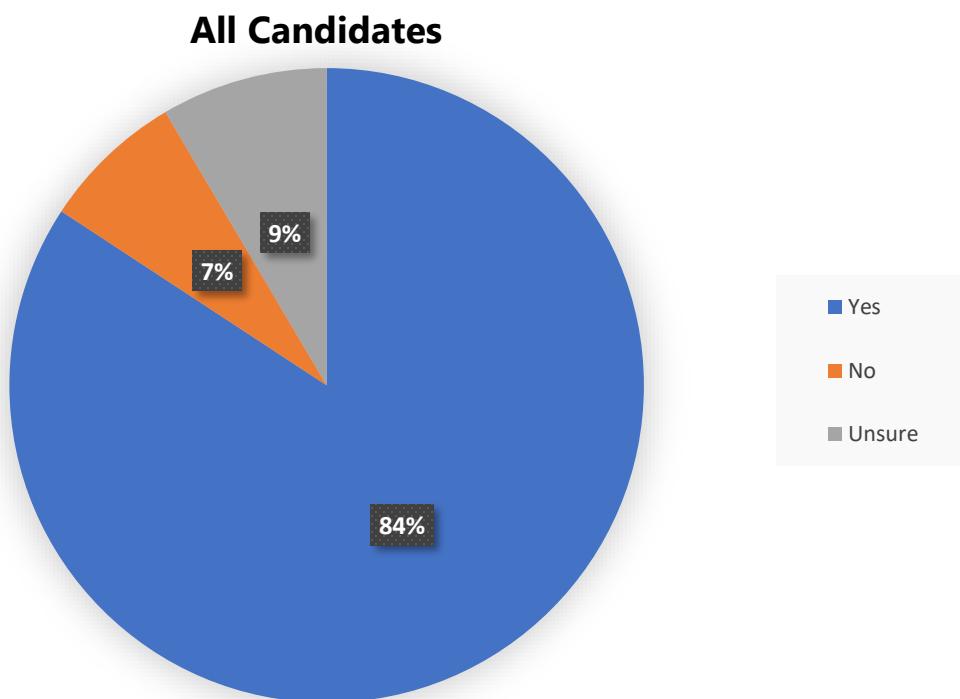
**Do you support reinstating the 50-50 market split for utility purchases of renewable energy?**



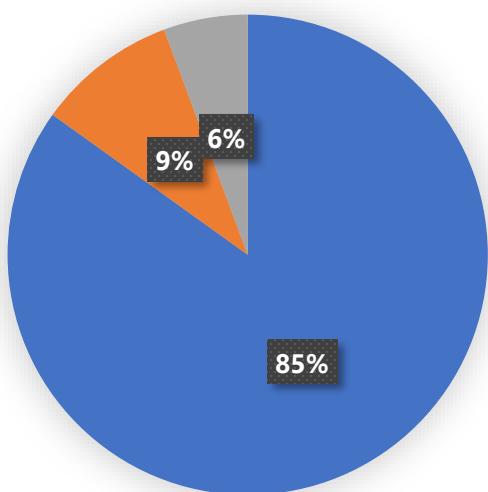


4. Enacted with broad bipartisan support in 2008, Michigan's renewable portfolio standard (RPS) required that 10 percent of electric generation come from renewable resources by 2015. Not only were our electric providers able to reach the benchmark ahead of schedule, but at a fraction of the cost. At the end of 2016, Michigan's RPS was increased to 15% by 2021. The law has spurred more than \$2 billion in economic activity and supported 40 thousand good-paying jobs. Despite strong support, the Legislature has considered proposals to either freeze or repeal the RPS, jeopardizing Michigan's economic and energy future.

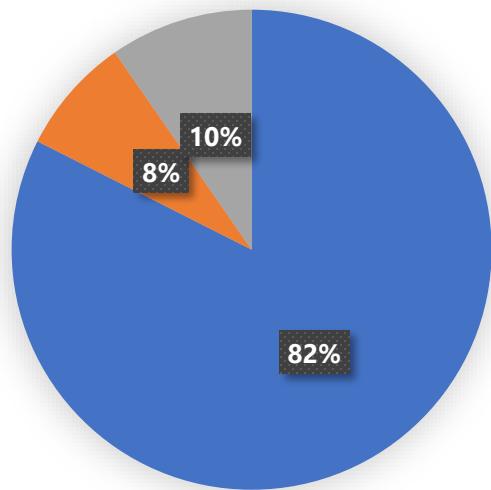
**Do you support maintaining Michigan's Renewable Portfolio Standard?**



