

# Ten Bioenergy Perspective/Issues in Michigan

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Michigan Chapter of the Soil and Water Conservation Society Workshop  
Soaring Eagle Hotel and Casino, Mount Pleasant, MI  
December 7, 2011



# FORMAT

- Information shared in the following slides is for discussion purposes and represents the views of a legislator, consultants, an attorney and government energy officials who work in the bioenergy field in Michigan.



# 1. BIOMASS ENERGY

- Making use of the energy in biomass that is going to waste in this state.
  - Food processing waste, agricultural waste, and silvicultural waste that could be easily converted to energy.
- The conversion of this waste, whether through digestion, gasification, combustion, or conversion to transportation fuels is something that can happen and needs to happen quickly.
- The economics are becoming more favorable, and once the technologies are proven and the momentum builds, the state can expand the planting of (or in the case of forests, improving) its energy crops.



## 2. ENERGY EFFICIENCY/CONSERVATION

- Our energy costs are so low that citizens and industry are not aggressive in avoiding wasting electricity and fuels.
- Increasing the price of energy (a carbon tax would be a start with a redistribution of the revenues to accomplish energy efficiency) is an option that needs serious consideration by the state.
- Promote energy efficiency so that inefficient use is not calculated into projections of new generating capacity needed (more coal plants).
- Promote tracking total greenhouse gas emissions, including generation from auto and air travel for all government and business organizations to promote energy efficiency.



## 3. DEREGULATION/CUSTOMER CHOICE ON ELECTRICITY

- Reintroduce competition into the purchase and production of electricity within our state.
- Increase the requirements of Act 295 to increase the percent of renewable energy required in the grid from 10 to 25 percent.
- Legislate that all utilities, (municipals as well as investor-owned) be required to offer a feed-in tariff program to promote home owners and businesses installation of on-site renewable energy systems and feed it into the electric grid.
- Pass legislation to allow net metering so that investors in renewable energy technology can be paid for the energy their systems send to the grid.
- There needs to be incentives for the utilities to make bioenergy projects work.
- Utilities are not overly comfortable with biomass projects due to a lack of understanding of the technologies and because biomass projects have a variety of variables that need to be controlled for proper operation.




## 4. ENCOURAGE ELECTRIC VEHICLES

- Michigan has placed a huge bet on the success of the electric vehicle industry. It has received a boost with Federal grants to the lithium ion battery industry and the adoption of Federal corporate average fuel economy standards.
- With so much at stake Michigan needs to work to make this state the most electric vehicle friendly state in the nation.
- Our state government needs to fill out its fleets with electric vehicles, the state infrastructure needs to build out for electric vehicles, and the Pure Michigan campaign needs to be rife with electric vehicles.



## 5. MAKE THE STATE A MODEL FOR RENEWABLE ENERGY

- Made-in-Michigan renewable products and technology could lead the world.
    - Forget about global climate change as the motivation for "clean energy".
  - Michigan already is a leader in the solar energy field with Hemlock Semiconductor supplying as much as 30% of the world's supply of polycrystalline silicon.
  - Similarly, Michigan has fledging biofuels, biomass, wind, and geothermal industries and technologies that need to be strongly encouraged in the state, whether that be with grants, tax incentives, or other preferential treatment.
  - Universities need to be better challenged and better focused on energy problems and innovative solutions.
  - To make Michigan a showcase for the demonstration and implementation of these technologies we need a larger renewable portfolio standard (from 10% to 25%) and the removal of barriers to self generation (removal of unreasonably high standby charges and unreasonably expensive interconnection charges).
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# 6. MUCH OF OUR ENERGY COMES FROM IMPORTED FUEL/OIL

- We are sending investment and jobs out of state and reducing the amount of dollars we have to invest in other things. This impacts everyone from government to businesses to families.




# 7. THE GLUT OF TURBINE PARTS ON THE MARKET

- The parts glut is driving down the cost of the wind projects. Once this glut is consumed this may level the playing field somewhat.



## 8. A SIGNIFICANT NEED FOR EDUCATING COMPANIES ON THEIR COSTS ASSOCIATED WITH ENERGY USE AND WASTE DISPOSAL

- An example would be a company that is currently paying for waste disposal (hauling and landfill, or land application) and when they have been approached by someone looking to obtain their waste from renewable energy generation they want to sell it rather than just reducing what they are currently spending to dispose of it. Once someone is interested in taking their waste, they perceive it as a commodity and do not want to pay any costs associated.
  - I would like to see energy audits expanded to look at more than just replacing pumps and light bulbs, to a holistic energy approach.
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# 9. MORE COLLABORATION

- Municipalities, utilities and industry need to collaborate together in order to allow rural communities to prosper.



# 10. Federal Bioenergy Perspective from Michigan Rep. Bill Huizenga

- He believes it is critical that we develop more American energy sources, both alternative and traditional, as part of a comprehensive energy solution. America's energy problem did not develop overnight, and it cannot be fixed overnight. Renewable and traditional sources of energy, improving energy efficiency and 21st century technologies all have important roles to play in America's energy future.
- Wind Energy
  - The decision to place wind turbines along the Lakeshore should be determined at the state and local level as opposed to the federal government. Such an undertaking deserves a robust debate among all the stakeholders before moving forward. An appropriate balance must be struck between access to, and cost of, energy and the impact of its development on the surrounding communities.
- Renewable Energy from a Federal Perspective
  - He does not believe that government should choose winner and loser industries, thus opposes incentivizing wind energy over any other form of American energy production. We need to expand American energy exploration across the board and government's only role is to provide a level playing field for all industries.
- Much of the discussion on the Hill has centered around the debt issue and cutting costs to live within our means. Adding funding for new programs is not being discussed and some are even talking about closing loopholes/tax breaks.



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**Thank you!**

