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## CAPITOL BRIEFINGS: Bill in works to raise electric-choice limits

By [Amy Lane](#)

LANSING - Businesses in **Detroit Edison Co.**'s territory that want to switch to alternate-electricity suppliers may soon find themselves unable to do so.

Edison is nearing the 10 percent limit in a state cap that governs the amount of its customer load that can go to alternate suppliers, as of Friday reaching 8.6 percent.

**Consumers Energy Co.** reached its 10 percent limit in August and last week had 42 customers on a waiting list to participate in the electric-choice program.

The full enrollments have choice advocates calling for change and legislation brewing in Lansing to accomplish that.

Sen. Cameron Brown, R-Fawn River Township, is drafting a bill that would likely raise the cap that was established under 2008 energy laws.

Matt Sweeney, Brown's chief of staff, said that while Brown opposes the cap and would prefer to see it completely eliminated, an increase may be more feasible.

Sweeney did not have a figure for a new level, but said it would likely be "significantly higher" than the current limit.

"How quickly now that both utilities have reached their cap, is evidence that the 10 percent was much, much too low," Sweeney said. "What we're doing is blocking out a large segment of the business community that want to keep their costs down."

He said the bill could be introduced yet this year or in early January.

But Detroit Edison and Consumers Energy are ready to oppose any attempts to alter the cap and say the customer choice enrollment levels reflect current market prices that make conditions favorable for alternate suppliers.

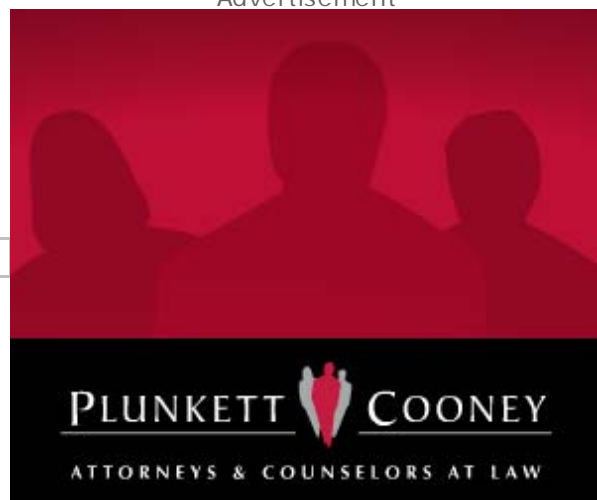
"These short-term market conditions shouldn't be used as an excuse to tinker with public policy that's designed to safeguard Michigan's energy future for the long run," said Jeff Holyfield, Consumers Energy director of news and information.

The utilities say the cap gives them certainty of customer base that they need for future investments and protects customers on full utility service from price spikes that could otherwise occur if large numbers of customers moved to other suppliers.

"If you don't have a cap, then you have all of your customers playing the market game and going to alternative suppliers when prices are down and returning to us when prices are up," said Scott Simons, senior specialist, external relations, at Detroit Edison.



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"Essentially, the cap guarantees a manageable, competitive electric market that provides certainty to all market participants, as well as the financial community."

Sweeney, however, said the need for new plants that had been forecast and considered when lawmakers approved the legislation, is diminished.

**Constellation Energy**, which according to a state report as of 2008 served the largest number of customers in both Edison and Consumers territories, is among those advocating legislative action.

"There are significant savings that are available for customers to have a choice in their supplier right now, and unless the Legislature acts, those savings opportunities are going to go away, and go away for the foreseeable future," said David Fein, Constellation's vice president of energy policy in the Midwest.

**Glacial Energy Michigan**, which entered the state earlier this year, has signed up businesses in Detroit Edison's territory and is working with others to get contracts signed before the Edison cap is reached, said Terry Hart, senior vice president.

"There's plenty of need for alternate suppliers in the state of Michigan," he said.

#### **Hearing planned on Detroit bonds**

Legislation that could pave the way for Detroit to sell up to \$250 million in bonds that would go toward the city's deficit-elimination plan is scheduled for its first airing this week.

House Bill 5626, sponsored by House Appropriations Committee Chairman George Cushingberry, D-Detroit, is slated for a Wednesday hearing in Cushingberry's committee.

The bill would strike a \$125 million cap in state law that limits the amount of fiscal stabilization bonds the city can sell.

Similar legislation, Senate Bill 996, sponsored by Tupac Hunter, D-Detroit, has been introduced in the Senate.

#### **Comings & goings**

**Sharon Parks**, president and CEO of the **Michigan League for Human Services**, last week announced that she plans to retire in fall 2010. Parks has worked at the Lansing-based nonprofit since 1977. The league plans to launch a national search for a new executive in the spring.

*Amy Lane: (517) 371-5355, [alane@crain.com](mailto:alane@crain.com)*

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