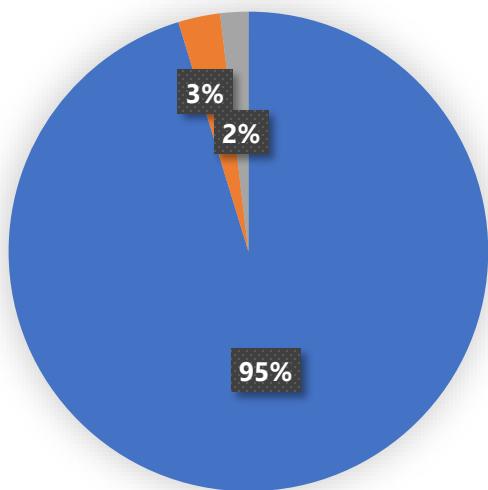
**Senate Candidates**



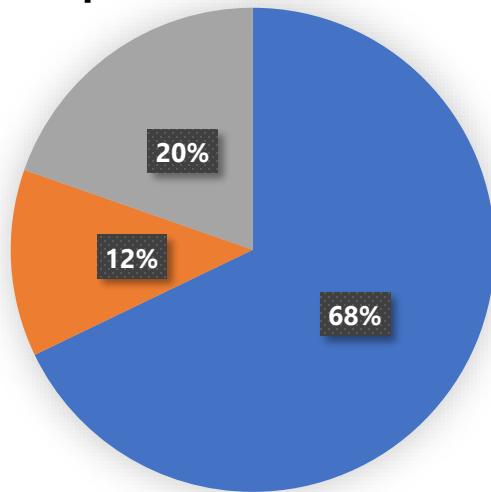
**House Candidates**



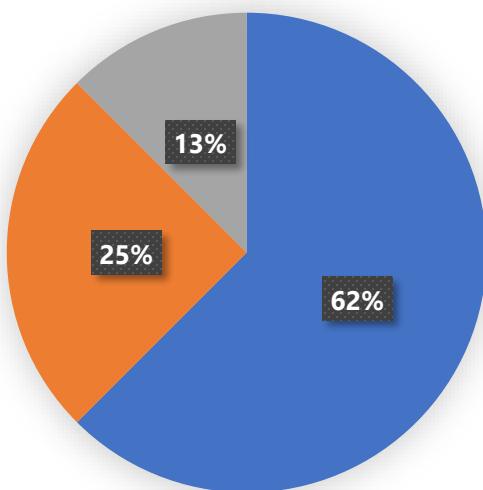
**Democratic Candidates**



**Republican Candidates**



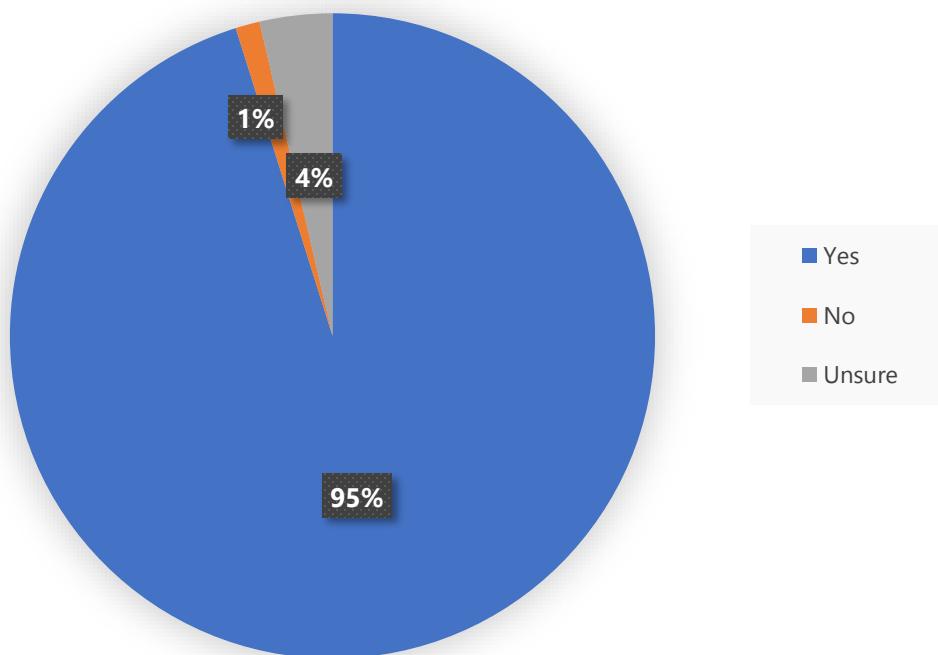
**Libertarian Candidates**



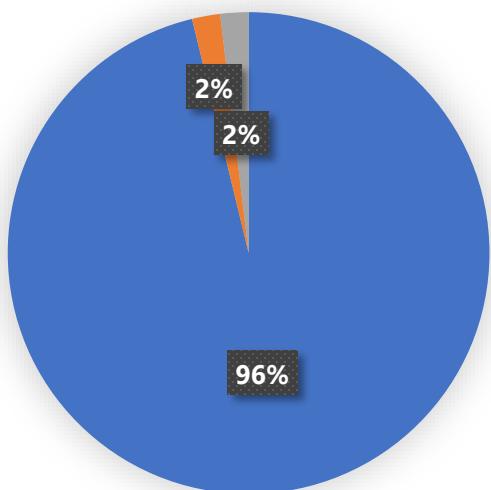
5. Leading Michigan manufacturers like our mobility companies, furniture makers, and others are raising the stakes through their high renewable energy goals. For example, the technology giant Switch moved to west Michigan in 2015 due in large part to their ability to have all of their power sourced from renewables as a way of driving down energy costs, increasing their competitiveness, and fulfilling corporate responsibility commitments. Switch's vice president Adam Kramer stated that this was more important to their decision than Michigan's tax policy. Similarly, Michigan auto manufacturer General Motors recently announced a goal of 100% renewable by 2050, but barriers remain to meeting this goal. The frustration is felt by large companies, small businesses and residential ratepayers trying to obtain competitively priced renewable energy as well. As part of the 2016 energy legislation, Michigan's electric utilities are required to develop voluntary green power pricing programs for commercial customers. To meet the needs of large customers, these renewable energy purchasing programs should be transparent, appropriately priced, allow customers to directly negotiate with developers, not cap enrollment, and lead to additional renewable energy development.

**Do you support reforms that allow greater voluntary access to renewable energy for those companies, communities, and individuals that want to purchase it?**

