Rachel Johnson (00:16):

Welcome to Co-op Energy Talk. I'm Rachel Johnson, the CEO here at Cherryland Electric Cooperative. And for those of you who are new listeners or new to the podcast, Cherryland is a not-for-Profit Electric Cooperative in Northern Michigan. We serve about 38,500 homes and businesses, and we are structured as a not-for-profit and governed by a board of directors who are elected by our memberships. We have a little bit different business model that keeps us really connected to making decisions based entirely off of what's in the best interest of the people we serve. I am joined here today on the podcast by Representative Graham Filler. Representative Filler represents Michigan's 93rd House District, which includes portions of several counties north of Lansing. It's kind of right in the middle of the state. He has served in the Michigan House of Representatives since 2018, and Rep Filler has a law degree from the University of Detroit Mercy, and previously served as an Assistant Attorney general with the Michigan Attorney's General's office. And apropos for today's conversation worked as an assistant AG for the Michigan Public Service Commission as well. So thank you for taking the time to join me on the podcast today, representative.

Rep. Graham Filler (01:20):

Hey, you're talking about one of my favorite subjects, so I'm excited because you guys are a little interesting. Many people don't know exactly what you do. I think you take up a really interesting aspect of the energy field energy grid, and so, uh, I'm just thrilled to be on, plus I love the podcast format. It deconstructs a lot of the, here are my three talking points, and then get off the stage. I feel like it puts people on spot and for people who like talking about things, I think that's a good thing.

Rachel Johnson (01:46):

Yeah, it's always, it's always a good chance to dig a little deeper into these topics. And one of the things that I know to be true with energy is it's so complex. Very rarely can you accurately talk about energy without having a little bit more time and a little bit more than, as you said, three top talking points. So rep Filler and I connected recently over kind of a mutual desire to support the advancement of nuclear energy in Michigan. And I just, um, thought it was a great opportunity to invite him on the podcast. Before we dig into, I guess, energy politics and nuclear, I thought you might just kick off by telling us how you would describe your district and the priorities of your constituents since obviously my, my listeners might not be as familiar with your area.

Rep. Graham Filler (02:26):

Yeah, this is great. So I have a new district. It's the 93rd. My old district was the 93rd, but was very different. Um, very rural, a lot of townships, a lot of township boards, very conservative, uh, politically and also things that you would imagine from a rural conservative district. We're talking about agriculture, heavy supportive ag, probably the number one dairy producing district in the state. And if not, number one, then number two. So we have a town, Elsie, that has a 20 by 10 cow in downtown. And of course, it's kind of where I grew up Del and so like doesn't shock me to see that giant cow, but it's very apropos for the district, uh, pro Second Amendment. A lot of hunters, a lot of small businesses. So covid was very difficult during, when there were, uh, certain, um, regulations or shutdowns of small businesses, uh, a lot of law enforcement, pro-public safety, pro law enforcement, and, uh, me, me as a lawyer and then a two term judiciary chair. That was a good match. But I would say those are some

concepts that probably cut through many districts, law enforcement, interest in public safety, um, support of small businesses. And so that's, that's sort of the makeup of the district.

Rachel Johnson (03:43):

So, um, one thing I may, um, pick your brain on once we get a little further in the podcast, 'cause I think areas like what you just described, rural, lots of ag are going to really feel the pressures of the renewable development that's now going to be mandated through some of the bills that were passed last fall. So we can talk about that. But before we dig into that, can you tell us more about the work you did with the Michigan Public Service Commission and kind of how that has informed your position on energy issues?

