

# CLIMATE AND CLEAN ENERGY LEGISLATION

## Can Deliver Billions in Federal Investment, Reduce Household Energy Costs, and Bolster Public Health for Michigan

Enacting a 100 percent clean electricity standard and other key clean energy measures will secure \$5.3 billion more in federal funding for Michiganders and save families on household energy costs.

New modeling from 5 Lakes Energy shows that a set of clean energy and climate bills being considered in both the Michigan House of Representatives and Senate would deliver the state billions of more dollars in federal investment, reduce household energy costs, and grow the state's economy in coordination with the Inflation Reduction Act (IRA)—but only if the state moves to pass the policies urgently.

**The policies modeled, which also align with Gov. Gretchen Whitmer's Michigan Healthy Climate Plan, include:**

- Transitioning Michigan's electricity generation energy mix to 100 percent carbon-free sources by 2035  
[HOUSE BILL 4759](#) [SENATE BILL 271](#)
- Increasing Michigan's energy waste reduction targets to 2 percent electric efficiency and 1.5 percent gas efficiency annually  
[HOUSE BILL 4761](#) [SENATE BILL 273](#)
- Increasing vehicle electrification across the state in line with federal clean car rules and by using state and federal incentives like electric vehicle (EV) tax credits, charging infrastructure funding, and EV manufacturing tax credits
- Steadily increasing building electrification—achieving full electrification of new sales of appliances, heating and cooling systems, and other building systems by 2040  
[SENATE BILL 274](#)
- Expanding tools for companies decarbonizing major industries, through use of IRA tax credits and Gov. Whitmer's proposed Onshoring Clean Energy Supply Chain Tax Credit
- Reforming electric rates to account for the benefits and flexibility that EVs bring to the grid and ensuring new electric load is managed and optimized through the Michigan Public Service Commission

**If Michigan enacts policies in line with those being proposed in the legislature, the state can:**

Lower household energy costs by \$145 a year by 2035, and \$1,196 for efficient, electrified households.

Double the amount of investment Michigan will get from the Inflation Reduction Act.

Avoid nearly 1,000 premature deaths and save \$8.3 billion in public health costs by 2050.

Create nearly 160,000 jobs by 2050.

## New modeling shows that these policies will bring major benefits to Michigan by:

Reducing energy costs across the whole economy, including Michigan families' energy bills:

- Reduce average annual household energy costs for Michigan families by approximately \$145 by 2035. These savings come from cutting the amount of spending on transportation fuels and natural gas and keeping electricity rates stable through increased deployment of lower-cost renewable sources.
- For homes that fully electrify their appliances, heating and cooling, and transportation and are energy efficient, those savings could increase to as much as \$1,196.

Allowing Michigan to capitalize on billions of dollars in federal investment:

- By 2050, climate and clean energy policies to supplement the IRA will bring the state of Michigan \$7.8 billion more in funding from the IRA— more than double what it would get without state action.
- Michigan would see \$5.3 billion of this investment within the next decade.

Saving lives and avoiding billions of dollars in public health costs:

- Michigan would avoid nearly 1,000 premature deaths and save \$8.3 billion in public health costs by 2050.

## The cost of failed or delayed action

Michigan is currently a national leader on clean energy, and acting this year would keep Michigan on the cutting edge for jobs and clean energy development.

Delaying policy by even one year risks losing momentum, political support, and federal funding the state can leverage. 5 Lakes' modeling shows that Michigan would lose out on \$1 billion in federal funding if it fails to pass these policies by the end of 2023.

## Securing these economic benefits will also require Michigan to remove current policy barriers that make it difficult to scale clean energy and energy efficiency solutions.

For example, it is critical for Michigan to remove caps on distributed energy generation ([SENATE BILL 362](#), [SENATE BILL 363](#)), implement policies that make it easier to site new renewable energy projects, and put in place a statewide target for energy storage ([HOUSE BILL 4256](#)) to fully capture the investment, health and savings benefits projected in this report.

## Michigan's once-in-a-generation opportunity

For the first time in state history, Michigan has a governor and legislature committed to combating climate change and growing the state's clean energy economy. But time is of the essence. Delaying legislative action has significant economic costs. The urgent implementation of climate and clean energy policies is crucial for bringing billions in new investment, lowering costs, and achieving the state's climate goals.

### READ 5 LAKES AND MICHIGAN EIBC'S FULL REPORT



<https://bit.ly/MichiganModeling>

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