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WORKGROUP MULLS AMENDMENTS TO ENERGY PACKAGE

The Mackinac Room in the House Office Building was crammed Tuesday for a workgroup session on an energy package including largely re-regulating the electric industry and mandating energy efficiency and a renewable portfolio standard. But while officials from energy groups, businesses, chambers of commerce, unions, alternative energy suppliers and the Granholm administration voiced the changes they would make to each of the bills in the package, there was still no consensus on possible amendments reached when the seven-hour meeting concluded.

House Energy and Technology Committee Chair Rep. Frank Accavitti (D-Eastpointe) said another workgroup meeting scheduled for Thursday would be canceled and that amendments proposed during Tuesday's gatherings would be reviewed and incorporated into the latest drafts for [HB 5548](#), [HB 5549](#), [HB 5524](#) and [HB 5525](#).

Those drafts would then be available to outside organizations early next week and the formal House committee would convene for hearings the week of April 7 when the House returns from spring break.

Comments during Tuesday's informal meeting ranged from general arguments for or against the legislation - particularly altering electric choice provisions granted through PA 141, 2000 - to technical amendments to definitions included in the latest draft versions.

[Rep. Jeff Mayes](#) (D-Bay City), one of the workgroup members, stated early in the meeting that "no one is getting their perfect bill," and that was a sentiment echoed over and over the rest of the day.

On the renewable portfolio standard, Skip Pruss with the Granholm administration said the state needs to act on the mandate because it is hurting the state's business recruitment for alternative energy.

But Andy Such with the Michigan Sustainable Energy Coalition said the bill limits ownership of renewable energy facilities, requires prefunding by consumers for facilities that may never be built and permits utilities to escape the standard without significant penalty.

Eric Schneidewind, spokesperson for the Customer Choice Coalition and former Public Service Commission chair, challenged that 100 percent of the RPS should be bid out instead of having the utilities get two-thirds and supervise the bid process for the other one-third, which he said was "fraught with special interest." Officials with Detroit Edison and Consumers Energy said they liked the language in the bill.

And an official with the American Wind Energy Association said the way the bill works out with all its "off ramps" from the RPS is that it amounts to building a "single, large wind farm" and

should be higher based on what other states are doing. But another official for RES Americas, which is a wind farm developer, said they support the bill in its present form.

James Clift with the Michigan Environmental Council presented an idea for not using a general percentage for renewables, but basing a plan on of where different entities are in using renewables now.

Mr. Clift said that would recognize that the state's two major utilities are coming from different points when it comes to RPS, while also sending a good signal that the market in Michigan is stable.

Chuck Hadden with the Michigan Manufacturers Association said they continue to not like a mandated RPS, but they want to be a part of the process. He requested that some sort of cost cap be included in the legislation. A cap was also supported by the Association of Businesses Advocating Tariff Equity (ABATE).

On the energy efficiency portion, Doug Roberts with the Michigan Chamber of Commerce said cost is still also an issue for their members. Mr. Hadden said businesses should be able to opt out of the utility's program if they are meeting the state guideline for efficiency.

Officials from ABATE also argued for a lower threshold for entities to do their own energy efficiency program and for the meter charge to be lowered as well. [Rep. Kathy Angerer](#) (D-Dundee) said the bill does provide for companies doing well for a period of four years to be eligible to submit a self-directed energy efficiency plan to the Public Service Commission.

Most of the conversation regarding electric choice changes focused on opponents of reregulation saying it's been a "disaster" for ratepayers in other states, while proponents said changes are needed because ratepayers will be paying down the road for inaction now.

Most of the technical issues addressed in the discussion revolved around carve outs for the certificate of need requirements. The business community was still vetting deskewing and performance standards, Mr. Hadden said, and he hoped there could be a consensus in the coming days so they could present amendments to the workgroup.