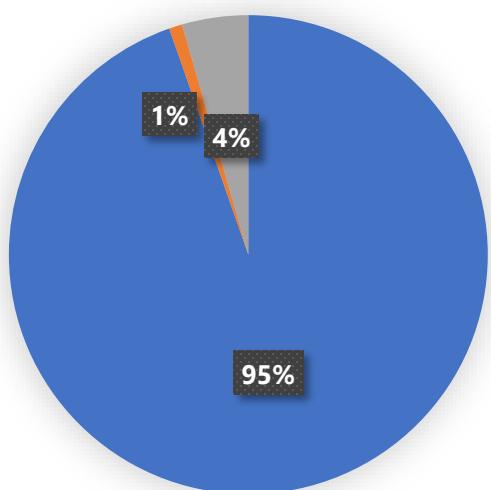
All Candidates



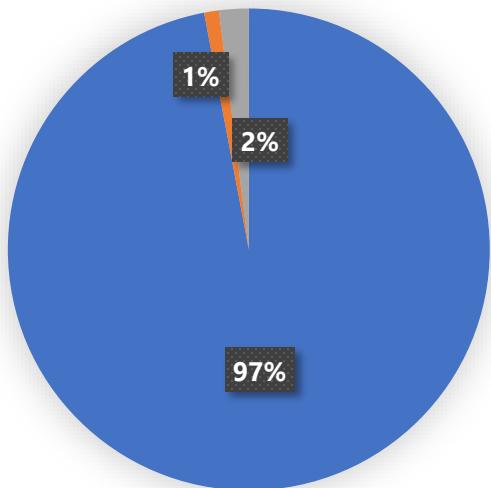
**Senate Candidates**



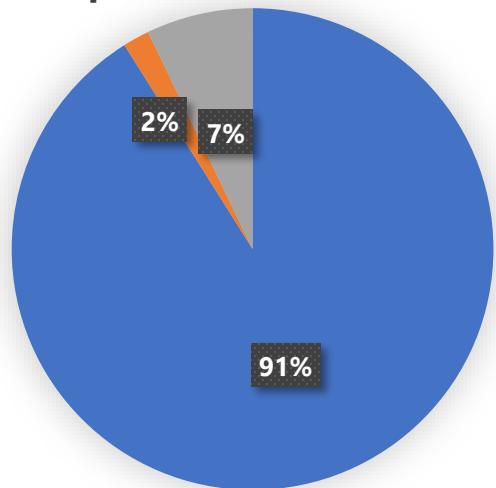
**House Candidates**



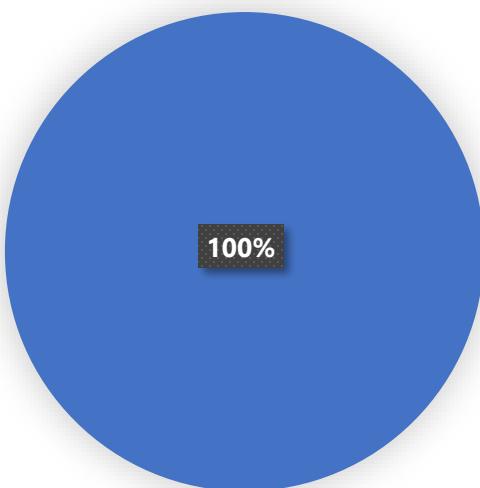
**Democratic Candidates**



**Republican Candidates**

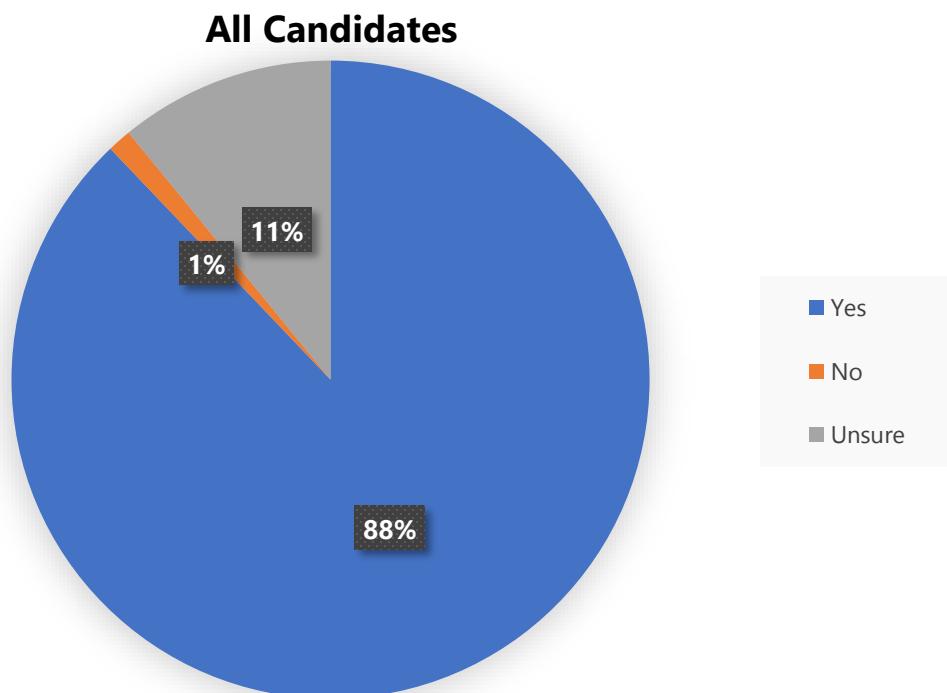


**Libertarian Candidates**

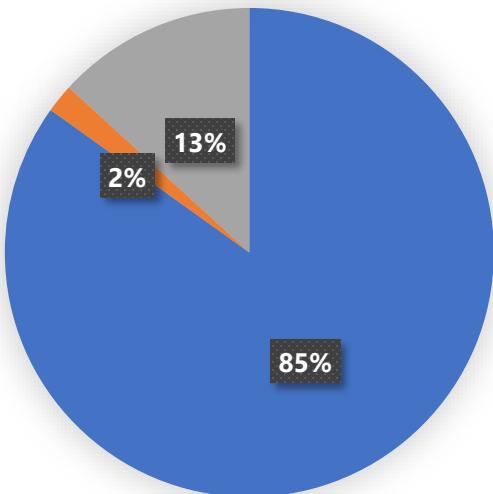


6. According to the Michigan Public Service Commission's 2017 Net Metering and Solar Program Report, there was a significant rise (28 percent) in solar projects in 2016. However, the net energy metering programs at Michigan's investor-owned utilities currently are limited to 1 percent of the utility's in-peak state electricity load. Customers are increasingly installing their own solar panels, especially in the Upper Peninsula, where electricity rates are higher. In fact, UPPCo has already met its 1 percent net metering cap and is not allowing any additional customers to join the program. It does not make sense to artificially limit a program that is popular to customers and benefits consumers, the grid, and the environment.

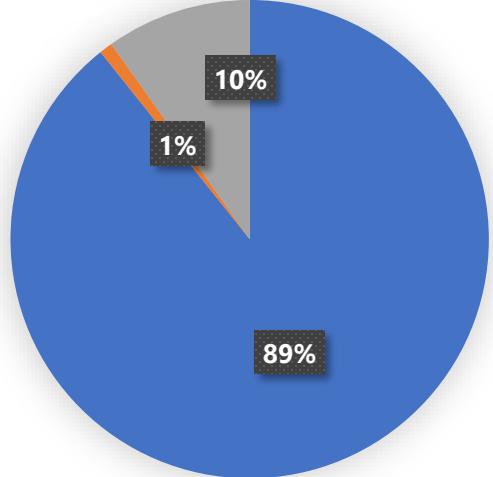
**Do you support lifting the cap on the state's net energy metering program?**



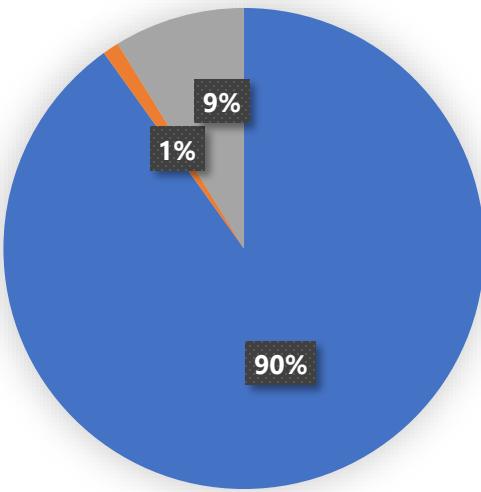
**Senate Candidates**



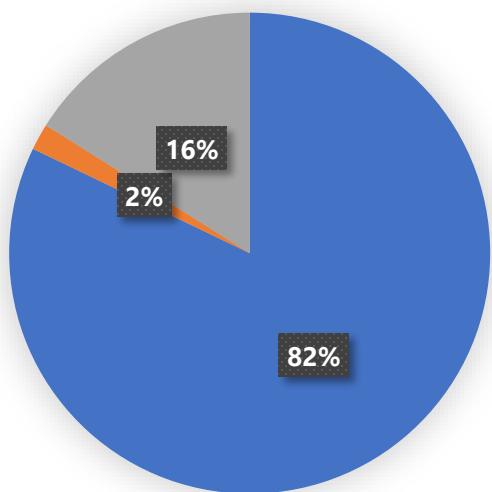
**House Candidates**



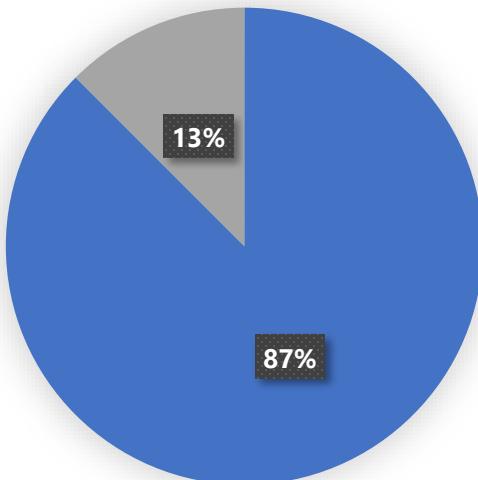
**Democratic Candidates**



**Republican Candidates**

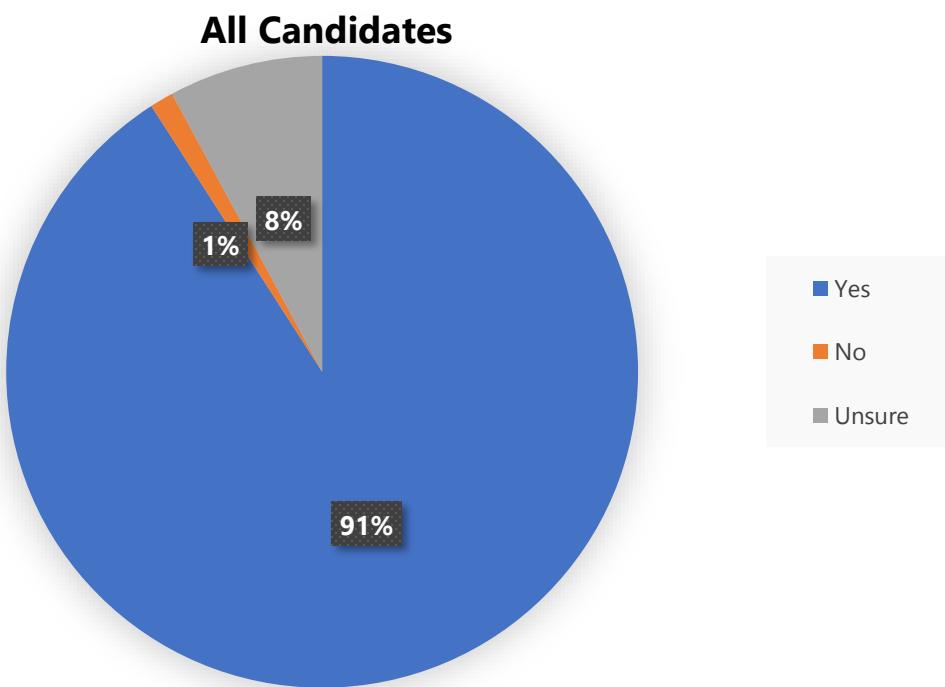


**Libertarian Candidates**

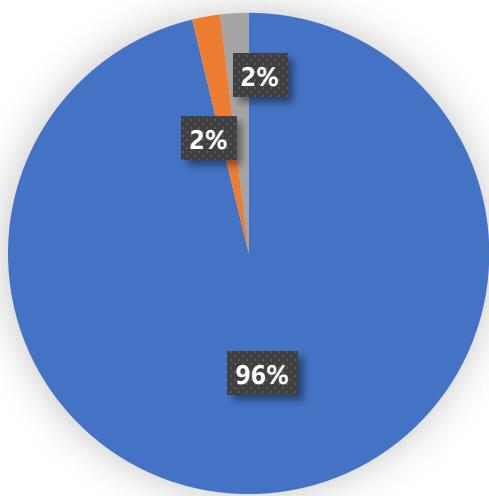


7. Gains in the net metering program may also be disrupted by the requirement in Michigan's 2016 legislation that net metering be replaced by an equitable distributed generation tariff. Although many Michigan companies would prefer to retain net metering, any future distributed generation tariff needs to be equitable, easily explainable to customers and fully account for the benefits of distributed generation to consumers, the grid, and the environment.

