

## Energy reforms approved

Friday, September 19, 2008

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More than a year in the making, massive reforms to the state's energy policy were approved Thursday by the Legislature and are expected to be signed by the governor next week.

Backers say it will grow jobs and the state will have reliable and cleaner power for years to come, while opponents argue electric bills will increase in a time when residents cannot afford it.

Consumers Energy spokesman Jeff Holyfield said an analysis done by the Jackson-based utility shows it will cause residential rates to increase between 8 percent to 10 percent over the next five years.

The average Consumers residential bill is \$75, and by 2013 will be about \$81 to \$85, he said. That estimate does not take into account any future rate increases, or savings from tax credit incentives in the package or the energy efficiency programs.

"It's a sad day for Michigan all around," said David Waymire, spokesman for the Customer Choice Coalition, which opposed the bills. "It was a process manipulated by the utilities for the benefit of the utilities to the detriment of the people of Michigan."

The coalition advocates for a group of businesses and organizations that use choice and encourage competition.

The bills will restrict competition to 10 percent of the sales of the state's two largest utilities, Consumers Energy and Detroit Edison. The system now allows for anyone -- but mainly schools and businesses take advantage -- to purchase power from cheaper providers.

Bills of residential customers would increase over time as they begin again to pay the actual cost of the electricity they use.

For years, businesses have paid more; they will see a drop in their bills.

Consumers and Edison also have plans to build large generating plants that officials say would lead to hundreds of permanent jobs and thousands of construction jobs. Without the ability to keep 90 percent of their customers, leaders of the utilities say they wouldn't be able to secure financing for the power plants.

Holyfield said the legislation will spur development of renewable energy, save customers money and encourage major investments in the state's energy infrastructure that "will create thousands of jobs."

The House and Senate both passed SB 213, which included the renewable portfolio standard, in bipartisan fashion. It requires that by 2015, utilities must have 10 percent of their power come from renewable sources.

"This ... gives Michigan job providers a realistic ability to plan for their future business and energy needs," said

state Sen. Randy Richardville, R-Monroe, who was involved in crafting the final compromise. "It also promotes the importance of clean, renewable resources of electric power."

In a statement, State Sen. Mark Schauer, D-Battle Creek, said this legislation will allow the state to become a major player in the renewable energy sector.

"Nothing could be more important right now than helping create jobs and protect consumers, which is just

what this compromise does," Schauer said.

Holyfield said the legislation provides a 25 percent income tax credit to residents for rate increases due to the RPS for the first three years and caps the costs for residents of implementing the RPS to \$3 per month.

Earlier in the day, The American Wind Energy Association distributed a letter to legislators, calling the bill "the worst RPS law in the nation."

The AWEA is the largest wind trade association in the world, and according to the letter, has never opposed an RPS in any state that has adopted one.

The letter said it brings high costs to consumers and won't create any additional green energy development beyond what is occurring in the state already.

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