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Lawmakers

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Building a new coal-fired power plant in Bay County may hinge on the fate of legislation introduced this week in the Michigan House of Representatives.

House Bill 5524 would change the state's current law that regulates electric utilities. A Consumers Energy official said Thursday the company is backing the new legislation.

"That's the legislation we've been talking about, to repeal or significantly reform Michigan's electric law, that would allow us to move forward with building a new power plant near Bay City," said Jeff Holyfield, a spokesman for the Jackson-based utility.

Consumers Energy hopes to build a new 800 megawatt power plant costing up to

\$2 billion at its Karn-Weadock generating complex in Hampton Township. The company first wants to see changes in Public Act 141, which partially deregulates Michigan's electric system.

Under current law, large industrial users can buy electricity from Consumers or other, independent power providers. That makes financing a new plant uncertain because there is no guaranteed customer base, the company argues.

State Rep. Jeff Mayes, D-Bay City, a member of the House Energy and Technology Committee, is a co-sponsor of the new bill, which was introduced on Tuesday.

"I anticipate that it will be the main vehicle bill regarding reform of (Public Act) 141," Mayes said. "But I would anticipate potential changes to the legislation before it moves forward, because negotiations continue."

Mayes said the Energy Committee is taking testimony this week and into next week on a number of bills affecting the state's energy policy and regulatory system.

Holyfield said he expects David Joos, chief executive officer of CMS Energy, to testify before the House committee next week on the proposed legislation, including H.B. 5524.

"That's the bill we're backing and that's the bill we hope becomes law. At least the concept," Holyfield said. "This is a positive step, because this really allows the formal debate to begin."

Not all businesses favor the changes sought by Consumers. Some want the state's current system to continue or be expanded.

"Competition and choice are saving Michigan hundreds of millions of dollars, and have increased reliability," said David Waymire, a spokesman for a group of businesses and organizations calling itself the Customer Choice Coalition.

Waymire said the legislation would "re-monopolize" the state's electric system and result in higher utility rates.

As written, House Bill 5524 would:

- * Strike language from current law encouraging development and construction of independent power plants in Michigan.
- * Require electric utility customers to certify they are receiving or intend to receive electricity from an alternative energy supplier.
- * Prevent customers who return to a public utility from going back to an alternative energy supplier.

Mayes said the bill's primary sponsor is House Rep. Frank Accavitti, D-Eastpointe, who chairs the Energy and Technology Committee. That gives the bill a high probability of making it to the full House for a vote, he said.

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