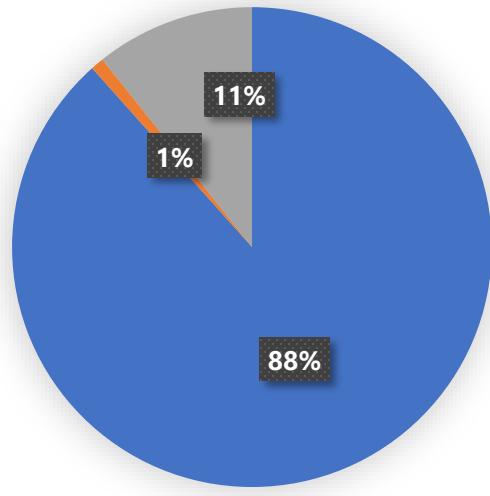
**Do you agree that customer-owned solar energy systems should be fairly compensated for the value they provide to consumers, the grid, and the environment?**



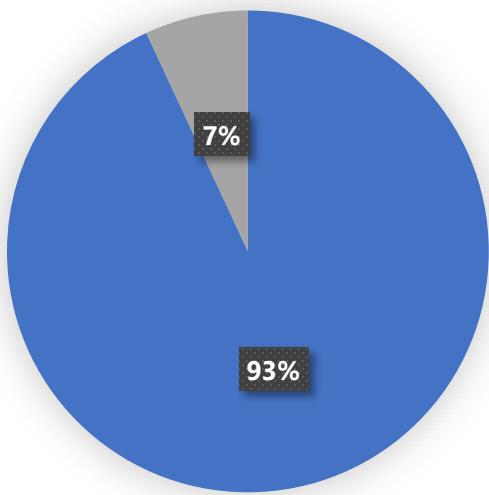
**Senate Candidates**



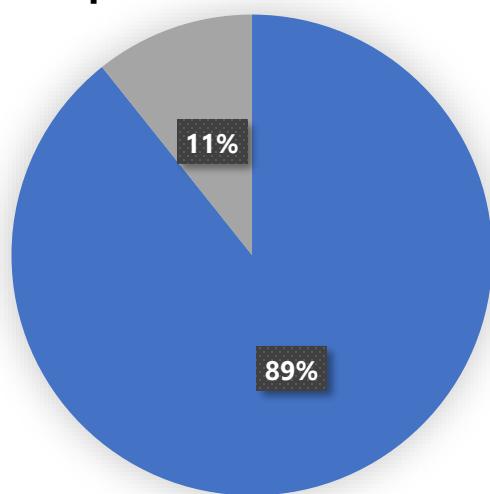
**House Candidates**



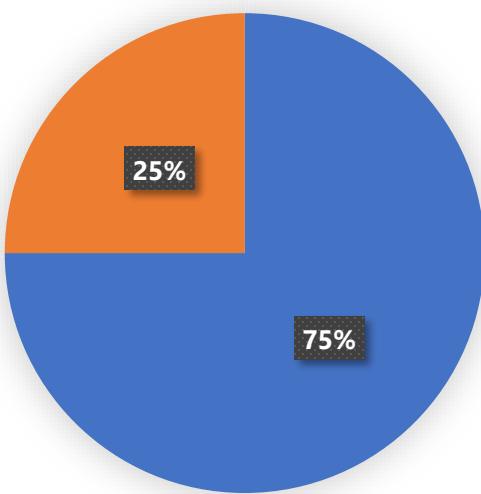
**Democratic Candidates**



**Republican Candidates**

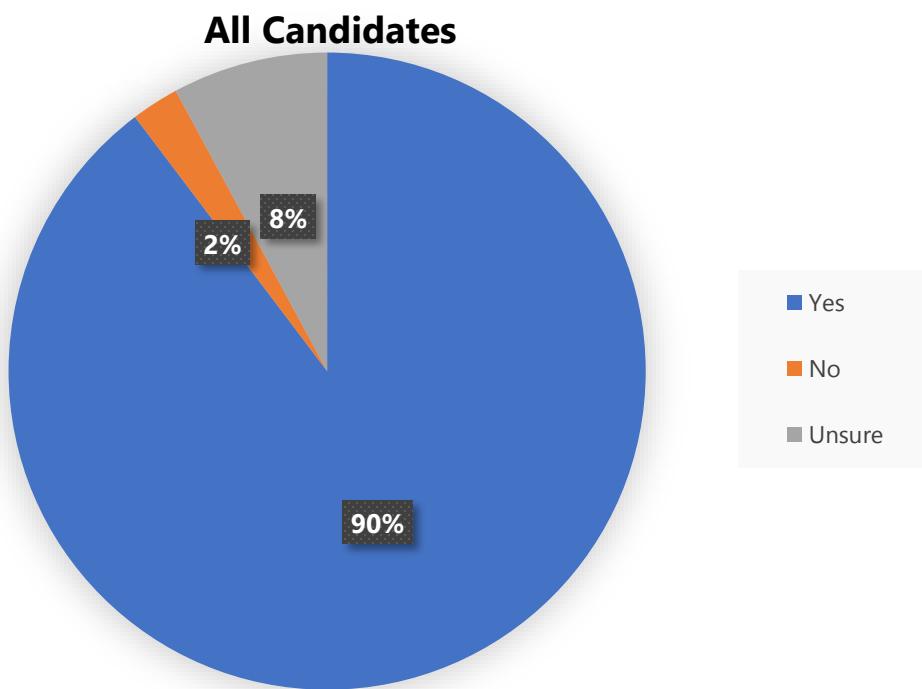


**Libertarian Candidates**

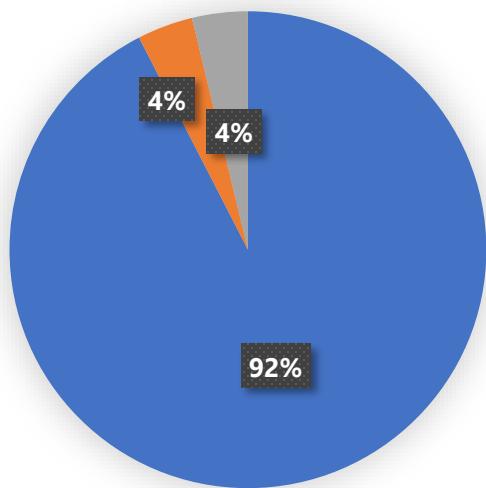


- Uncertainty regarding the taxation of renewable energy chills investment and undermines efforts to increase deployment. Despite eliminating personal property taxes on commercial and industrial property, in some jurisdictions, solar PV installations on residential property are still subject to property taxes. Utility-scale wind and solar projects have their own set of taxation problems that increase costs and create confusion among local communities.

