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Michigan's utility scam

MICHIGAN'S two largest electric companies are enthusiastic about a package of "green energy" bills that the state House overwhelmingly passed, and which are now before the Senate. They tout these as being consumer-friendly and environmentally sound. The legislation would, they say, both enable them to do more to meet coming Michigan's power needs and commit the utilities in a major way to greater use of "renewable energy," meaning wind and solar power.

What could possibly be wrong with that?

Nothing - until you actually read the bills, which are co-sponsored by state Sen. Randy Richardville (R., Monroe). What they really would do is give the big two - CMS Energy Corp. and DTE Energy - new monopoly powers by severely limiting the ability of alternative energy suppliers to compete. Worse, they would allow future proposed rate increases to take place automatically if the Michigan Public Service Commission doesn't act to stop them.

Called on this, Lori Kessler, a spokesman for DTE, said "We're faced with a regulatory structure that fails to provide the stability needed to finance new power plants."

That's an interesting concept; sort of government by monopoly utility providers. We imagine most business would love a scheme that would allow them to block competition and charge all the traffic would bear, but we were under the impression that this was a democracy with a policy against restraining competition.

Worst of all, perhaps, is that these bills really sock it to the residential consumer. According to the Michigan Senate Fiscal Agency, these bills would, after five years, cause Detroit Edison bills to rise 21 percent for residential customers.

Commercial businesses, however, would see their rates drop by 7.3 percent, and industrial customers - factories - would see their rates decline by more than 10 percent.

What's baffling is that the Michigan House, which is at least nominally controlled by Democrats, easily passed these bills, illustrating the influence of utility lobbyists.

In regard to the "environmentally friendly" aspects of these bills, would they prevent new coal-fired plants from being built? Well, not exactly.

True, utilities would be required to obtain 10 percent of their electricity from renewable sources by 2015. What if Michigan fails to meet that target? Well, that's a little fuzzy. Other states that have established renewable energy targets often have failed to meet such goals. Of course, they can say they tried to be green, though that may be of scant comfort to the family in Temperance that is paying 21 percent more for electricity.

You can make the argument that Michigan needs new power plants, and perhaps a more streamlined approval process. But the Senate should take a far harder look at these bills before residents get a nasty electric shock most aren't expecting and many flatly cannot afford.
