

# Unbundle The Energy Legislation

A reader recently remarked to Business Journal staff that Gov. Jennifer Granholm's administration has been more damaging to the state of Michigan than the painful auto-related economic evolution.

There is once again proof that politics, not solid public policy, rule in Lansing. Democrats in the Michigan House of Representatives have very deliberately knotted together the necessary and popular package of bills to set Renewable Portfolio Standards with repeal of the Electric Choice and Reliability Act passed in 2000. House Speaker Pro-Tempore Michael Sak, R-Grand Rapids, who certainly is in the position to guide legislative efforts, told the Business Journal last week there is "not likely much we can do" to free the RPS package from the debacle of gutting utility deregulation. The

remark is unforgettable and unforgivable.

State Rep. Frank Accavitti Jr., D-Eastpointe, said both the deregulation changes and RPS are needed. He cites two reasons for gutting deregulation: The Michigan Public Service Commission last year concluded that Michigan needs to plan now to meet increased electrical demand by 2015 (though one wonders who and what businesses will be left to energize once politics and term limits have pulverized the state); and "part of it is giving the incumbent utilities certainty in their market, so that when they go out to build anything they need to build ... when they go to Wall Street, they can get the money, the bonds, that they need to build these facilities."

In fact, that is reminiscent of the crybaby tactics used by the utility companies during Gov. John Engler's administration when

deregulation was approved. At that time DTE Energy Co and Consumers Energy whined about "stranded costs." Those "costs" were associated with the power pair's existing service structures and improvements, and the ability of competitors to use those structures. And indeed, both DTE and Consumers are each planning to build new structures: DTE plans a nuclear plant and Consumers plans a coal-fired plant.

That, too, seems disingenuous given the facts of years of study by the state's proclaimed renewable energy guru Imad Mahawil. The Grand Valley State University Michigan Alternative and Renewable Energy Center executive director has decades of studies, some built of California and Texas government results after the states created RPS standards. Mahawil notes that the greatest wind power blows through the Plains States, but Michigan, by virtue of Lake Michigan, ranks just below the Plains in such measures. He said research has shown that the power of Lake Michigan winds, once harnessed by products such as wind turbines, conservatively compares to the energy of 20 nuclear power plants. He believes that one day Michigan residents will be able to satisfy 100 percent of their power needs from Lake Michigan winds.

Further, the business community has been solidly opposed to changes in deregulation because it's working. Eliminating the customer choice plans would further abuse the businesses upon which the state must rely to pull up from the kamikaze dive created by a legislature so inept its leaders believe bully politics are the mission. Businesses can ill afford another cost hike stamped with legislative approval.

Rep. Sak and his fellows certainly know that West Michigan has become a national leader in the various categories of sustainability, even boasting the highest number of LEED-certified buildings. Sak must act in concert and on behalf of his constituents. **BJ**



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