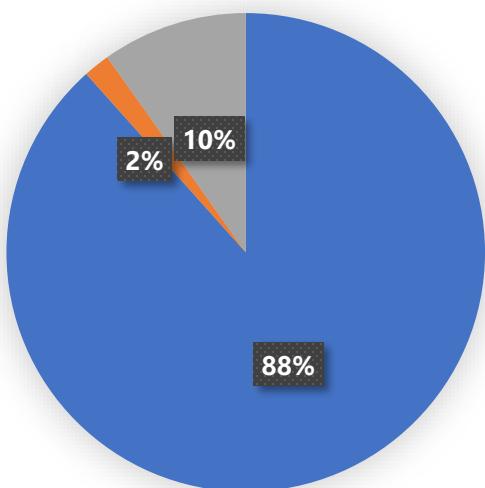
**Do you support efforts to increase consistency and certainty in the taxation of renewable energy projects?**



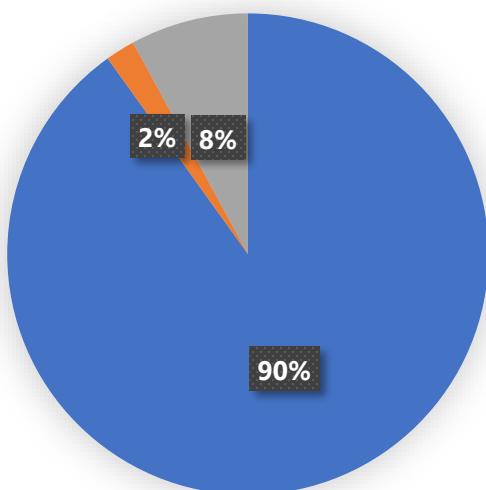
**Senate Candidates**



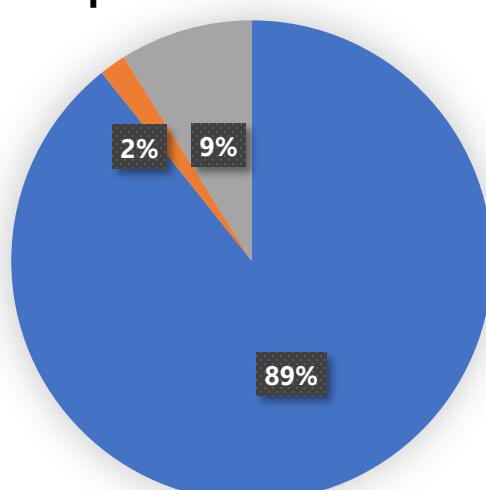
**House Candidates**



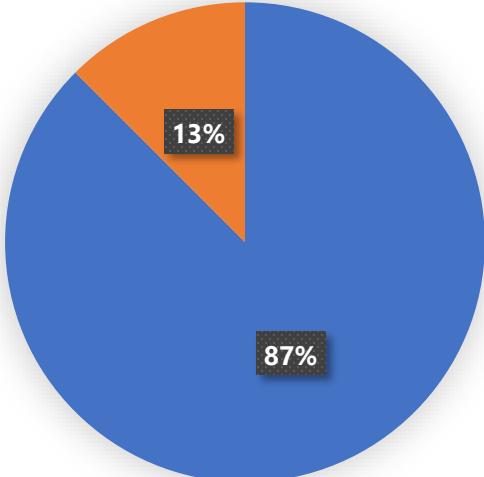
**Democratic Candidates**



**Republican Candidates**

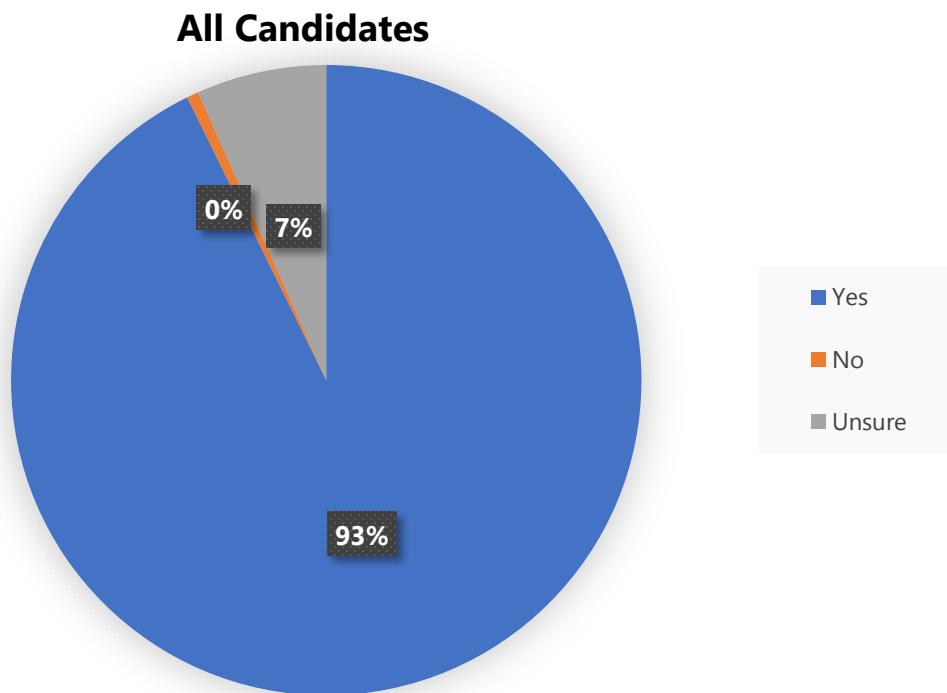


**Libertarian Candidates**

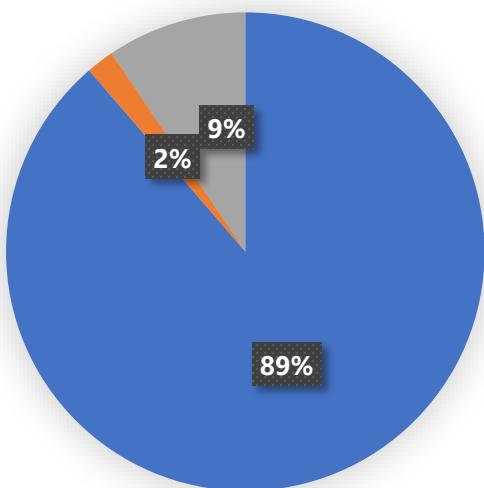


9. A number of states are providing new and innovative pathways to capital for advanced energy projects, including state “green banks,” credit supports for energy improvements on residential properties using Property Assessed Clean Energy (PACE) financing programs, and the ability of utility customers to pay back loans for energy efficiency and other improvements directly on their utility bills. Each of these programs increases the capital available for energy improvements while lowering the cost of capital, helping to further reduce the costs of energy projects. These offerings are only beginning to appear in Michigan.

