

MIRS Newsletter
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Reaction Mixed To Compromise

Reaction around Lansing to the soon-to-be signed energy package ranged from exaltation to dismiss with consumer groups and competitive energy suppliers making up most of the latter category.

With the state's competitive energy market now limited to 10 percent of the market, DTE Energy and Consumers Energy will be able to swing a bigger bat, which the alternative energy suppliers say will mean more money coming out of the consumers' pockets.

"People told me, 'Don't worry, the sun will come out tomorrow,'" said Brenden [RINGLEVER](#), a Michigan Legislative Consultant lobbyist working for Constellation Energy. "It better because I won't be able to turn on my lights because it'll be too expensive."

The Michigan Alliance for Competitive Energy (MI-ACE), which is backing competitive providers, in a memo to lawmakers today urged them to make sure their constituents were fully aware of the "devil in the details."

"Will your constituents be happy to learn they can't switch to another provider but their neighbor can because she managed to do it sooner?" asked Gary **WOLFRAM**, chair of MI-ACE. "Is it really possible that all of the 38 Senators and 110 State Representatives will be fully informed of the consequences of these bills before the vote is taken?"

Wolfram continued his arguments that the energy reform package is "primarily designed to ensure the monopoly of energy production for Detroit Edison and Consumers Energy."

Although the package mandates that 10 percent of the state's energy production come from alternative sources by 2015, the American Wind Energy Association (AWEA) opposed the plan, in part, because of a provision that basically limits future wind turbine production to those doing business with DTE and Consumers.

Combined with the relatively low renewable portfolio standard (RPS) of 10 percent by 2015, AWEA policy manager Hans **DETWEILER** wrote to lawmakers that "there is simply no incentive for job creation for at least four years."

AWEA is also worried that consumers will tie the inevitably higher energy bills around the necks of alternative energy suppliers like wind.

Dave **WAYMIRE** of the Customer Choice Coalition lambasted the process as being completely cooked up behind closed doors, despite Rep. Mike [NOFS](#)' (R-Battle Creek) claim to the contrary. Waymire said few understood the final legislation -- least of all most of the lawmakers who voted on the bills and the press

assigned to cover it -- despite the impact it will have on the pocketbooks of Michigan's consumers.

Waymire said nobody got an opportunity to testify in a public forum on the end product and that several groups never got a chance to completely get everything off their chest. Outside of that, he questioned how the bills were drafted, in a process that was held by select small groups of staff and key lawmakers behind closed doors.

"Anyone who says that this is an open process needs to move to Russia," he said. "That is the same process they use over there and call it democracy. Every observer of this process knows this in their heart of hearts."

Several people pointed out to *MIRS* that few legislators probably had read the new drafts of the bills, especially the 102-page [SB 0213](#), before voting this afternoon. No legislator admitted that he or she hadn't.

Terry **HARVILL**, vice president of Constellation Energy, a competitive provider, said his firm was "disappointed" that there wasn't true compromise.

"There was never a point where people sat down and talked and said 'no' to the utilities," Harvill noted. "There really wasn't any compromise." Harvill said the bills moving as a result of the compromise aren't about good energy policy because DTE and Consumers played the jobs card.

"You'll see DTE and Consumers adding jobs but that is due to higher energy bills," Harvill said. "Down the road, maybe not this year or next year, but once the utilities embark on their efforts at renewable energy, people are going to see the impacts of their decisions today."

On the flip side, the number of groups that praised the package's passage was voluminous. The Sierra Club, the Michigan Environmental Council, the Chamber of Commerce, Michigan Public Service Commissioner, the Big Three Autos, the Michigan Manufacturer Association, Dow, Michigan Electric and Gas Association and, of course, DTE and Consumers Energy were on the list of supporters.

"Until today, Michigan was at a distinct disadvantage in competing for this new era of jobs," said James [CLIFT](#), Policy Director of the Michigan Environmental Council. "This will help provide the impetus to transform Michigan's economy from the past to the future. Every megawatt-hour generated by wind power or saved by investing in more energy efficient equipment means real jobs for Michigan engineers, laborers, installers and contractors."

Gov. Jennifer [GRANHOLM](#) told Michigan Public Radio this morning she looked forward to signing the bills as soon as they arrived at her desk and trumpeting the news of the "historic agreement" to Japanese business officials during her current overseas trip.

"This legislation will spark the investment in alternative energy we need to create jobs and diversify our

economy," she said. "It will also ensure that the energy we need to heat our homes and power our businesses will be clean and affordable for generations to come."

Granholm added that the legislation sends a "signal to the world that Michigan is ready to build a bright future for our citizens by creating jobs, diversifying our economy, and ensuring that our 21st century energy needs are met in a way that protects our pocketbooks and the planet."

Jeff **HOLYFIELD** with Consumers Energy countered that if the utilities had gotten everything they wanted the legislation would have passed a year ago and electric choice would have been completely repealed.

"The fact is this whole process took more than a year. That should tell you or anyone else that there was a lot of compromise," Holyfield said. Holyfield argued that today's compromise legislation safeguards the state's energy future by ensuring that needed capacity can be built by Consumers and DTE in the coming years.

"We think it's going to be good for our customers. It's going to be good for the state. It's really going to make sure the families and businesses in Michigan have the power they need at an affordable price for the next 20 years," Holyfield added.

Members of the expansive Michigan Jobs and Energy Coalition praised today's agreements.

"Lawmakers have crafted the balanced energy policy Michigan needs to power its future and meet the growing energy needs of families and businesses," said Jim [HOLCOMB](#), vice president of business advocacy for the Michigan Chamber of Commerce. "This forward-looking policy will improve the state's business climate and create thousands of jobs. We commend House Speaker Andy [DILLON](#) (D-Redford Twp.), Senate Majority Leader Mike [BISHOP](#) (R-Rochester) and lawmakers on both sides of the aisle who worked for many months to craft a fair and balanced energy policy.

"Michigan needed energy reform to help keep power prices affordable and ensure reliable supplies of energy," Holcomb said. "This new energy policy will spur investment in critical infrastructure and benefit the state's economy and create jobs."

Another coalition member, Jim **BEAUBIEN**, of Protect Michigan, a broad-based group of labor unions and business organizations, agreed that the energy investments fostered by the updated policy could create thousands of desperately needed jobs in Michigan.

"The beauty of this policy is that it will help create the construction and operational jobs to boost Michigan's economy and also provide the energy supply Michigan needs to attract new business to our state," said Beaubien. "This is what we need to help get Michigan back on the right economic track."