

# Smarter energy can benefit state's bottom line, too

**BY: Steve Chester**

**Detroit Free Press**

**January 24, 2010**

If we truly want an economy suited for the 21st Century, Michigan must formulate strategies and mobilize government action to exploit the links between energy, environment and economic policy.

Michigan is in a period of extraordinary transition. The [automobile](#) industry is seeking to reinvent and revitalize itself, and Michigan's economic future depends on greatly diversifying the state's economy.

Another compelling challenge we face -- as a nation and a state -- is the urgent need to respond to [climate change](#) and its impact on our health, our natural resources and our way of life.

And nowhere are connections among the economy, energy and the environment more evident than when formulating strategies to reduce [greenhouse gases](#) and mitigate the effects of global warming. These are positive connections and impacts, not negative ones.

For example: The Michigan Department of [Environmental](#) Quality, with funding from the Kresge Foundation, [assessed the impacts](#) on Michigan's economy if the state implemented certain climate policy strategies. The strategies included pursuing greater energy efficiency in homes and buildings, increasing reliance on renewable energy, improving industrial process efficiency, and expanding public transportation options.

The conclusion: Implementing them would, by 2025, not only dramatically reduce greenhouse gases from Michigan sources but also create 129,000 new jobs, add \$25 billion to Michigan's economy and result in lower energy prices for home owners and businesses.

Even if one is agnostic on climate change, these results provide a compelling economic argument for pursuing renewable energy, energy efficiency and mass transit.

Consider that in an average year approximately 90%, or about \$20 billion, of Michigan's household and [business purchases](#) of energy leaves the state. This is because Michigan imports almost all of its energy fuels from other states and countries, including 100% of the coal burned in Michigan power plants. This is a massive shift in wealth that hurts Michigan's economy.

But what if we pursued policies that drastically reduced Michigan's dependence on coal and replaced it with homegrown sources of energy? Over 60% of the electricity generated in Michigan is from coal-fired plants. Coal plants are the single largest emitters of mercury, sulfur dioxide and nitrogen oxides. The adverse impacts of these pollutants on air and water quality and, hence, human health, are well documented. Renewable sources of energy are virtually

nonpolluting. Consequently, by reducing demand through energy efficiency and changing some of the supply over to renewable sources, Michigan saves money and our environment improves, too.

This is just one example -- a significant one -- of the interconnections between energy, environment and economic policy. The path forward is clear. If we choose to align our priorities for development of new technologies, we will create a unique opportunity to reduce energy costs, create jobs and income, and diversify our economy -- and we might just have an impact on climate change, too.