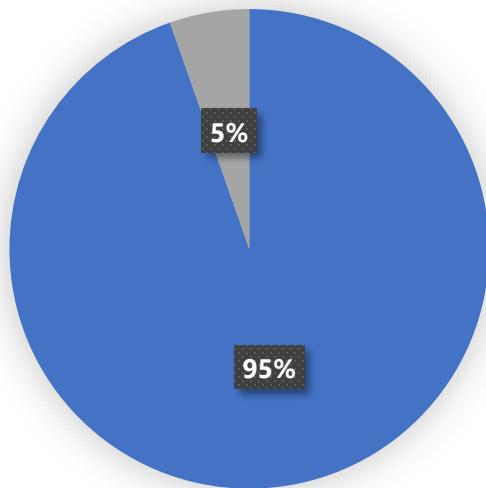
**Do you support efforts to expand the availability of innovative financing tools for advanced energy projects that help to reduce project costs and lower utility rates?**



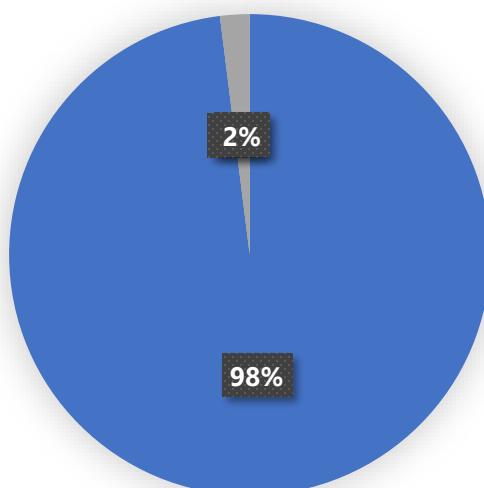
**Senate Candidates**



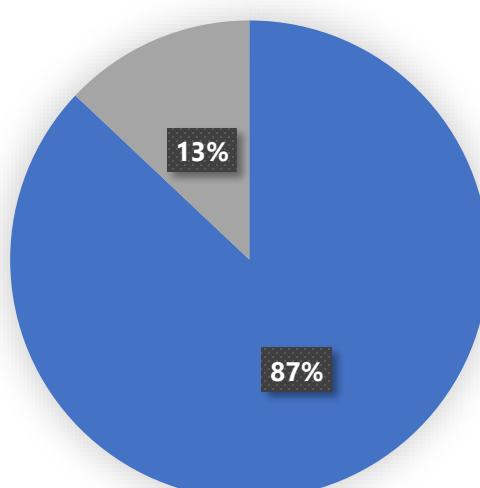
**House Candidates**



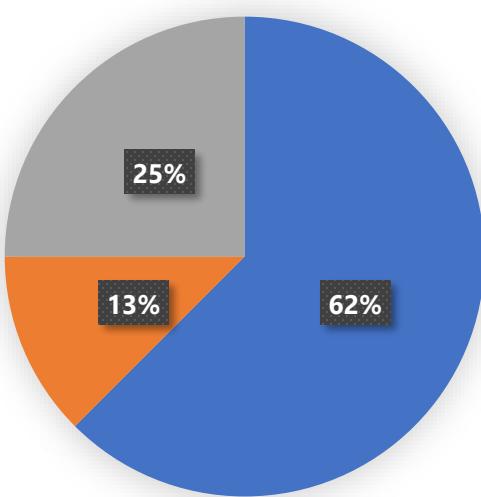
**Democratic Candidates**



**Republican Candidates**

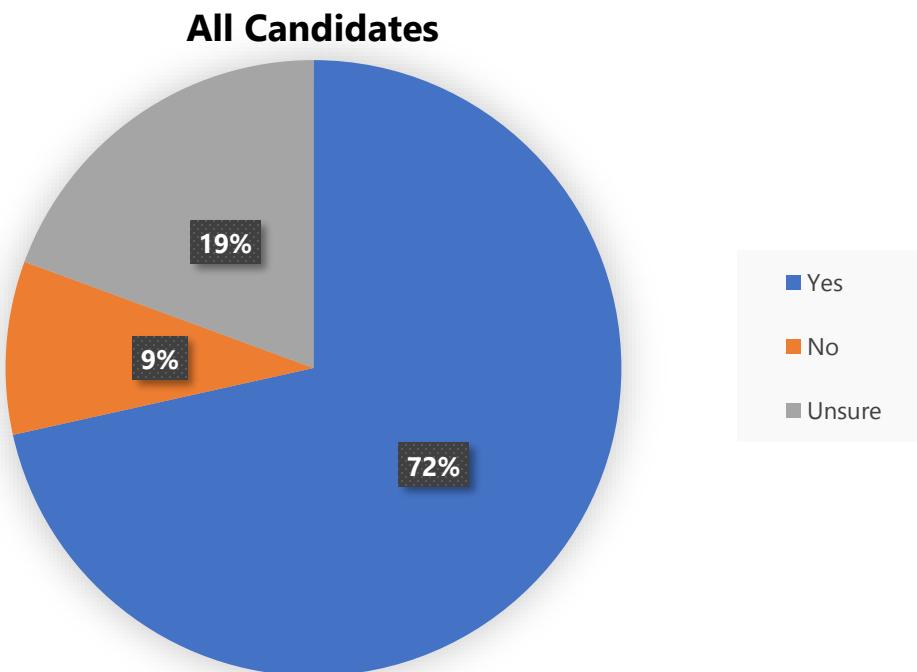


**Libertarian Candidates**

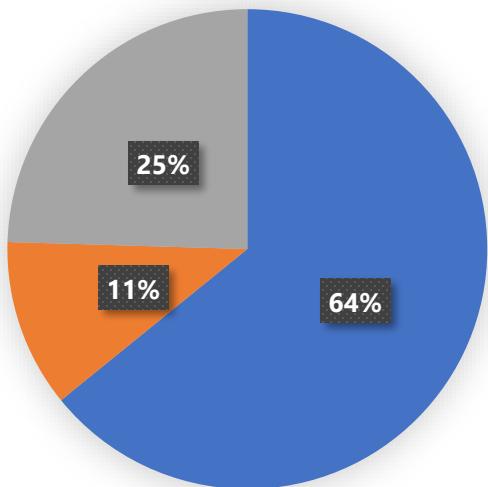


**10.** Michigan has a rich history of supporting energy innovation through energy-focused incubators and smart zones, funding programs like the Emerging Technologies Fund, state Centers of Energy Excellence, and other programs. However, many of these programs are limited in number or scope, while others are dependent on one-time funding opportunities for support. Providing a permanent funding source specifically targeted at growing energy innovation can help Michigan maintain its national leadership position and ensure that the energy technologies of the future are invented, commercialized and manufactured right here in Michigan.

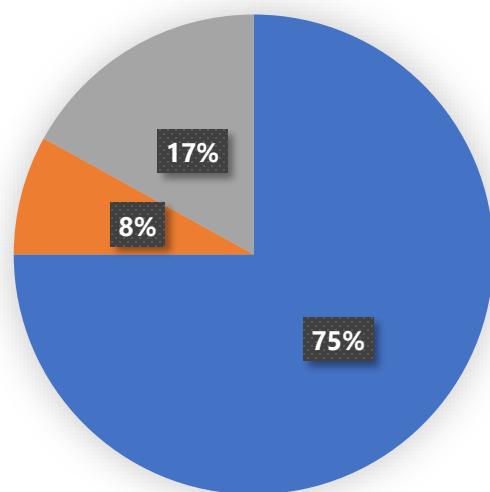
**Do you support the creation of a permanent funding source to encourage energy innovation in Michigan?**



