

MIRS Capitol Capsule **January 23, 2008**

Alternate Energy Bills Move

The House Energy and Technology Committee reported out three alternative energy bills this evening (**HB 5525**, **HB 5548**, and **HB 5549**) to help set the table for next week's State of the State Address by Gov. Jennifer **GRANHOLM**.

Granholtm is expected to feature alternative energy as an economic stimulus in her address, and now she'll be able to say some legislation along those lines has moved in the Democratic-controlled House. Last week, *MIRS* reported at least one of the alternative energy bills would move to the House floor to accommodate the Governor's speech (See "**Alternative Energy Measure Likely To Move**," 01/17/08).

Despite the action today, the overall picture for the alternative energy bills is a bit murky. The legislation is tie-barred to **HB 5524**, legislation that would rollback the state's electric choice law. This, opponents of **HB 5524** claim, would be giving monopoly status back to the state's two giant utilities, Detroit Edison and Consumers Energy.

But it seems unlikely the tie-bar status and the fact that it could ultimately hold back the alternative energy bills will be mentioned in Granholtm's speech.

Meanwhile, House Energy and Technology Committee Chair Frank **ACCAVITTI** (D-Eastpointe) played it straight today as if the legislation was unencumbered and ready to go.

"Michigan gave birth to the auto industry, and now we can pave the way for the renewable energy economy, which will create good-paying jobs for our workers," Accavitti said. "This bipartisan plan will secure Michigan's role as a leader in the emerging renewable energy industry and help us as we work together to get our economy back on track."

The portfolio bills (**HB 5548** and **HB 5549**) that moved out of committee today would:

- Stipulate that 10 percent of annual electricity sales come from renewable energy sources — such as solar, wind, hydroelectric, geothermal, and biomass-based power — by 2015, giving the state renewable portfolio standards (RPS).
- Create a system of renewable energy credits, overseen by the Michigan Public Service Commission, to help providers comply with the new standard.
- Offers flexibility in meeting the RPS by allowing providers to generate renewable energy credits from their own energy systems, contract with an entity that produces renewable energy, or purchase renewable energy credits.

In statements consistent with the idea that the bills moved today to accommodate the State of the State Address, both bill sponsors, Jeff **MAYES** (D-Bay City) and Dave **PALSROK** (R-Manistee), said the measures have yet to be finalized.

"This is a work in progress," Mayes, sponsor of **HB 5548**, told the panel.

Meanwhile, Palsrok, sponsor of **HB 5549**, told the committee that a fifth draft of the

legislation was just recently drawn up and he expects other changes to come.

In addition to the two portfolio standard bills, the committee reported out **HB 5525**, legislation sponsored by Rep. Kathy **ANGERER** (D-Dundee), which would push utility companies to create programs to get energy efficient products into the hands of their customers, both homeowners and businesses.

The "Energy Efficient Michigan Act" embodied in **HB 5525** would require a natural gas or electric utility to submit an "energy efficiency programs plan" with the Public Service Commission (PSC) for its approval. The bill would establish deadlines for the PSC's initial review of a plan. A utility would have to revise and resubmit its plan until it was approved.

The bill also would allow a utility to recover the cost of its efficiency programs in its rates, to adopt a rate decoupling mechanism, and to recover an additional financial incentive of up to 15 percent of the cost of its programs if it met or exceeded the applicable performance standard.

Rep. John **MOOLENAAR** (R-Midland) was the only committee member who voted against the bills today.