

— LEGISLATIVE —
TESTIMONY

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**Michigan Must Have
Affordable Reliable
Electricity**

Michigan House Energy Committee

Testimony Before House Energy Committee in support of Project Lighthouse

With good intentions, past regulations have required Michigan electricity suppliers to plan to close affordable, reliable coal, oil, and natural gas electric generating facilities earlier than their design lives to be replaced by unreliable solar and wind power generation equipment. Solar and wind power are dependent on the weather, and solar is primarily limited to about four hours a day when the sun is highest in the sky according to the National Renewable Energy Laboratory. Furthermore, there is a high correlation between rising electricity prices and the amount of total electric generation coming from solar and wind using historic data from the U.S. Energy Information Agency.

Changes in national laws, regional electric grid concerns, combined with experience with similar Renewable Portfolio Standards in other states indicate it is time to end Michigan's plans to rely on solar and wind power. Very generous federal tax subsidies for solar and wind generation have been available since the 1990's but are set to cease at the same time installation costs are rising. Our regional electric grid operator (MISO) along with federally chartered electric reliability organizations are reporting excessive early closures of dispatchable electricity generating facilities will likely lead to blackouts during peak demand periods over the next few years. Blackouts have the potential to cause injury and death, and to cause economic damage.

Since 2019 wind power in Michigan has increased to 10% of the state's total electric generation, and solar power has increased to 3%. Over the same time residential electric prices have increased 26% with much of that increase caused directly by the cost of adding that wind and solar power. How do we know that? Michigan is included in a five

State region by the U. S. Energy information Agency along with Indiana, Ohio, Illinois, and Wisconsin. All five states increased wind and solar generation and saw electric prices rise. A correlation between the rising electric prices and the increased use of wind and solar power generation was calculated at 0.93 with 1.0 being a perfect correlation.

The rising prices caused by increased wind and solar generation were also predicted by our study published last August, "Michigan's Big Net-Zero Gamble". The same study predicts residential electric rates will increase by over \$2,000 a year if we continue down the path to meet the state mandate of generating 60% of our power by 2035 from solar and wind. Our study might be contested. Fortunately, we have a real example of how prices will increase.

To meet the Michigan goal, solar and wind power will have to increase by 50 million megawatt-hours of generation. That is exactly what California did between 2019 and 2025. Average annual electricity prices rose by 10.5 cents/kilowatt-hour compared to Michigan's 3 cent increase. The increase would have been much higher without very large federal subsidies such as the 30% Investment Tax Credit that is now ending. Adding that amount of generation in Michigan would be much more expensive. The same solar module we use in Michigan generates twice as much electricity in California meaning we would need to build twice as much generating capacity here. The result supports our study estimate of adding \$2,000 a year to residential electric bills.

Solar modules produce less power during the winter than in summers. In southern climates about half as

much power is generated in winter, but in Michigan, by actual measurement, electric generation is 75% less with our cloudy, snowy weather. Even with planned expensive battery backup we will have a high risk of power shortages on cold winter mornings.

Michigan desperately needs to reconsider our current mandates and pass the proposed amendments in PA 295, and PA3.

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