Rep. Graham Filler (04:09):

Yeah, so, you know, I kind of decided, or, or I was, now you get the full story 'cause it's a podcast. I had a really good idea after my work at the ags office working with victims of crime and on some really big concepts, I had an idea I was gonna run for office and it was maybe 20 15, 20 16, I didn't know when. I just felt like politics is how you get things done from my vantage point. So I go over to the MPSE because they have a shortage of attorneys over there, and my role is to be in the middle almost. That's how I viewed it. So the utilities would ask for a rate case, uh, a rate increase or some sort of update. The people who didn't like utilities groups that didn't like utilities would push back. And I would find myself as an MPSC Assistant Attorney General, sort of in the middle, sort of saying what's realistic for the state of Michigan.

Rep. Graham Filler (05:00):

And so we're talking about compromise already. We're talking about, um, reading the law really, really closely. And so it really led me to believe that every time you turn over a leaf in the energy field, it's a billion dollar leaf. It really informed my perspective and even even more inspired me to run for office because I said, this is how you make energy policy. You're forward thinking, you learn all the details, and then you try to do something that's forward thinking, but also leading to lights being on and rates being low. And so it really did inform my vision. Um, and when I see people make statements that are really broad about the energy field, I li I fall down into a heap because I'm like, you can't generalize. You can't say these broad statements about the energy field. It's too dynamic. It's too complex.

Rachel Johnson (05:48):

Yeah. It's one of the hardest things I think about monitoring and engaging in policy, discussions on energy is there is this incredible complexity of mitigating environmental impact, prioritizing reliability. 'cause at the end of the day, if we can't keep the lights on, we have egregiously failed the people we serve and managing the cost impacts of those two things, which are sometimes intention with one another. And so to your point, every decision that's gets made, every question that gets asked is oftentimes gonna have impacts across that spectrum. And it can be very complex to find your way through those. So it's, it's neat that your experience in the PSC gave you kind of a sense of how that impacts people, right? Like average consumers. And to have that, that perspective, let's transition to talking about kind of energy policies, what's going on right now and what we think we could do going forward. So while in the house you led an effort to commission an independent study on nuclear generation and how it could impact Michigan. Can you just tell me more about the study, the goal and kind of its current status?

Rep. Graham Filler (06:46):

Yeah, absolutely. So I was, um, I was on Twitter, which is now X and I was on uh, sort of like intellectual conservative energy Twitter, which is very good and very informed and really a lot of those folks started their intellectual journey because they wanna cut through sort of the BS and the nonsense and the, the fear mongering and talk about what nuclear energy is and why it helps us be independent from Russian oil and why it's not Chernobyl. So I took a a bill idea, which is just doing the study because that was sort of the, uh, middle ground. Instead of saying, you know, the governor, you have to build two reactors or something, I don't think would've ever become law. I turned it into a, a piece of legislation that said the state of Michigan needs to study the feasibility of nuclear energy.

Rep. Graham Filler (07:36):

Now what I wanted out of this piece, because I kind of know the result already, and the result will say nuclear energy, just like any other, uh, investment is expensive, but it's powerful. It's consistent. And it has led to Michigan being a very powerful energy producing state. We are a top 10 nuclear state nuclear for a really long time. 50 to 60 years has been about a quarter of Michigan's energy. Every year the waste is so minimal, you can't even begin to describe, we're talking about all the ways created has been, could fit inside what two football fields. And that's from the beginning of nuclear energy in Michigan. Anyway, so I kind of know what's gonna, what it's going to say, the study, the piece of legislation is signed by the governor. And what I found was when you got behind the scenes with people, they would say, I've been told that nuclear energy is bad and that I should just be scared of it, but it makes sense to me, is clean, reliable, powerful energy.

Rep. Graham Filler (08:35):

It has to be part of our all encompassing energy grid policy going forward. I said, absolutely. So that's how I found support from both Republicans and Democrats. What I want out of this study is so that eventually when there is investment and there will be, uh, further investment or, uh, relicensing or essentially more nuclear energy in the state of Michigan, I can hold this study up and say, it's bipartisan nonpartisan study that has said these great things about nuclear energy. So let's, let's let this guide our policy discussions instead of fear bonding or instead of outside groups coming in and trying to purchase or trying to impact, uh, how we build and how we go forward. So that was the, that was the background of my study, but it did become a lot. I'm incredibly proud of it.

