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## **UTILITY INVESTMENT STILL NEEDS SOME LEGISLATIVE WORK**

Consumers Energy and Detroit Edison together would invest \$6 billion in new generation, but only if the Legislature passes the mandatory 10 percent renewable standard Governor Jennifer Granholm proposed in her State of the State Address on Tuesday. But it is still not clear that mandate will reach her desk.

Ms. Granholm had asserted Consumers and Edison had committed to the investment, and the related 17,000 jobs, and had called on the Legislature to move both the renewable portfolio standard and another restructuring of the state's electric market.

Jeff Holyfield, spokesperson for Consumers, said the governor's numbers were on target. Consumers under the proposed standard would have to build some 270 megawatts of renewable generation.

"Nearly all of that would be through wind," Mr. Holyfield said.

But he said it would require both the RPS and elimination of the current electric choice program for the utilities to move forward.

But neither the mandate nor the elimination of choice appear guaranteed. Sen. Bruce Patterson (R-Canton) said he was ready to move quickly on an electric restructuring package, but it would not likely include either a full return to monopoly power or mandatory renewable standards.

"This will be on a relatively fast track," Mr. Patterson said. "It's crucial that we get it done."

But what he said should get done is incentives to use more renewable power or alternative energy, not mandates. "I'm willing to do a renewable portfolio standard that's a goal," he said.

Mandates would only be acceptable if the goal seems attainable but the incentives are not making it happen, he said. "We have to make sure it's something that's attainable and affordable," he said.

On eliminating choice, Mr. Patterson said, "I don't think we're prepared to do that."

But he said he would be willing to consider, as has been proposed in the House, limiting choice to a set percentage of the market.

Competitors argued that Ms. Granholm's plan, at least to the extent that it would include the restructuring the utilities have demanded, would mean rate increases. "When the state tells electric customers they must pay more to DTE and Consumers, it is effectively raising taxes on customers to benefit

only those two corporate giants," said Barry Cargill, executive director of the Customer Choice Coalition. "The only way the governor's plan can work is if she takes away from customers their right to choose from alternative electric providers, and uses the power of the state to force customers to buy from the two major utilities only."

**STATE CONCERNS ON ENERGY:** As Ms. Granholm outlined her energy proposal, the Institute for Public Policy and Social Research at Michigan State University released survey results showing the vast majority of state residents are concerned about the effect of energy costs on their personal budgets and that they view it as a long-term problem.

The latest results from the State of the State Survey conducted by the institute showed that 95 percent of those polled considered energy issues as a long-term problem. In contrast, in 2005 the poll showed that 86 percent thought of energy costs as a long-term problem.

The survey also showed that 92.2 percent of those questioned had concerns about the impact of higher energy prices on their monthly budgets.

A smaller percentage, 42 percent, consider the cost of energy when making travel plans. And 40 percent of those questioned said they were considering changes to their homes to use energy more efficiently.

The State of the State Survey is an ongoing research project that has been polling state residents on issues and concerns since 1994. The latest survey was conducted of more than 1,000 respondents from October 28 through December 13. The error rate is 3.1 percent.