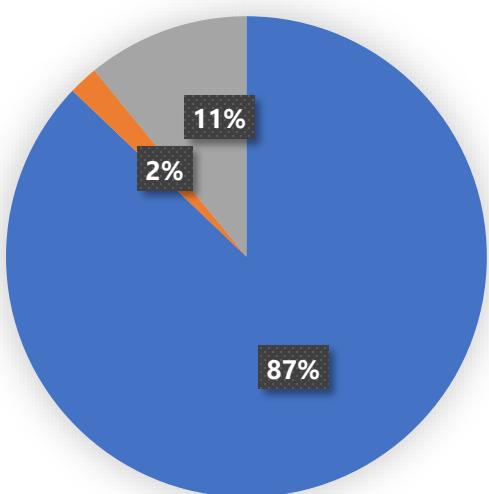
**Senate Candidates**



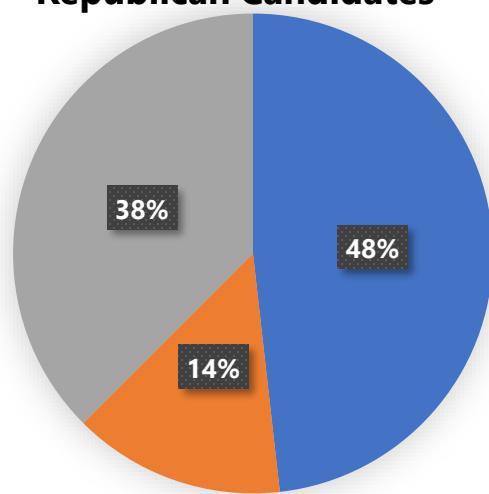
**House Candidates**



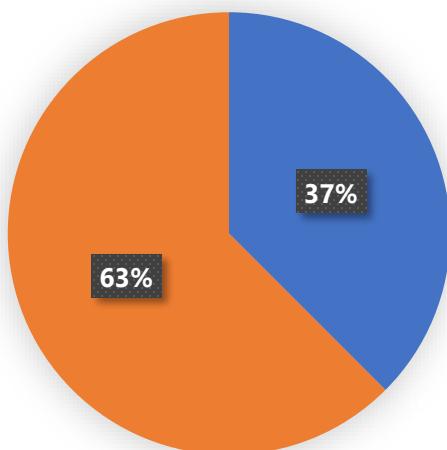
**Democratic Candidates**



**Republican Candidates**

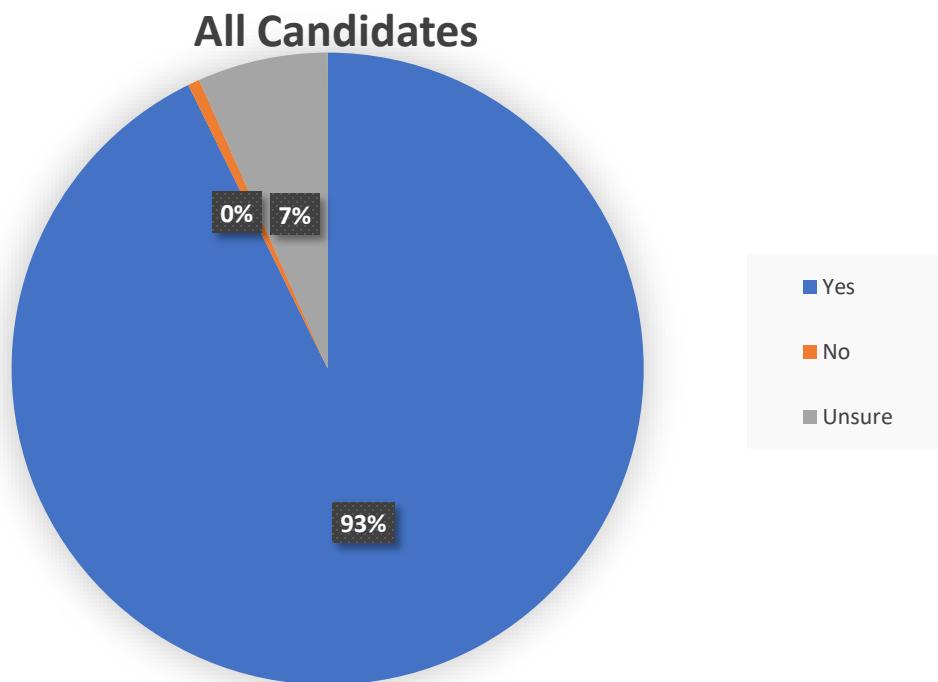


**Libertarian Candidates**

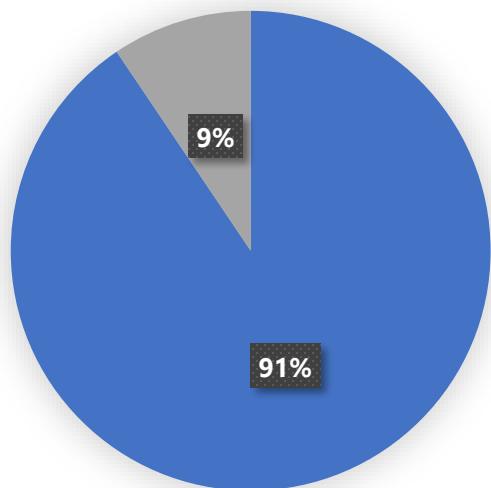


**11.** Much of Michigan's infrastructure, including the electricity grid, is in need of repair and upgrade. Modernizing Michigan's infrastructure means updating the grid so that the state is able to take advantage of an increasing amount of cost-effective distributed energy, advanced energy storage technologies, and electric vehicles. If planned for properly, this expansion of advanced energy technologies can create a more adaptable, resilient grid. Without a forward-looking strategy, however, the increased complexity of the distribution system threatens the basic dependability on which we all rely. This requires Michigan's utilities to develop more forward-looking distribution plans to take advantage of new technologies and non-wires alternatives that enhance reliability and resilience like storage and microgrids.

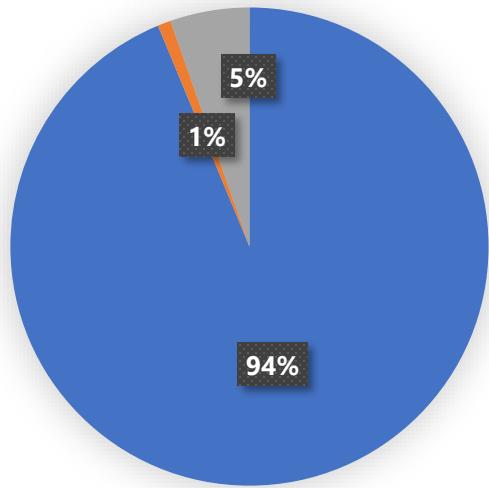
**Do you support new policies to modernize Michigan's grid by improving utility distribution planning and supporting non-wires alternatives?**