Rachel Johnson (09:23):

I'm excited to see that study come out because as you point out, it's gonna provide really important foundational work for future policy directions as it pertains to nuclear in, in Michigan. And I've been a huge proponent of nuclear for uh, decades. The thing I say often is nuclear doesn't really have a technical problem. It has a public relations problem, and if we can start to manage its public relations problem, we can actually get back to doing nuclear well. And you're right, it is not cheap. Anybody who says nuclear is cheap is probably being misleading, but it is a consistent reli. I mean, you build a nuclear plant and that thing will produce energy for you 24 7, 365 for 80 years. So it, it, it can seem very, um, you know, daunting on the, on the front end when you think about the cost. But when you think about the long range returns of those kinds of investments and as if we're going to continue to retire our fossil fuel generating resources, their only viable consistent thing we can replace them with is nuclear energy.

Rachel Johnson (10:18):

So I'm excited to see you supporting that through this study. As you know, and we've already talked about the Michigan's co-ops have, uh, made a significant commitment to helping to restart the Palisades nuclear power plant down in southwest Michigan. I'm certainly excited to see that come online and be supported through this. But in addition to that, uh, last fall, the Michigan legislature passed several sweeping energy bills, including a mandate that utilities get, um, 60% of their power from renewable energy and a hundred percent by 2035 and a hundred percent of their power from clean energy sources by 2040. I know you did not vote for that bill. Um, I've also voiced my own concerns about it, but let's discuss it and what we think its impact will be. So why don't you start by just kind of talking us through what your concerns were about that bill.

Rep. Graham Filler (11:06):

Boy, how much time do we have? So my work at the MPSC really impacted my view of the energy field, which is we need to be realistic, we need to keep the lights on, we wanna keep rates low, and we want to put something in law that makes Michigan attractive to businesses that wanna come in who say we know exactly that we'll be getting energy for our manufacturing plans. And right now we do a decent job at that in the state of Michigan, we have some real challenges because of weather and because of the sizes of the state, we do a pretty good job. Large scale manufacturer will say, we're coming in because we, we know you'll be able to provide energy. My major concerns in this package, the bills will force if actually, you know, in the next 5, 10, 15 years, they will force utilities to close natural gas plants or even nuclear because they need to be moving to, uh, wind and solar, even if it's unrealistic, even if it doesn't keep the lights on, even if rates go through the roof.

Rep. Graham Filler (12:07):

So carbon capture is part of it. Well, I wanna speak really honestly about carbon capture. It's completely on improvement. It's operating in maybe one facility somewhere, I believe in Canada. And it has um, essentially a comment that been, if you talk to experts, they'll say, yeah, it's an interesting theory, we'll learn more about it. Well, you based our entire energy future on essentially carbon capture being realistic. And so I just viewed it as a very unrealistic, uh, sort of talking point, heavy piece of legislation and you know, we all kind of know that the utilities and other, the energy field are moving towards closing, um, coal and uh, re-upping on natural gas and nuclear. But now you've created artificial timelines to force them even if they aren't ready to do certain things. So if a utility is forced to do carbon capture, they say, okay, that's what the law says, and that's \$3 billion or \$300 million.

Rep. Graham Filler (13:09):

Well that doesn't, that they don't just take that outta goodwill. They run that back to the taxpayer, uh, to the rate payer. And so how this is going to probably come out if nothing changed, if we just had to go to this is when 2035 or in 2030 when it becomes clear that you can't build enough wind and solar, um, to hit these marks, then everyone will just ask for a, um, for uh, uh, you know, just push it off a couple years, push it off. And so then this is just a talking point piece of legislation. It doesn't go to the heart of it, which is how do we provide consistent, reliable energy and it goes to war with nuclear because it stunts the amount of nuclear that you can put in as part of your portfolio, even though there seems to be bipartisan agreement that nuclear is definitely going to be a star of the show going forward in our energy grid. So I I just view it as completely unrealistic. You don't make energy policy based on partisan talking points. We never have in the state of Michigan. The takeover on the locals is something that makes no sense. You've got locals who love the wind and solar, but when the wind doesn't blow in, the sun doesn't shine. Thank god there's natural gas. So we can have standard of living. So I view that that takeover that sort of attack on the locals as a negative too. Um, but those are just some of my thoughts.

