

MIRS Capitol Capsule

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Patterson: Energy Package To Move By March

The long-delayed alternative energy package pending in the Legislature may move out of a Senate committee by March, but the committee's chair expressed his frustration today in taking on issues that are "so complicated, so difficult."

"What's the reward?" asked Senate Energy Policy and Public Utilities Committee Chair Bruce **PATTERSON** (R-Canton) on passing the legislation by his goal of March. "Do we get a bonus? Do we win re-election to the Senate? Not!"

Patterson told *MIRS* he does not believe in cutting the Renewable Portfolio Standards (RPS) loose from reform to P.A. 141, which partially deregulated utilities. There's some interest on this on the House side. (See related story).

David **GARD**, energy program director for the Michigan Environmental Council (MEC), was on the hot seat as he gave a presentation recommending an RPS target of at least 20 percent by 2020 and a statewide target for annual energy savings of 1 percent by 2012.

He also said the Public Service Commission needed to establish a statewide integrated resource planning process.

Gard said Minnesota just overwhelmingly passed a 1.5 percent target. He noted 25 states and the District of Columbia have RPS standards.

Investing in energy efficiency is "critical" for Michigan because the "reason is just plain economic," Gard said.

"Unless Michigan has a policy like these, (alternative energy companies) will be hesitant to come in," he added. "This is the admission ticket to the clean technology boom."

He pointed to California as a prime example.

"You can grow your economy and save energy at the same time," Gard said.

But Patterson cautioned about setting standards that were attainable "instead of establishing some false hopes." He was critical of the 21st Century Energy Plan for setting a 10 percent RPS by 2015, saying 7 percent was realistic.

To that end, senators today introduced RPS legislation without a government mandate, part of the GOP's 10-bill Green Michigan Initiative. Republicans argue providing tax incentives would increase supply and demand for renewable fuels instead of a mandate they argue would increase utility prices.

"Consumers will not be required to purchase renewable energy because we did not want to burden them with higher utility rates," said Sen. Randy **RICHARDVILLE** (R-Monroe). "Instead, they can choose to buy green energy and receive a state tax credit to offset the cost of the renewable energy programs."

Under the proposed legislation, the Department of Management and Budget (DMB)

would be mandated to purchase 3 percent of renewable electrical energy by Jan. 1, 2009, 10 percent by 2010, 20 percent by 2020, and 25 percent by 2025.

SB 1000, sponsored by Sen. Patricia **BIRKHOLZ** (R-Saugatuck), requires the state to go first on RPS standards as not to burden business. The mandates were "hard for some of us to swallow," she said.

Gard said he would review the new legislation before commenting. He stressed that the MEC and the committee shared the same objectives.

Patterson challenged the notion that clean energy policies would create a job boom. He repeatedly referred to the book, *The Bottomless Well* by Peter **HUBER** and Mark **MILLS**, which takes a contrarian view that there's no long-term energy crisis, but doesn't concentrate on the current crunch.

He said all ideas need to be taken into account in the energy debate, questioning theories like peak oil.

When Gard brought up the high cost of energy with gas at \$100 a barrel, Patterson said, "T. Boone **PICKENS** said that would be the best thing to happen in America.

"However," Patterson added, "he was an oil man."

Patterson argued that bottled water and a gallon of milk a piece cost more than a gallon of gas.

Today's Energy Policy Committee was a meandering, 90-minute debate that flew from Greek mythology to green energy proposals by *New York Times* columnist Thomas **FRIEDMAN** to New York's energy advantage from Niagara Falls.

At one point, the process of meeting new energy standards was described as "Sisyphusian," a reference to the Greek king forced to push a boulder up a hill only to watch it roll down and start all over again.

Patterson jovially asked someone in the audience to define the term, finally settling on Sen. Mike **PRUSI** (D-Ishpeming).

"The definition of 'Sisyphusian' is my efforts to get a bill passed in this climate," Prusi deadpanned.