

Dear Senators,

I am writing as a homeowner who lives in Leelanau County in Northwestern Lower Michigan. I have generated renewable energy to power my home since 1990. For the first ten years I was "off the grid". In 2000 I connected to the grid to supplement my energy consumption. In November of 2015 I invested \$12,500 in new solar panels and an inverter that is grid tied. My energy provider is Consumers Energy. I am in the Net Zero program wherein I am charged the retail rate for energy I consume and I am credited for any excess energy that I generate at the retail rate. In the summer I generate more than I consume, while in the winter I consume more than I generate. The surplus I generate in the summer offsets the energy I consume in the winter.

While I have only been in the Net Zero program for 8 months, it is apparent I will generate, on an annual basis, approximately 10% more energy than I consume. I am not paid for that excess energy. In fact, I get no benefit from that excess energy. Consumers sells that excess energy that I produce to my neighbors at the retail rate. They pay nothing for it and they sell it at the retail rate. That is a heck of a deal for Consumers Energy as not only are they selling power that costs them nothing, they have no capital investment in my generating system and no operating or maintenance costs associated with my generating system. I fail to see how the current

Net Zero program is anything but a good deal for Consumers Energy. And I am all for Consumers Energy making a profit as I rely on them for energy at night and when it is cloudy.

Senate Bill 438 is a windfall for the energy producers as not only would they get to sell my excess energy that they pay nothing for, they would only credit my production at the wholesale rate, which means I would never be net zero and would incur energy costs every month. The math is simple: if they only credit me at $1/3$ to $1/5$ the rate they charge me (depending on what the wholesale rate is) I would have to generate 3 to 5 times more energy than I get from them to break even. Very few homeowners (certainly not me) can afford to buy and install renewable energy systems if they need to generate 3 to 5 times more energy than they consume just to break even. Obviously we would have to generate even more power if we hope to recoup our investment in the renewable energy system. And, as a good capitalist, I expect a return on my investment.

Renewable energy is good for jobs, good for the environment and good for national security as we reduce our dependence on fossil fuels from foreign countries. The current Net Zero program in Michigan is profitable for energy companies and offer incentives for more renewable production by homeowners and small businesses. The proposed changes would be a windfall

for energy companies and would all but eliminate new private renewable energy production in Michigan. Not to mention jobs. Jobs are good right?

Please oppose SB 438 (V S-4) as you don't need to "fix" a system that isn't broken.

Thank-you for your consideration.

Sincerely,

Tim Johnson