

**Draft Energy Commission resolution to recommend that City Council authorize a feasibility study for a municipal utility 7-13-2021**

WHEREAS, fossil fuel combustion, procurement and transportation produce significant greenhouse gas emissions that raise global temperatures, which are already at harmful levels, leading to extreme weather events, droughts, massive flooding, and resultant death and displacement of thousands of people worldwide;

WHEREAS, City Council on November 4, 2019 approved a resolution declaring a climate emergency and set a target date of 2030 to achieve city-wide carbon neutrality (R-19-498);

WHEREAS, City Council at its June 1, 2020 meeting approved the Living A2Zero Ann Arbor Carbon Neutrality Plan (R-20-193), incorporating the 2030 target;

WHEREAS, the generation of electricity accounts for roughly 40 percent of Ann Arbor's 1.8 million metric tons of annual greenhouse gas emissions;

WHEREAS, the vast majority of this electricity is purchased from DTE Energy, whose monopoly service area includes Ann Arbor;

WHEREAS, in 2020 DTE generated 80% of its electricity by burning fossil fuels, mainly coal;

WHEREAS, DTE is currently building a \$1.1 billion, 1100 Megawatt gas fired power plant in St. Clair County, with an estimated useful life of at least 40 years;

WHEREAS, DTE's continued longterm reliance on fossil fuel combustion to generate electricity is incompatible with Ann Arbor's official carbon neutrality goals;

WHEREAS, Michigan law authorizes municipal electric utilities, and at least 41 Michigan jurisdictions currently operate munis, including the cities of Lansing, Holland, Wyandotte, Traverse City and Chelsea;

WHEREAS, the Ann Arbor City Charter, section 15.1, states that "The City shall have all the powers granted by law to acquire, construct, own, operate, improve, enlarge, extend, repair, and maintain public utilities," including electric light and power;

WHEREAS, municipal electric utilities can freely obtain electricity, including clean energy, on the open market, and can generate and distribute their own clean energy;

WHEREAS, cities typically authorize and fund a feasibility study by a qualified consultant to determine the short- and long-term benefits and costs of establishing a municipal electric utility;

WHEREAS, recent feasibility studies by the cities of Chicago, Illinois and Pueblo, Colorado cost these cities approximately \$120,000 each;

RESOLVED, that the Ann Arbor Energy Commission recommends that the Ann Arbor City Council authorize and fund a study to determine the feasibility of establishing a municipal electric utility; and  
RESOLVED, that the study be conducted by a qualified consulting firm, using industry best practices.