

**SENATE FISCAL AGENCY
 MEMORANDUM**

DATE: June 24, 2019
TO: Members of the Michigan Senate
FROM: Abbey Frazier, Fiscal Analyst
RE: Executive Order 2019-14

Executive Order 2019-14

On June 7, 2019, Governor Whitmer issued Executive Order (E.O.) 2019-14, which created the Upper Peninsula Energy Task Force within the Department of Environment, Great Lakes, and Energy. The E.O. creates the Task Force as a temporary advisory body to evaluate the Upper Peninsula's (UP) energy needs and to craft alternative solutions to the current distribution of propane through Line 5. The Task Force will include at least 13 unpaid members to be appointed by the Governor, and it is required to issue two reports, the first by March 31, 2020, and the second by March 31, 2021. The Task Force will be dissolved ninety days after issuance of its final report.

Article V, Section 4 grants the Governor the power to establish temporary commissions that are not subject to legislative disapproval. The establishment of the UP Energy Task Force is not subject to legislative disapproval, and the order creating it was effective upon filing, June 11, 2019.

Task Force Membership

The Task Force will include at least 13 members to be appointed by the governor, all of whom will represent a range of expertise relevant to the issue of energy needs and supply in the UP. The governor will designate the chairperson of the Task Force. The Task Force may select a vice chairperson and secretary from among its members.

Task Force Responsibilities

The Task Force is charged with providing recommendations and serving in an advisory capacity to develop the following:

- An assessment of the UP's overall energy needs and how they are currently being met.
- Alternative solutions for meeting the UP's energy needs with a focus on security, reliability, affordability, and environmental soundness.
- Potential changes that could occur to energy supply and distribution in the UP; the economic, environmental, and other impacts of such changes, and the alternatives for meeting the UP's energy needs in response to such changes.
- Other information, advice, or other actions as directed by the Governor.

The Task Force must submit its final report in two stages. First, the Task Force must submit a propane plan to the Governor by March 31, 2020, focusing on alternative means to supply propane to the UP. Second, the Task Force must submit the remainder of its report, also focusing on alternative means to supply propane to the UP, by March 31, 2021.

Operations and Implementation

Meetings of the Task Force must comply with the Open Meetings Act and the Freedom of Information Act. The Task Force is authorized to create advisory workgroups composed of existing members. It also is authorized to accept donations of labor, services, or other items of value from any public or private entity. The Task Force may hire or retain contractors, advisors, and consultants, and may enter into contracts related to the performance of its duties under the discretion of the Director and subject to available funding. All department must provide any assistance or information required by the Task Force, as permitted by law.

Types of Transfers

The creation of the Committee does not involve a Type I, II, or III transfer as identified under the Executive Organization Act.

Fiscal Impact

The E.O. will have no fiscal impact on the State or local units of government. Support for the Task Force will consist of reimbursement for necessary travel expenses consistent with applicable law, rules, and procedures, and subject to available funds. The Task Force may accept donations of labor, services, or other things of value from any public or private agency or person. Assistance will be provided to the Task Force, including management and personnel, by the Department, the Michigan Public Service Commission, and other departments or agencies with relevant expertise.

Summary

Executive Order 2019-14 created the temporary UP Energy Task Force within the Department of Environment, Great Lakes, and Energy to evaluate and make recommendations for alternative solutions to meet the UP's energy needs. The Task Force membership must serve without compensation. The Task Force is required to submit its final report in two stages. First, the Task Force must submit a propane plan to the Governor by March 31, 2020, and the remainder of its report by March 31, 2021. The Task Force will dissolve 90 days after the issuance of the final report.

Executive Order 2019-14 is not subject to legislative disapproval and took effect the day it was signed, June 7, 2019.

If you have any questions on E.O. 2019-14, please do not hesitate to contact me.

/nlf

c: Christopher Harkins, Director
Steve Angelotti, Associate Director