



Boost utility competition

Wednesday, August 29, 2007

POWER IS SHOWING LOTS of promise nowadays.

In Rogers City, there's the Wolverine Power Supply Co-op. In Alma, there's the Great Lakes Energy Research Park. Up in Ubyly there's a wind turbine project. Closer to home, in Midland there's Mid-Michigan Energy, a \$1.3 billion facility that could start up in 2013 to sell electricity on the open market.

These are all private operations, taking advantage of an energy-choice law -- Act 141 -- passed seven years ago that opened Michigan's energy markets to more competition.

Hemlock Semiconductor Corp. in Thomas Township likely would look hard at Mid-Michigan Energy to see if it could get a better deal on electricity than it's getting from Consumers Energy. Semiconductor is putting billions of dollars into its rapidly expanding silicon chip production, which has a voracious appetite for electricity. That expansion is bringing hundreds of jobs to a community in desperate need of them.

The bottom line there is Semiconductor will go elsewhere if it can get cheaper power.

Consumers is looking to build another power plant too, maybe at the Karn-Weadock site in Bay City. Fine, but Consumers says it needs some legislative help to do so by eliminating Act 141. That would give Consumers and DTE Energy in Detroit exclusive franchises to sell power, just as they did until 2000.

A group of about 30 organizations -- including Dow Corning Corp., Semiconductor's parent -- called the Customer Choice Coalition is fighting the utilities, basing its battle on competition. It wants a bid process open to all sources, including private ones such as Mid-Michigan Energy.

Consumers and DTE say they need to know how much power they can expect to sell before investing in additional power plants. Ending competition would accomplish that, as it pretty much would have the private operations packing their bags for other states.

Consumers also wants its customers to help pay for a new plant. Not so with the private companies.

Act 141 apparently is working. Since it went into effect in 2000, participating customers have saved an average of 15 percent or almost \$500 million, the coalition says. But even with added competition, the state's electricity rates are higher than Illinois, Indiana, Ohio and Wisconsin.

The coalition is trying to remedy that with three bills now in the state Senate and one in the House that would bolster 141. They encourage development of low-cost energy via competition, eliminate fees that effectively penalize customers who get their power from non-Consumers and non-DTE sources, make it easier for

residential customers to get the cheapest energy and require Consumers and DTE to prove to the state that their customers even need another power plant.

It's a worthy effort that's gaining steam. Mostly though, it's fair -- and competition is the key. It keeps a potential monopoly at bay and gives companies such as Semiconductor a good reason to stay in our region, and maybe even attract others.

Let's all let our legislators know that.

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