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Lawmakers OK major energy legislation

Granholm ready to sign measure, sees it creating jobs

*David Eggert
Associated Press*

Lawmakers on Thursday approved a plan that requires more electricity to come from renewable sources, raises residential rates, restricts competition among power companies, and aims to make homes and businesses more energy-efficient.

The result: Residential electric bills will go up by 8 percent to 20 percent over five years - but not by as much if the Legislature had done nothing, according to backers who said Michigan now is assured of reliable, cleaner power and not needing to build as many coal-fired plants.

House Energy and Technology Chairman Frank Accavitti said the three-bill package will be "a wash" for customers if they take advantage of new energy-efficiency programs. They might get rebates to buy compact fluorescent light bulbs and efficient appliances.

"They'll be paying more per kilowatt hour, but we're going to help them use less of those kilowatt hours," the Eastpointe Democrat said.

Opponents were skeptical.

"This will result in massive rate hikes at a time we can least afford it," said Sen. Wayne Kuipers, a Holland Republican.

Democratic Gov. Jennifer Granholm will sign the legislation, which she predicted will spark investment in alternative energy, create jobs and diversify Michigan's economy.

The GOP-led Senate voted 26-10 and 25-11 for two main bills; the Democratic-led House voted 83-24 and 78-29. The Legislature also unanimously passed income tax credits for people who install Energy Star-rated appliances, windows and insulation.

The state's largest utility, DTE Energy, estimated a typical resident could pay an extra \$12 to \$15 a month for electricity within five years. Consumers Energy, the second-biggest utility, estimated an average residents may pay \$6 to \$7.50 more.

Kuipers questioned adding a small monthly fee - 50 cents to \$1 - to residential bills so utilities can help the state use 1 percent less energy a year. He said customers are voluntarily acting on their own.

Supporters responded that energy efficiency and green power ultimately will save customers money because there won't be a need to build two or three multibillion-dollar power plants in coming years.

"This is a good deal for customers," said Martin Kushler, a former Michigan Public Service Commission staffer who's with the nonprofit American Council for an Energy-Efficient Economy. "Energy efficiency is the only piece (in this legislation) that will provide a way for customers to lower their bills immediately."

The legislation requires that 10 percent of Michigan's power come from renewable sources by the end

of 2015.