Rachel Johnson (14:31):

Yeah, and I, I think the, the term you use that i I think is really accurate is the idea of artificial timelines. I'm a, I'm a firm believer in markets and in allowing technological innovation to drive change. But a part of that is understanding that the change happens at the pace at which the technology can develop. And when I look at the technologies we use to generate electricity today, it is very, very clear to me that we can't actually keep the lights on in Michigan and meet the timelines that are set out in this bill. Now, does, could that change? Could there be a technological development in two years that changes that maybe, but it's striking to me that a bill was able to pass with the knowledge that the technology doesn't actually exist to meet the goals in the bill. Um, and then obviously to go beyond that price is certainly something that's very important to our, to the people we serve, right?

Rachel Johnson (15:18):

I mean, you, you know this from your time working with the Michigan Public Service Commission. Reliability and affordability are the two things that consumers in Michigan care the most about. Right? Can I afford to pay my bill and on my lights on when I need them to support my business or, you know, my home? And so I'm That's right, that's, it makes me nervous that we haven't given those as much attention as we need to in these bills. Um, but you talked about the impact these bills could have on nuclear, this is obviously something we're watching very carefully at the co-ops, not only because of our commitment to Palisades, which I wanna give credit to the legislature for acknowledging Palisades in the bill and allowing us to count it towards those requirements. But in addition to that, I think that, um, one of the things we have to grapple with as a state is by essentially setting all the PO focus on renewables for the first 10 years of the bill and limiting the amount of nuclear that most utilities can count in their portfolio.

Rachel Johnson (16:05):

I worry we're gonna get left behind as it pertains to the advancement of small modular reactor technologies. 'cause why would developers invest that in Michigan <laugh> where we've made it harder and set weird timelines versus somewhere else. And, and I take a second here and acknowledge that the owner of Palisades has already made a commitment to developing commercializing two SMR reactors at Palisades, hopefully over the next 10 years. So I'm excited about that. But let's talk through what you would like to see in terms of policy that could help support the development of nuclear in Michigan as opposed to stunting the development of nuclear in Michigan. Yeah,

Rep. Graham Filler (16:41):

That was clearly one of my concerns because why would an SMR somebody, why would a utility, why would a, an out-of-state SMR developer come to Michigan when the MPSC may say, uh, you know, we just don't think that fits it under this law. It's little bit vague 'cause it's 10 years off, but what you want your state to say, not just ask smart, but for business, uh, businesses come here is please come here open arms. You're gonna be part of Michigan, this energy future, you're gonna be part of Michigan's manufacturing future. We need you, what, what do you need Instead? It's, it's a big, um, gray area and that doesn't inspire confidence in the state and inspire confidence in developers wanting to come here. And I might argue if I had to be really cynical that that was by design and individuals or out state, uh, developers pushing this bill may have wanted to lead that gray area a little negative towards SMRs and nuclear in general so that when the FDAC is left with a jump ball or left with a, hey, maybe this SMR could get bill, they might feel impacted by the law to say, no, we can't do it.

