

**MIRS Capitol Capsule**  
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**House Makes Late Electric Push**

House-crafted legislation that puts new limits on the state's electrical restructuring effort has a 50/50 shot of moving out of committee, said a chief architect of the package.

Rep. Frank **ACCAVITTI** (D-Eastpointe), chair of the House Energy and Technology Committee, said today he's hoping to tweak [HB 5524](#) enough to kick it out of committee before the House goes on its two-week recess.

"I believe we see light at the end of the tunnel on this," Accavitti said.

But sources question if a bill of this magnitude can move in the House this week when the crowded calendar includes several Fiscal Year (FY) 2009 budgets and the water withdrawal legislation as possibilities.

Hoping to dump cold water on the effort, the Customer Choice Coalition (CCC) popped a statewide radio ad this morning that paints [HB 5524](#) as being as ghastly as last year's tax increase. Fueled by Attorney General Mike **COX**'s labeling of the House plan as being a \$2.8 billion hit to the ratepayers (See "[Cox Puts \\$2.8B Price Tag On Energy Bills](#)," 3/11/08), the CCC calls the plan basically a gift to the Detroit Edison and Consumers Energy "monopoly."

"We have been telling lawmakers that this legislation is bad for the state," said CCC Executive Director Barry **CARGILL**. "Now we are taking the discussion to voters."

But Ken **SIKKEMA** of Public Sector Consultants, who wrote a report for Protect Michigan last year urging Michigan to return to a more regulated utility market, said today Michigan has limited choices on how it can receive its future electricity.

"We can buy or build," Sikkema said. "Doing nothing is an option. It means we buy from the open market, which is the most expensive path. If we build, we'll see lower rates and more economic development."

The former senate majority leader called the House legislation a "very good plan" because it provides certainty in the electric market while preserving a 10 percent cap on the level of competition in the industry.

The House plan also requires Michigan get 10 percent of its electricity from renewable sources by 2015. But since the "evidence is unclear" about whether Michigan could realistically hit that mark, Sikkema likes that the House built in "safety valves" that protect customers from jaw-dropping rate increases.

The prevailing wisdom in Lansing is that the longer the House waits on moving the energy legislation, the harder it becomes to pass before lame duck. Asked if the House

needs to pass the package out by spring break, Sikkema responded:

"It's not the end of the world, but when is it the end of the world? They need to demonstrate some movement," he said.

The longer the debate over [HB 5524](#) drags on, the less lawmakers like it, said CCC Spokesman David **WAYMIRE**. The facts are that Michigan's residential electric rates have gone up 15.8 percent since 2000. The national average is 29.5 percent. The national average cost increase for the nation's 10 largest states during that time is 34.1 percent.

"We've got a good system," Waymire said. "Why are we trying to break a good system that works? This is legislation in search of a purpose."

Supporters of the legislation say comparing the state's past electric needs to future electric needs is faulty. The 21st Century energy plan put together by former Public Service Commission (MPSC) Chair Peter **LARK** projected steadily increasing future electric needs on into the future

Meanwhile, the Michigan Chamber of Commerce is still not onboard with the legislation. But it's not opposing the effort either. Chamber lobbyist Doug **ROBERTS**, Jr. said the Chamber wants issues involving a surcharge for energy efficiency measure and the extra "surcharge" on alternative energy providers taken care of before they take a position on the bill.