

## **ELECTRICITY FROM COAL BEING PHASED OUT IN FAVOR OF CHEAPER, CLEANER ALTERNATIVES**

The five remaining coal-fired turbines at We Energies' Presque Isle Power Plant (PIPP) are scheduled to be retired in 2020, following the decommissioning of four other units in 2007 and 2009. The plant has served the Tilden and Empire mines as well as many homes and businesses throughout the Upper Peninsula since 1955. It continues to serve the community with a current peak output of 359 megawatts. We Energies has been working with state agencies and utility providers to devise a plan to match supply with demand post-closure.

Two natural-gas powered electric turbines are currently under construction by Upper Michigan Energy Resources Corporation (UMERC), a WEC Energy Group subsidiary, to meet electricity demand after PIPP goes off the grid. Sites for these generators near Negaunee and Baraga have been strategically located adjacent to existing natural gas pipelines and electricity transmission lines to minimize the impact on the environment and reduce development costs.

These projects are expected to create jobs for about 300 workers during the construction phase and employ about 12 full-time employees during operation. UMERC plans to hire the majority of its workers from local unions and projects operation to begin in 2019. In addition to the economic benefits, the generators will help diversify the Upper Peninsula's energy portfolio. Diversity in energy generation resources reduces susceptibility to fuel price fluctuations and can help stabilize electricity rates for consumers. This project will bring increased energy independence to the community and reduce our dependence on imported coal, thus improving energy security.

In recent years, natural gas has been favored over coal as a fuel source by many utilities across the U.S. According to the U.S. Energy Information Administration (EIA), net generation by natural gas in the central U.S. is up 35.5% from 2017. Recent developments in fracking technology have made natural gas a cheaper and less price-volatile fuel source than coal and unlocked our nation's vast natural gas reserves. When natural gas overtook coal as America's primary electricity generation fuel source in 2016, electricity became more affordable. In fact, a study by the Institute for Energy Research showed natural gas power to be 16% less expensive than coal power.

When asked about the impact of the PIPP closure on consumers, UPPCO declined to comment saying it was "too soon to tell" when consumers will see an impact on their monthly electricity bills. UPPCO is in the process of developing an Integrated Resource Plan (IRP) which will detail how it plans to meet energy demand forecasts and deliver reliable service to homes and businesses. The IRP will be filed with the Michigan Public Service Commission by December 14th and will provide an indication of what consumers can expect to pay in the future.

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