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Electric Choice Group Pitches Market-Driven Power Plan

The Customer Choice Coalition (CCC) — a group of residential, commercial and industrial power customers and independent power suppliers — on Thursday put their two cents in on where discussion of the state's energy policy should go.

"We believe renewable electricity generators can provide reliable power to Michigan in the near term for less than a new coal-fired plant, particularly when expected federal anti-pollution and carbon reduction plans are put in place," said CCC Executive Director Barry **CARGILL**. "If electricity from wind — backed up with natural gas-fired generation to provide reliability — landfill gas and anaerobic digesters can reach customers more cheaply than power from a coal-fired plant, Michigan should take every step possible to bring those renewable resources into play."

The coalition is pushing its plan as members of the Legislature and a Michigan Public Service Commission (MPSC) work group look at the future of Public Act 141, the state's electric choice law. Debate over the electric choice law heated up this year when the incumbent utilities in April told lawmakers they were in no hurry to build needed new power plants until PA 141 is pitched (See "[Sikkema Suggests Scrapping P.A. 141](#)," 09/10/07).

CCC Spokesman Dave **WAYMIRE** said the group believes that competition should remain and that market forces will net the state the most affordable and reliable power supply.

"There isn't any reason we should hand one company a no-bid contract [for a power plant] and that's exactly what the utilities want," Waymire added.

The group suggests that recent data obtained from MPSC filings indicate that the total price for power from the planned Consumers Energy coal-fired plant being proposed for the Bay City area would be about 10.1 cents per kilowatt hour in 2015 when construction, operating and coal costs are considered. Meanwhile, landfill gas is expected to be able to generate electricity for about 7.4 cents per kilowatt hour, and methane digesters from agricultural operations could provide power for 8.2 cents per kilowatt hour.

Wind power backed up by natural gas-generated electricity when needed would cost about 10 percent less than the total cost of electricity from a coal plant, a CCC analysis shows, and create less pollution.

"We believe that in a true apples-to-apples comparison, renewables may very well be cheaper than building a new coal-fired plant," said Eric **SCHNEIDWIND**, former MPSC chairman and attorney with Varnum Riddering. "At least they deserve the chance to supply Michigan electricity if they can compete with the cost of a new coal plant, and that's what our proposal does."

Under the CCC proposal:

- The MPSC would periodically determine Michigan's power needs.

- All energy forms, and conservation methods, would be able to compete to supply the state's long-term power needs.
- To meet near-term power needs, a Renewable Energy Standard would be passed, requiring all electric providers to obtain 6 percent of their electricity from renewables in 2010, 8 percent by 2012 and 10 percent by 2015.
- Under the Renewable Energy Standard, as long as the price offered under the renewable energy contracts was no more than 3 percent higher than the price of power from a new coal plant, the renewable contracts would be approved, and the electricity providers would be required to buy power from them.

"This plan protects customers, allows fair competition and opens the door to Michigan to become a leader in renewable energy," said Ray **TELMAN** of the Michigan School Electric Cooperative, which buys power for hundreds of state schools. "As one of the major organizations using competition and choice to lower prices for our members, we are excited about the prospect of even more choices when it comes to meeting our electric needs."