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## **LEGISLATORS, CORPORATE EXECES SAY ELECTRIC COMPETITION CRITICAL**

Maintaining Michigan's current electric competition structure is critical to the state's economy and several Senate members said on Tuesday that they have introduced legislation expanding that competition component so that residential customers can take advantage of it.

That many electric customers who opted for alternative providers have returned to the state's two largest utilities - DTE and Consumers Energy - is only proof that the competition system created by PA 141 and PA 142 in 2000 has worked, officials said at a press conference, because it forced the utilities to become more competitive.

Michigan still has slightly higher average electric rates than its Midwest neighbors, officials said at a press conference, but since the two acts took effect the price differential has fallen from more than .8 cents per kilowatt hour to slightly more than .3 cents per kilowatt hour.

The three bills that [Sen. Wayne Kuipers](#) (R-Holland), [Sen. Jason Allen](#) (R-Traverse City) and [Sen. Michelle McManus](#) (R-Lake Leelanau) have introduced - [SB 426](#), [SB 427](#) and [SB 428](#) - would extend customer choice requirements even further, making it easier and cheaper for residential customers to switch between electric suppliers.

Asked if the bills would even be an issue had not House [Speaker Andy Dillon](#) (D-Redford Twp.) proposed a utility tax that would envision the end of PA 141, Mr. Kuipers said: "They have set the paradigms of the debate on their side. They are advocating on behalf of monopolies. We think choice is working, and we want to move forward with that."

DTE Energy CEO Anthony Earley told reporters last month that the customer choice provision was intended to be transitional, and a researcher from Michigan State University said that in states that had not deregulated their electric utilities overall electric prices have risen more slowly.

But former Public Service Commission Chair Eric Schneidewind said that in Wisconsin, which has retained electric utility regulation, prices have increased faster than they have in Michigan.

Ray Telman of Middle Cities Education Association said that school districts across the state have been able to use customer choice to help save a total of \$20 million on electric costs, which has been returned to the classroom.

And a statement from PSC member Laura Chappelle argued that the three bills would

create a "balanced, comprehensive, equitable solution" to the state's future needs for electric generation.

But Len Singer, a spokesperson for DTE Energy, said the state should turn away from customer choice. "Michigan should join the long list of states moving away from electric choice systems. In deregulated state after deregulated state customers are facing spiraling rates and the inability to get new power plants constructed."

**GREEN ENERGY:** Sen. James Barcia (D-Bay City) said a study indicating that expanding use of energy generated by renewable resources will help revitalize the state's economy.

The report was prepared by the Apollo Alliance, and Mr. Barcia said it showed the positive effect such sources of energy could have on the economy. Mr. Barcia has sponsored [SB 385](#) that would require that 20 percent of the state's energy be generated from renewable sources by 2020.