

## **MIRS Capitol Capsule**

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#### **Gov: Michigan In 'Backwater' On RPS**

Fresh from the National Governors Association (NGA) conference, an energetic Gov. Jennifer **GRANHOLM** told reporters Michigan is in the "backwater" of the alternative energy race.

The highly competitive governor said 28 to 30 other states are ahead of Michigan in passing a Renewable Portfolio Standard (RPS) and unless she and the Legislature move quickly, she said she fears Michigan will lose out, not only on energy savings and conservation, but also on new jobs.

"Michigan is in the backwater when it comes to this. We need to get this done and get this done now. The urgency can't be over stated. Every day we wait we are losing jobs," she told capitol correspondents during a background briefing.

The governor is upbeat that progress is being made in the Legislature, but she admitted the complexity of the energy issue is complicating the resolution and "we're not even in the game" with other states.

"We're getting there. People are beginning to understand the importance," she said, while conceding internal lobbying forces also "needs to be overcome."

Currently, Michigan utilities make money on the amount of energy they sell. Other states have "flipped the incentives on their heads," she reported, by rewarding utilities based on the energy they save not produce.

"Utilities then are motivated to save more, not use more," she added.

The RPS issue is tie-barred to a rewrite of Public Act 141, the state's electric choice law, and while the Governor continues to push for passing both, she opened the door to taking the former over the latter if it comes to that.

But she will not give ground on making the renewable energy standard mandatory. "It's got to be a mandate otherwise it is too soft," she said. But legislative Republicans are uncomfortable with ordering energy companies to meet certain standards.

If all these elements come together, the Governor predicted the state can climb out of the backwater and "leap to the top of the pack" on conserving energy and creating new jobs in the alternative energy business, but the clock is ticking.

The typical customer could save \$167 per family by 2020 with monthly bills increasing by \$3 a month, according to the Granholm administration.

She said she would like to have this resolved by the end of March, but she did not issue that as an ultimatum to lawmakers.

*(Contributed by Senior Capital Correspondent Tim **SKUBICK**.)*