

R W2021.04

A Resolution Expressing Support for the Municipalization of Ann Arbor's Energy Grid

A bill for the consideration of the College of Literature, Science, and the Arts Student Government

January 27, 2021

Sponsors: Zackariah Farah, Erik Williams, Major Stevens, Josiah Walker, Selena Bazzi, Riley List, Danny Hwang, Magda Wojtara, Max Stoneman

Whereas, the mission of the College of Literature, Science, and the Arts Student Government (hereafter LSA SG) is to “actively seek the voices of LSA students and advocate their interests to improve academic and non-academic life”;¹ and,

Whereas, the mission of LSA SG Taking Responsibility for the Earth and Environment Subcommittee (hereafter TREES) is to “actively work to improve the lives of LSA students outside of the academic sphere by promoting a culture of sustainability, environmental justice, and environmental awareness”;² and,

Whereas, LSA SG recognizes the severity and seriousness of the global climate crisis and the detrimental impact it is having on the futures of young people around the world;³ and,

Whereas, as of 2019, the University of Michigan purchased approximately 400,000 megawatt hours of electricity from DTE Energy annually;⁴ and,

Whereas, in response to the climate crisis, the President's Commission on Carbon Neutrality created a draft report establishing emissions reduction goals, which include the goal of purchasing 100% renewable energy from power regional utilities no later than 2030;⁵ and,

Whereas, as of 12/31/2019, 59% of DTE's energy is from burning coal; only 7% wind and solar.⁶ The average utility in the U.S. only uses 23.4% coal;⁷ and,

¹ The Constitution of the College of Literature, Science, and the Arts Student Government. Article II

² The Official LSA SG Bylaws. Purpose of Taking Responsibility for the Earth and the Environment Subcommittee 11.03.00

³ [LSA SG, R F2020.06](#)

⁴ <https://record.umich.edu/articles/u-m-cut-emissions-through-renewable-energy-purchase-dte-energy/>

⁵ President's Commission on Carbon Neutrality Draft Report and Recommendations, Dec. 17, 2020, pg. 33

⁶ [DTE Energy 10-K for fiscal year 2019](#), pg. 10

⁷ <https://www.eia.gov/tools/faqs/faq.php?id=427&t=3>

Whereas, a drastic shift in the operations of DTE would be needed in order to achieve 100% renewable energy by 2030, a shift that does not align with DTE’s current business operations nor their goal of achieving 100% renewable energy by 2050;⁸ and,

Whereas, “municipalization is the process of a city acquiring a private utility and establishing a public power utility (also known as a municipal power utility). Public power utilities are community-owned, not-for-profit electric utilities”;⁹ and,

Whereas, DTE is one of the most expensive power utilities in the U.S., charging an average rate of 17.51 cents/kWh, which is 32% higher than the U.S. average; however public power utility customers pay on average 13% less than those of private utilities;¹⁰ and,

Whereas, according to the Interim Director of Utilities of the University of Michigan, Brian Hall, the university would be able to purchase power from a municipal utility through virtual power purchase agreements; and,

Whereas, the Ann Arbor citizen’s advocacy group, *Ann Arbor for Public Power*, has been engaged in organizing support for municipalization among Ann Arbor residents and will be presenting the case for municipalization to the Ann Arbor Energy Commission on Tuesday, February 9th, 2021; and,

Whereas, policy changes which could potentially lower the cost of power for the University of Michigan and its students living in Ann Arbor coincide with LSA SG’s mission of advocating the interests of LSA students.

Be it therefore resolved, that LSA SG supports the municipalization campaign of *Ann Arbor for Public Power* and supports the creation of a public power utility in Ann Arbor because it will likely:

- reduce greenhouse gas emissions in the Ann Arbor community,
- achieve the PCCN’s goal of 100% renewable energy more quickly than DTE,
- decrease the cost of power in Ann Arbor, and
- give the University of Michigan more options in its pursuit of carbon neutrality; and,

Be it further resolved, that TREES shall encourage and organize students to voice their support for municipalization to Ann Arbor city officials and to the University of Michigan; and,

⁸ President’s Commission on Carbon Neutrality Draft Report and Recommendations, Dec. 17, 2020, pg. 33

⁹ [Ann Arbor for Public Power](#)

¹⁰

<https://www.ucsusa.org/about/news/midwest-utilities-exploited-rules-misuse-coal-plants-fleeing-consumers-out-350-million>

Be it further resolved, that LSA SG encourages the Energy Commission and City Council of the City of Ann Arbor to pursue the process of municipalization as it is outlined in the 1963 Michigan Constitution;¹¹ and,

Be it finally resolved, that this resolution will be sent to all members of the Ann Arbor Energy Commission, the City Council of Ann Arbor, and the Mayor of Ann Arbor, Christopher Taylor.

¹¹ State Constitution of Michigan of 1963, Article VII, § 25