



ADVANCING PUBLIC TRUST SOLUTIONS  
TO SAVE THE GREAT LAKES

April 22, 2013

**Statement by James M. Olson, Chair, FLOW  
A Water and Energy “Nexus” Policy For Michigan**

The “energy listening” sessions ordered by Governor Snyder to help Michigan fashion an energy policy are welcomed. However, at a time of a climate change crisis fired by coal and other greenhouse gases with severe and worsening impacts and costs, including increasing extreme low water levels, there is a disconnect between energy and Michigan’s most valuable common treasure – water and the great lakes. No energy policy in Michigan should omit the protection of the integrity of our water – both quality and quantity- as one of if not its central core principles.

There is a rapidly increasing demand for water world wide and strong probability that global demand will outstrip supply in just 30 years. If anything drives the point home for a 21<sup>st</sup> century policy that centers on a “nexus” between water and energy, it is the staggering cost to life, property and communities from storms like those experienced in the northeastern United States this past year. Add to this the lowest water reported water levels in the Great Lakes, and devastating future climate change entails for all of us and our children in this century, and it becomes quite evident that water and energy are inseparable. It is imperative that water is declared the core of our energy policy. If we honor and respect the integrity of water and our Great Lakes, we will find and follow a sound energy policy.

Because of the need to address water and energy together (as a “nexus),” Michigan must move forward with a multi-disciplined framework that requires application of “integrated resource planning” principles for evaluating energy policy and options. The same should be true for water policy. This would require a goal and planning effort that seeks the least costly energy services and goods with a full evaluation of all costs to water, the ecosystem, and our communities. Without “full cost” and integrated resource planning, Michigan’s energy policy and use will lead the state into an impoverishing downward spiral -- economically, environmentally, and culturally. “Pure Michigan” and a sound sustainable economy and jobs mean pure air and pure water both in quality and quantity.

Therefore, it is my opinion, and I urge the governor, his advisors and staff, and the legislature to consider and adopt an energy policy that conforms to the integrity of water, the gravity of climate change, and a dynamic open mindedness that applies full cost evaluation and integrated resource policy. If we fail to do this, Michigan will fall into decline while other parts of North America and the world begin to prosper.

Three points:

1. Michigan sits in the middle of the most valuable water/ecosystem in the world. It is held in public trust so that it is protected from impairment and loss. The Great Lakes Compact and Water Quality Agreement of 2012 underscore this principle and enact a policy that these waters are held in trust and should not be diverted or lost by consumptive uses, and this requires a response to keep greenhouse gases in check.
2. In one week, thermal electric power plants use (a net loss to great lakes) as much water as the Chicago Diversion. Energy costs are rising, water levels are falling, water is more essential than coal-fired or other fossil fueled power, including the extraction of equally water intensive fuels like fracturing deep shale for natural gas – deep shale fracturing will displace or remove approximately 21 million gallons in 21 days for just one gas well. Multiply this times the 1,000 wells we will see if this is not carefully considered and regulated, and it will result in a permanent loss of 21 billion gallons of water from fragile headwater areas.
3. The only sound and secure goal for Michigan is to move quickly toward a renewable and efficient energy world. This will diversify, increase, and lower cost of energy supplies, reduce costly infrastructure, reduce toxic air and water impacts, and temper the effects of climate change, including our plummeting water levels. Equally important, it will set Michigan on a course to lead the nation and help the next generation create positive profitable investments, cheaper more appropriate power, new industries and jobs – batteries, solar, wind, and conservation. Michigan must enact a “greenhouse trust fund” for any so-called “bridge fuels” like natural gas so that the justification of such a water-intensive environmentally risky method of extraction will be assured by a conversion to a renewable energy economy.

Michigan and Michiganders are nothing without water. Any approach to energy without integrity of water as its core principle and without an immediate shift to renewable energy and efficiency will put Michigan in an economic and environmentally disastrous downward spiral. We owe to ourselves and children and grand children to put water and Community first. It is a matter of water and public trust. It is a matter of survival.