

# Power to choose: Businesses find new electricity providers; Consumers says alternative provider total is maxed out

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Rising energy costs are causing local businesses to find innovative ways to trim their electric bills, and that includes buying their power from a source other than [Consumers Energy](#).

In recent months, TAC Manufacturing and Industrial Steel Treating made the switch to alternative providers and away from the Jackson-based utility.

"Certainly we want to support the home team, and CMS doesn't get any more home than Jackson, but we couldn't afford not to take advantage of the savings," said Industrial Steel Treating President Tim Levy.

Levy said they expect to save about 10 percent by making the change.

When comparing June's bill to the June 2008 bill, his company's energy usage was 37 percent less, he said, but his bill was only 3 percent less.

"That was what set the wheels in motion," he said.

Had he waited much longer, Levy might have been stuck paying the higher rate.

Consumers recently informed the [Michigan Public Service Commission](#) that 10 percent of its customer load is being served by alternative providers, which is the maximum under a new state law. No more customers can leave Consumers at the moment.

When the law was enacted 10 months ago, 3 percent of customers were buying from alternative providers. It's unclear why it only took 10 months to reach the 10 percent cap, said Consumers Energy spokesman Jeff Holyfield.

However, Holyfield said the law is functioning as it's designed to and is necessary to ensure the utility retains the customer base it needs as it makes plans to build a new coal-fired generation plant.

Holyfield said certain businesses are taking advantage of lower costs for a short time, but the utility's long-term investments will allow them to provide stable costs for all customers.

Critics of the legislation point to this development as proof that Consumers' rates are too high. They say this will hurt economic development and business growth in the state.

"Now it can raise rates on the remaining 90 percent (of its customers) without fear of losing them," said David Waymire, spokesman for the Customer Choice Coalition, which led opposition to the bill last year.

The 10 percent amounts to less than 1,000 businesses out of Consumers' 1.8 million customers. They are mainly large, industrial customers, Holyfield said.

Scott Sturgis, senior manager of human resources and general affairs at TAC, 4111 County Farm Road, said they made the switch earlier this year. He said the savings have been "substantial."

At TAC, where employees manufacture steering wheels, shift levers, ignition and door locks and other automotive components, they've found other ways to trim energy costs.

Throughout the facility, they switched overhead lights from sodium vapor to low-wattage, high-output bulbs. Sturgis said they estimate the savings to be about \$90,000 annually.

On the production floor, when a line goes on break, lights above that area are turned off. The lights also go out in common areas, and staffers have been consolidated to one side of the office.

"It's really been effective for us," he said.

Gerda MacSteel remains a Consumers customer, but president Mark Marcucci is trying to find ways to counter high energy costs.

After most production was halted in January, Marcucci plans to bring back 60 to 70 employees who will only work between 7 p.m. and 11 a.m., when electric rates are considered "off-peak" and about 30 percent lower than during peak, daytime hours.

During the shutdown this year, some of the work was sent to a Gerda facility in Fort Smith, Ark.

Marcucci said if his facility had the same rates here as the mill in Arkansas, his annual energy bills would be about \$4 million lower.

"Michigan is at a point where it's not competitive," he said.