

# Happy Holidays

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## Capitol Briefings: Energy debate will continue after the holidays

By [Amy Lane](#)

LANSING — Bills that would enact broad changes in Michigan's energy regulation will continue to percolate over the holidays, after seeing an initial committee hearing last week.

As *Crain's* reported earlier this month, the bills are touching off a major debate over issues such as utility rates, power-plant approval, renewable sources of energy and the future of a Michigan law that lets customers choose alternative-electricity suppliers.

The House Energy & Technology Committee scheduled a second hearing Thursday. Committee Chair Frank Accavitti, D-Eastpointe, said bills enacting new standards for renewable sources of electricity and energy efficiency may move out of committee this week, but the remainder of the energy package will wait for a committee vote until the Legislature's January return. The committee last week heard from interests that included **DTE Energy Co.** Chairman and CEO Anthony Earley Jr. and **CMS Energy Corp.** President and CEO Dave Joos, who urged reform of Michigan's electric-choice law that lets customers buy electricity from their home utility or go to alternate suppliers.

Early said in testimony that while the best solution would be total repeal of Michigan's electric-choice law, an Accavitti bill that provides for a one-time electric-choice election policy is an alternative that DTE can support.

As introduced, House Bill 5524 would give utility customers 90 days to elect whether to buy electricity from an alternate supplier. Accavitti said other alternatives, such as a cap on the number of customers that could elect choice, also are under consideration.

The **Customer Choice Coalition**, a group of consumer interests, business groups and alternative-electricity suppliers, has fought attempts to narrow the electric-choice law. Such legislation would kill competition that has led to lower rates and improved reliability, the coalition said last week.

It also objects to House Bill 5523, which would allow utilities to enact rate changes within 90 days of applying to the **Michigan Public Service Commission** if it has not acted. Utilities would need to refund any increases they enact that exceed what is ultimately approved.

Other bills, which encompass House Bills 5520-5525, 5548-5549, and 5383-5384, deal with measures that include: a review process to establish the need for each new power source; changes in the utility rate structure in which commercial and industrial customers pay higher rates to subsidize residential customers; and a requirement that electric providers obtain at least 10 percent of electricity from renewable sources by 2016.

### Bills would make all pay 911 fees

Phone users face new fees under bills passed by the Legislature that create a revised approach to funding local 911 emergency services.

Senate Bills 410 and 411 assess a 19-cent state surcharge on cell phones, land lines and Internet-based calling, replacing a 29-cent fee paid only by cell phone users. A county-by-county monthly surcharge, now assessed only on land lines, will instead be spread among all phone users.

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## Tax-adjustment bills considered

Bills that would provide for tax credits to businesses that incurred expenses preparing for Michigan's now-scuttled service tax have begun moving through the Legislature.

Senate Bill 967, sponsored by Nancy Cassis, R-Novi, would allow a business to claim a 2008 Michigan Business Tax credit equal to the expenses it incurred from the service tax's October passage to its early December repeal. Senate Bill 999, sponsored by Roger Kahn, R-Saginaw Township, and House Bill 5552, sponsored by Kim Meltzer, R-Clinton Township, would provide for an income-tax credit.

The two Senate bills were approved by the Finance Committee, while Meltzer's bill is in the House Tax Policy Committee.

Also, Gov. Jennifer Granholm has signed Public Act 148, which provides amnesty to businesses that didn't collect the service tax during its short Dec. 1 life, and also requires businesses that did assess the tax to return it to customers or remit it to the state.

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