

Snyder plan favors natural gas, renewables study

JOHN FLESHER - AP Environmental Writer - Associated Press

Gov. Rick Snyder released an energy and environmental policy blueprint Wednesday that calls for increasing production of natural gas in Michigan while making no further commitment to requiring the state to rely more on renewable power sources in the coming years.

The Republican governor gave natural gas a central role in an energy policy that seeks greater efficiency and improvements to infrastructure such as pipelines and the electric transmission grid. It proposes establishing a "strategic natural gas reserve" designed to make the resource more affordable and defends the practice of hydraulic fracturing, or "fracking," to extract gas from deep underground. Many environmentalists oppose fracking, which requires huge amounts of chemicals to be pumped into the ground, contending it pollutes groundwater.

"I am committed to ensuring that Michigan can take advantage of the reliability, affordability and environmental and economic benefits of natural gas, and that the rest of the country can benefit from our resources in that area as well," he said in a special message to legislators. He presented his plan at Kellogg Biological Station in Hickory Corners, about 40 miles southeast of Grand Rapids.

Snyder previously has used special messages to discuss projects and goals on broad topics such as health and wellness, public safety and education.

Michigan voters this month rejected a ballot initiative that would have ordered the state's electric utilities to produce 25 percent of their power from renewable sources — solar, wind, biomass or hydropower — by 2025. Supporters described it as an improvement on an existing law, under which at least 10 percent of the state's electricity must be generated from alternative sources by 2015. Snyder's plan says it's too early to decide whether a stronger standard is justified, partly because of uncertainty about how federal policies will affect electricity reliability and markets.

He said his administration will ask lawmakers and the public for suggestions and spend the next two years studying the matter.

"Renewables are an important part of our energy portfolio, and we should increase our use of them," Snyder told The Associated Press in a phone interview. "The real question is at what pace should that happen."

Hans Voss, executive director of the Michigan Land Use Institute, said Snyder missed an opportunity to point out the economic benefits of renewable energy, such as jobs for wind turbine manufacturers. He said his Traverse City-based group would monitor the promised renewable energy study.

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Published on Chem.Info (<http://www.chem.info>)

"We'll see what level of commitment the administration brings to it ... and how much genuine input comes from communities across the state as opposed to lobbyists in Lansing," Voss said.

Despite the ballot initiative's defeat, there is strong support for stronger renewable energy standards, said Ryan Werder, political director for the Michigan League of Conservation Voters.

"We cannot delay on building a long-term and stable renewable energy policy for Michigan, and we look forward to working with the administration and legislature to that end," he said.

In the meantime, Snyder said, Michigan should press ahead with development of natural gas, which it has in abundance. He said he would fight a proposal before the Federal Energy Regulatory Commission to abandon a pipeline that supplies one-third of the state's natural gas.

"We need timelines that will let us look seriously at transitioning existing plants to this fuel, a commitment to pipeline infrastructure and a stable, environmentally protective set of regulations that allow companies to create a business plan built around new natural gas supplies," he said. "Michigan has done what it can in leading the way on this issue. We will do whatever we can to help our federal partners develop and implement a consistent strategy in short order."

Snyder said he had instructed the Department of Natural Resources and the Public Service Commission to work with private industry on development of the natural gas reserve.

Presently, when Michigan leases rights to drill for gas on public land, it takes immediate payments in cash from production companies. But under the reserve initiative, the state would keep some of the gas in storage and sell it to suppliers under long-term contracts that could help keep winter heating prices down.

The governor's plan also envisions a continued role for coal-based energy, even as the Obama administration has imposed regulations on coal-fired plants that limit their emissions of mercury and heat-trapping gases blamed for global warming. Snyder announced an agreement between Wolverine Electric Cooperative and We Energies to install new pollution prevention equipment that will enable the coal-burning Presque Isle Power Plant in Marquette to continue operating.

"Because of this deal, Michigan has a key building block in place to ensure the reliability and power supply we need," he said. "We will also retain a key contributor to the U.P.'s tax base and 170 Michigan jobs. Moreover, We Energies' customers in Michigan and Wisconsin who were facing increases in costs to solve this problem will pay less, not more, to fix this problem."

Snyder's plan also includes a lengthy list of environmental proposals, including more linkups in Michigan's extensive trail network and a strategic approach to land ownership where the state would sell some properties while acquiring others. State

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agencies are developing a plan to encourage growth of the timber industry, and Snyder said he will ask lawmakers to approve bills to reduce blight in urban areas while stepping up investment in redevelopment of abandoned industrial sites.

He pledged further efforts to protect the Great Lakes from invasive species and told the AP he was standing by the state's policy requiring cargo ships that discharge ballast water at Michigan ports to install equipment that would kill exotic mussels, fish and other organisms. State government will form a council to study how users can withdraw large volumes from waterways without doing ecological damage, he said.

"We will work to set up the kind of environmental protections that allow us to adapt to changing conditions, and make sure our environment is healthy and resilient," he said.

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