

MIRS Capitol Capsule

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Energy Bills Could Mean Lights Out On Low Prices

Michigan's proposed renewable energy plan could cost residential utility users a bundle while Michigan utility giants DTE and Consumers Energy pocket millions, opponents of the plan said today in a Capitol roundtable discussion.

According to Consumer Choice Coalition (CCC) Executive Director Barry [CARGILL](#), if the measures are signed into the law, residential energy prices could go up between 20 and 27 percent without residents ever seeing an increase in the amount of energy produced.

Under [HB 5524](#), sponsored by Rep. Frank [ACCAVITTI](#) (D-Eastpointe), which passed the Senate last Friday, the Public Service Commission (PSC) would have no authority to require the utility companies to increase energy production, said Eric **SCHNEIDEWIND**, also with CCC.

"There would be no need to add a [single] kilowatt to the grid," Schneidewind said.

Another concern opponents have with the bills is that they crowd out competition, which could mean even higher rates for Michigan consumers in the future.

The current language limits the share of the market for alternative choice companies to 10 percent, a number those offering alternatives to DTE and Consumers say is egregiously low and unfair. Opponents also don't believe that the cap will be able to be sustained after consumers realize how high their rates could go.

Associate for Public Policy with the Michigan Catholic Conference, Paul **STANKEWITZ**, said he believed that this cap would be reached 18 to 24 months after the measures are signed into law, with "residents clamoring to get out" of contracts with DTE and Consumers.

So far, opponents reasoned, competition in Michigan has not been a problem. Schneidewind pointed to the fact that the last 4,000MW built in Michigan was built by competitor companies. "If we are getting all this construction, why do we need this bill?" he asked.

Tanya **PASLAWSKI**, government and regulatory affairs manager for Direct Energy, said that this measure basically says to all utility companies other than DTE and Consumers, "your investment is not wanted here."

Cargill predicts that with the passage of these measures, competitive rates and competition in the energy industry could become a thing of the past.

This discussion also illuminated a startling fact: many residential customers do not realize that their

energy bills could shoot up if these bills become law and replace PA 141, the current energy legislation. Radio and television ads supporting the bills have been running for the past few months, but so far nothing has been aired in the way of opposition.

Cargill said that aside from stories in the state's newspapers, there has been no media agenda for warning consumers what might happen if the bills pass both chambers and Gov. Jennifer [GRANHOLM](#) signs them into law.

"That was the purpose here today," he said.

It's also unclear whether Granholm would sign the Senate version of the legislation if it were to reach her desk. Sen. Wayne [KUIPERS](#) (R-Holland), one of the senators leading the opposition, said he thinks that the governor supports the [HB 5524](#), but he's unsure whether she supports [SB 0213](#). However he said that he couldn't be 100 percent sure in his predictions.