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## Alternative-energy plans moving from 'if' to 'when'

By [Amy Lane](#)

MACKINAC ISLAND — Forces are converging to advance Michigan's alternative-energy industry.

The question is: How far and how fast it will happen?

Michigan's two leading energy companies continued to press their cases at the **Detroit Regional Chamber's Mackinac Policy Conference** with executives sporting "Juice for Jobs" pins from a coalition pushing for prompt approval of a comprehensive package of energy legislation pending in the state Senate.

The package of bills includes a requirement that electricity providers obtain at least 10 percent of their electricity from renewable sources by 2015, a measure that supporters say will help build alternative energy in the state but that some, such as the **American Wind Energy Association**, say reaches the goal too slowly and will not create a renewable market.

And one coalition is urging lawmakers not to move too fast in approving the House-passed measure.

Dave Waymire, spokesman for the **Customer Choice Coalition**, said the House's renewable legislation — because of customer surcharges that would be assessed — "hands utilities a pot of money and says 'Go buy' " rather than enacting an overall power cost cap that would encourage other providers of renewable energy to build supply.

The coalition of large- and small-business groups, consumer interests and alternative-electricity suppliers says renewable power should be compared to the cost of a new coal-fired plant, and the cost of power to meet the state-required renewable standard should be no more than 103 percent of the cost of power for a new coal plant.

The coalition also wants to set up a process for bidding on new power plants as well as all renewable-energy projects — like wind farms — that the state would need to meet the prescribed renewable portfolio standard, or RPS.

Waymire said the process would benefit from more legislative hearings and there should be no rush to pass the current bills.

Pushing ahead

But Dave Joos, president and CEO of **CMS Energy Corp.**, said the package of legislation that passed the House was crafted over the course of a year, and "we're down to crunch time here."

He said it's important the bills are passed soon, to avoid having the issue "get caught up in election-year politics" this fall.

The bills encompass a host of other changes, including controversial measures to restrict Michigan's current law that lets electricity customers choose alternate suppliers, establish a new approval process for power plants and utility rates, and an elimination of businesses' current subsidy of residential rates.

Both Joos and Bob Buckler, president and COO of the **Detroit Edison Co.**, said the bills are a comprehensive package and all pieces should move together.

According to the nonprofit **Michigan Campaign Finance Network**, a nonpartisan campaign-finance watchdog organization, the **Michigan Jobs and Energy Coalition** supporting the bills has spent \$1.9 million on TV ads.

Executives at CMS and **DTE Energy Co.**, parent of Detroit Edison, said the two companies have each contributed about

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half the cost of the campaign, which will continue to run through June. The Customer Choice Coalition has spent less than \$100,000 on its opposition campaign, in radio ads and print material, Waymire said.

But as the two sides battle in the Legislature, there's a continuing drumbeat over the importance of alternative energy. A panel of experts at a Thursday morning session at the Mackinac conference said alternative energy holds major economic potential for Michigan and its residents.

**NextEnergy CEO Jim Croce laid the groundwork, citing the needs of emerging global economies, increasing energy prices, security of energy sources, and the environment as factors driving the alternative-energy market.**

**"We have a perfect storm," Croce said. "We need economic security through energy diversity." Additional coverage of the session is on *Crain's* Web site, [www.craigslist.com/mackinac](http://www.craigslist.com/mackinac).**

**But preconference polling showed that the business community has mixed feelings about willingness to pay more for energy to build a new Michigan economy around alternative-energy research, development and production. There's also uncertainty over the nature and potential of alternative energy, said Sarah Hubbard, vice president of government relations with the Detroit Regional Chamber.**

The chamber scheduled the conference session to shed some light on the subject.

"It's a very hot issue among the public and the Legislature, and we'll be asked to be involved in that policy debate more and more," Hubbard said. "We need to get more feedback from our members."

A preconference poll of Southeast Michigan business executives, conducted by Troy-based **John Bailey & Associates Inc.**, found 40 percent of respondents willing to pay more to support alternative energy. Thirty-five percent said they would not support paying more, while 25 percent did not know or had no opinion.

Another recent survey, for *Crain's Detroit Business* and law firm **Honigman Miller Schwartz and Cohn L.L.P.**, found similar divisions among businesspeople on the question of raising their electric bills to fund development of alternative-energy sources or to meet a state mandate that would require utilities to derive a percentage of their electricity from renewable sources.

The poll, by Lansing-based **Epic-MRA Corp.**, found 45 percent of respondents willing to spend 10 percent more on electricity to foster alternative energy, while 48 percent were unwilling to do so, and 7 percent were undecided. Among those unwilling or undecided, about 29 percent would consider a 5 percent cost increase.

But in a preconference interview, NextEnergy's Croce told *Crain's* that alternative-energy costs can't be considered in a vacuum.

"No matter what you build going forward, the price of energy is going up," Croce said. He said it's important for businesspeople to "understand that the days of cheap energy are over, and how do we keep any energy increase to a minimum." NextEnergy is a Detroit nonprofit charged with advancing Michigan's alternative-energy industry.

Croce said the price of building new wind power is competitive with costs of a new coal-fired plant. And he said that while imported coal fuels power plants, alternative-energy production taps "indigenous feed stocks that are already here," like wind and biomass, such as wood and other types of waste.

New developments

The Mackinac conference was the backdrop for announcements of several new alternative-energy developments.

Among them:

- The **University Research Corridor, an alliance of the University of Michigan, Michigan State University and Wayne State University, released a study by East Lansing-based Anderson Economic Group L.L.C.**

**The study demonstrates the universities' "vital role in making alternative energy an important driver of economic growth in the state," said CEO Patrick Anderson in a news release.**

**The report found that the three institutions received more than \$79.5 million in alternative-energy research grants in 2007, with 77 percent coming from federal grants and 11 percent from business.**

- U.S. Sen. Debbie Stabenow, D-Mich., highlighted her "Green Collar Jobs Initiative," in the Senate's pending federal budget. The initiative encompasses more than \$2 billion in investment, including grants to build partnerships between cities, counties and states for energy efficiency and conservation; loans and grants to support the domestic production of advanced battery technologies; and loans to encourage retooling of existing factories to produce next-generation

vehicles

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