Rep. Graham Filler (17:51):

And that's me being possibly too, too realistic or too cynical. smr, I'm so excited about the investment. The Joe, uh, in SMR world is, nobody wants to do the first one 'cause it's gonna be a little more costly and, uh, you're gonna see sort of the, the strengths and the weaknesses right off the bat. But clearly everyone's testing SMRs so far it looks pretty good, but full scale, uh, SMRs all over over the country is not quite going on right now. So I would like to see, and I'm putting together a package of bills, hopefully we'll get released in the next two months. A bipartisan package of bills that does deal with tax exceptions for SMRs rights SMRs into Michigan law, um, allows for, um, SMRs to be cited a little easier and to take away some of the citing concerns on SMRs. And I think they will be met with support. But I am worried that some of this bill package that just got passed will cut into the support a little bit because you will have some people who can't talk about nuclear right now.

Rachel Johnson (18:57):

Yeah. And you know, when I think, uh, so first of all, thank you for the work you're doing on that bill package. 'cause to your point, we're so early in the develop in the commercialization of SMRs, there's been a lot of research and development in SMRs, but to actually install and have one generating electricity that people are using, obviously that's the next kind of step in that development. But it's to, to get there, we're going to have to all, we're gonna have to be creative with the policies that will take to support it. And some of those are policies that, you know, make it easier to cite it. For example, like you said, others might be policies that provide tax ex exemptions or tax incentives. But one of the things that's been sticking in my head since the bill passed in the fall here is if any adjustment were to be made to that bill going forward, perhaps one of the most impactful things we could do is to eliminate the renewable portfolio standard in return for allowing for more of just simple clean energy standard so that we're, it's a little bit more technology agnostic.

Rachel Johnson (19:55):

It's not, it has to be wind or it has to be solar instead it can be anything that, you know, in the goals of this bill at least manages environmental impact. And that would allow us to, I think just develop more nuclear, right? Because any state that is has said we want to have cleaner but still have reliable electricity, nuclear's gotta be a part of that. Um, so that'll be one thing that I think we'll be advocating on going forward is adjustments to that bill happen in the coming years or to that particular legislation happen in the coming years. I think getting rid of the focus on renewables and kind of tying it a little more into this clean energy standard that goes into effect after 2035 sooner is probably better for the development of nuclear in Michigan. You, you kind of hinted at this, but since we talked about it earlier, I do wanna just get your, uh, your reactions and your district's reactions on the, uh, local citing bills because one of the bills that was passed as a part of this package of bills in the fall essentially will allow the Michigan Public Service Commission to override local zoning when it pertains to larger scale renewable energy.

Rachel Johnson (20:51):

So you talked about you have a lot of townships in your district, very ag focused district. This would mean that if a local township were to deny a large renewable project, technically the Michigan Public Service Commission could intervene. What are your thoughts on that and how do you think that will be received inside your district?

Rep. Graham Filler (21:12):

I already know that it's, it's been received badly across the district. Um, because I think my district is a really good example. One county, GRA county that has townships that say, this is awesome, it's great for us, it makes sense for our environment and for our farmers and let's do it. And then have actually used some of the, the tax dollars that come with some of these to really deal with rural poverty issues and to help their constituents. And then I've got others, Clinton County, that has massive farm land and they don't need it and they're not interested in, they think it's bad for them and there's pushback pretty much across the whole county. And so just for, for a township, for a county saying, Hey, this is not right for us and it doesn't make sense. And then to be quickly overruled by the MPSC who says, well, we've gotta build wind and solar and, and just to be honest, it's mostly solar now.

Rep. Graham Filler (22:06):

No one's really building building wind right now. We need this gigantic solar development and we don't care what you think and we don't care that, uh, it doesn't fit your local area because we have to have it. I mean, I just, I can't view that as a positive point forward. And so I just know there's massive pushback from our community and anger, uh, very visceral anger. Um, and so I am interested in how it actually will play out when these townships and counties get overruled by the MPSC. And this isn't like, um, oh, we're taking over, Mr. Smith's back 40. This is a massive, massive development with concrete and metal and glass all going into a field and a, a community not rallying behind it. And so I do think creates a really perverse sort of attack on the locals.