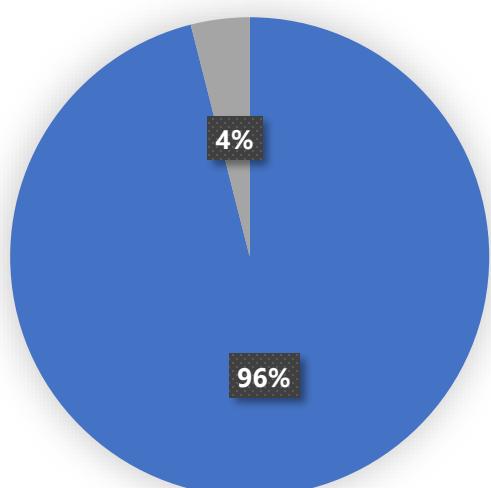
**Senate Candidates**



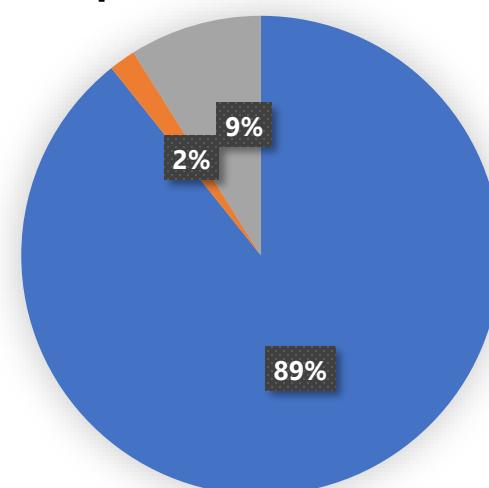
**House Candidates**



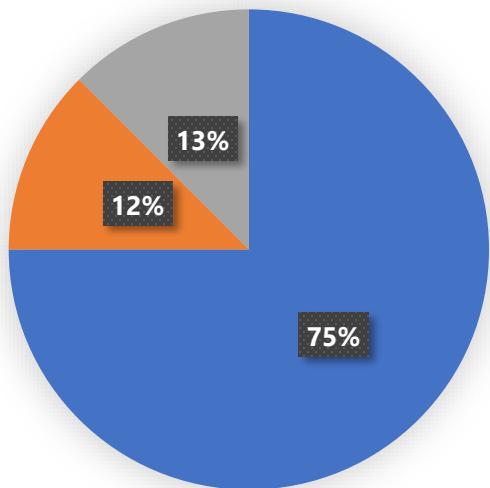
**Democratic Candidates**



**Republican Candidates**

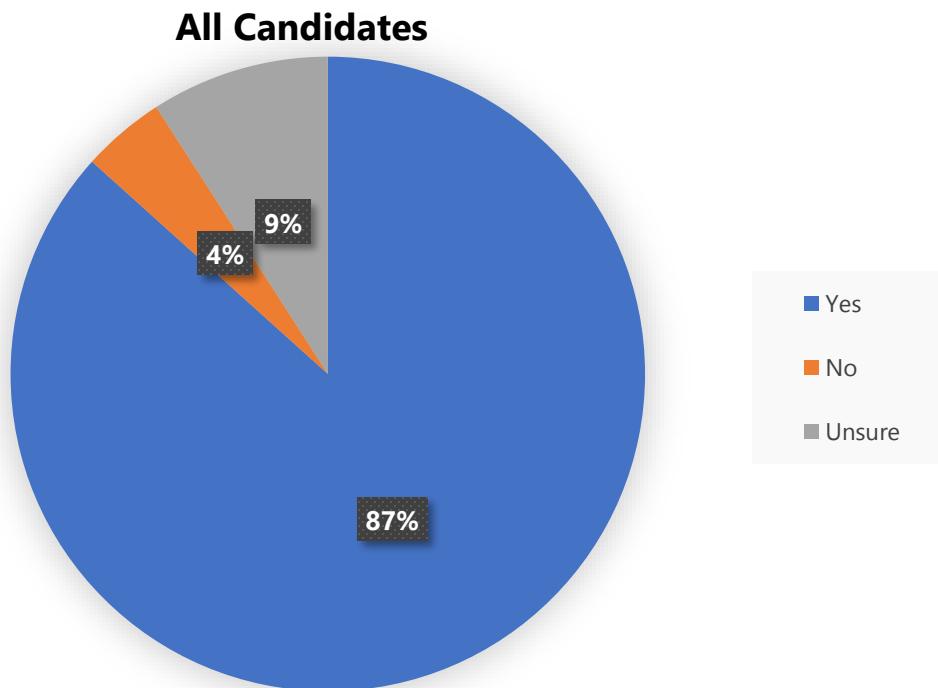


**Libertarian Candidates**

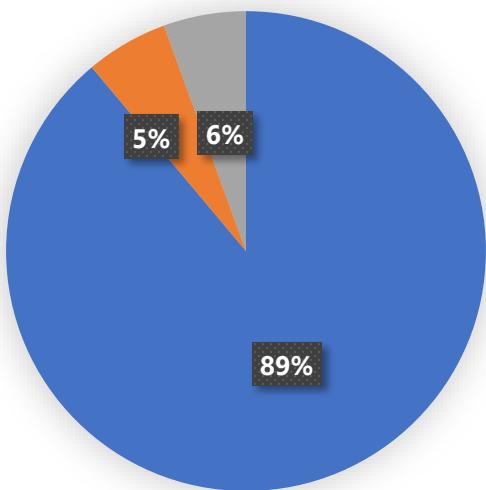


**12.** Mobility, technology, and energy are increasingly interwoven as the transportation sector becomes more connected, more autonomous, and more electrified. Michigan, as the automobile capital of the country and as an early investor in advanced batteries, stands to play a key role in this transition. To enable this future, Michigan's policy and regulatory framework need to be aligned around automated, electric, and shared vehicles. This will require collaboration between state agencies, regulators, legislators, businesses, and other stakeholders to create the supportive policy framework necessary to expand the deployment of electric vehicles and competitive markets for vehicle charging. In addition, Michigan currently does not have any state incentives to enhance electric vehicle deployment. In fact, several current policies discourage electric vehicle ownership including registration fees that unfairly overcharge electric vehicle owners for their share of road maintenance.

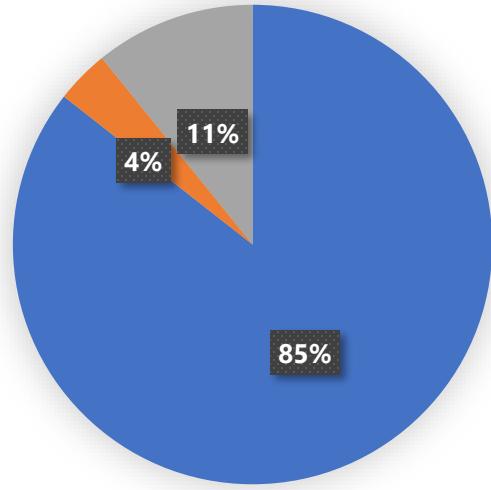
**Do you support policies to align and improve Michigan's policy and regulatory framework to increase deployment of electric and autonomous vehicles in Michigan?**



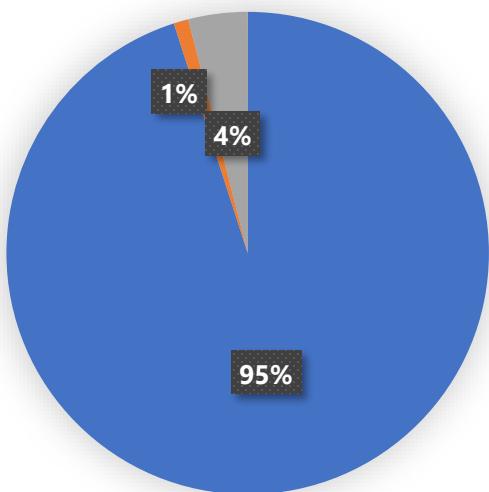
**Senate Candidates**



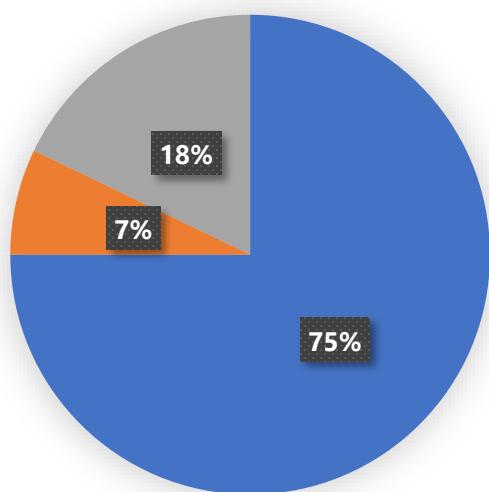
**House Candidates**



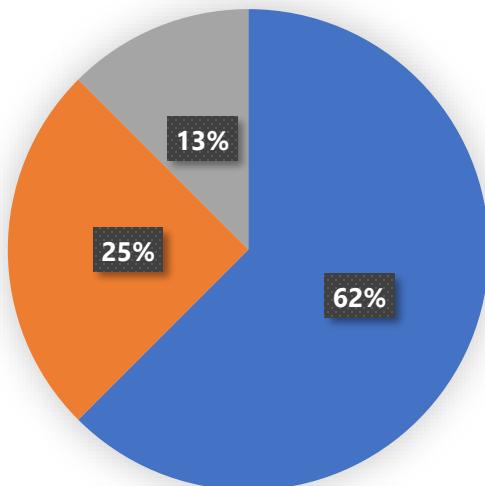
**Democratic Candidates**



**Republican Candidates**



**Libertarian Candidates**



## Candidate Questionnaire Responses

*Please see the attached spreadsheet for each candidates' specific responses and comments.*