Rachel Johnson (23:01):

Yeah, that's, that's kind of been the reaction up here as well. And one of the things that, uh, was gonna be very interesting to watch, so here's your, here's your fun fact of the, of the day rep filler to build out just solar. So if we, we assumed we didn't build any additional wind in Michigan, just solar to meet that 60% requirement would require about 330 square miles of new solar in Michigan. So you'd basically stretch solar from like the Mackinaw bridge to the state border a mile wide. But if you think about where that's really gonna be located, it's not actually gonna be stretched through Michigan all that much. There's gonna be certain communities where you have the most development pressure because they either have the most open land or perhaps they have the best conditions for solar. And so it, it is gonna put a ton of pressure on a very few communities, primarily rural, not urban.

Rachel Johnson (23:49):

And I think you're gonna see a lot of pushback from those communities because rightly they wanna have control over what development looks like in their community. And some of them, to your point, might embrace renewables and others might wanna do it in a more limited way. And you know, it's gonna be, uh, probably one of the more controversial parts of this bill package, I think as we watch it play out over the next year or two. So, uh, we've talked through a lot of things. I wanna give you a second to offer any last thoughts for our listeners on either nuclear energy or energy in general or just, uh, an any thoughts on this topic?

Rep. Graham Filler (24:18):

I do wanna reiterate on the nuclear and I wanna thank you for being such a, a champion for it and, and sort of understanding it. We have created so many barriers to nuclear energy in America at the national level and at state levels. Mostly national though when there is clear buy-in for clean, reliable, affordable energy that needs investment at the federal level, it is an absolute cluster to get it approved. And other countries, we're talking about France, we're talking about Poland, we're talking about China and

basically said nuclear's the best. And so we're going to dive into the investment instead of it's nice that you want it. And so let's do better. So the federal has gotta fix itself at some point. Everyone's asking for it, not just conservatives, everyone's asking for a better federal process to nuclear permitting. And so when we talk about making America independent from Russian oil and building, uh, nuclear parts here in America, it it will never take off.

Rep. Graham Filler (25:18):

We will never be able to be that leader if we don't somehow clean up the bureaucracy at a national level and everyone agrees on that, just know it's cleaned it up. So hopefully that will start to take hold in the next couple years, um, because we are definitely behind the scenes on that. And so I would just really, I, I commend you for being part of that. I I encourage you to lead vocally because what I learned when I started talking about nuclear energy and Lansing is that almost everyone's on board. There were just a one or two, three people just said, I can't, I can't ever get there. You know, nuclear is just bad for these reasons, but both sides get on board once they learn about it, once they learn about its importance on sort of keeping the standard of life and keeping rates low and affordable energy. And so I just really commend you for talking loudly about that. 'cause I think that's almost the most important thing that can be done.

Rachel Johnson (26:10):

Thank you for that. And I obviously, I wholeheartedly agree and I will reiterate that I think that there's no state only solution to this. It needs to be solutions that are both federal and state. It needs to be revision of regulatory processes, legislation that supports it and the continued investment in the development of it. But I think there's a lot at stake in getting this right. And so those of us that, that see that importance have an obligation to continue to try to get it right because if we don't get it right, we're not gonna be able to keep the lights on. And that is ultimately the biggest failure I could personally have in my business and not something that I'm willing to accept. So I appreciate, uh, your advocacy on this issue as well and your commitment to making sure, at least in Michigan, we're doing what we can.

Rachel Johnson (26:50):

And I wanna thank you again for taking the time to join me here on the podcast and, uh, update my listeners on what you're doing down in Lansing and what you're doing for the state of the Michigan. For those of you who enjoyed this podcast, if you have any questions afterwards, don't hesitate to reach out to me. You can leave a comment. The podcast will be on our blog. You can leave a comment on the blog and I'll reply or you can email me directly. My email address is r johnson at cherryland electric dot co-op. And I hope that you'll all join me next time for co-op Energy

Rep. Graham Filler (27:15):

Talk. Thank you.