Community Focused-Community Driven-Making a difference everyday!

ourMidland.com
home of the Midland Daily News

Opinion > Editorials

Our View: Low-wattage legislation

Print Page

By Midland Daily News editorial board

Published: Sunday, April 20, 2008 7:34 AM EDT

It's hard for us to believe that Republicans would go along with a scheme that delivers a barely regulated monopoly to the state's two largest utilities, but that is just what Midland County representatives Bill Caul and John Moolenaar did when they joined 76 other representatives to pass energy legislation that includes provisions to limit the amount of competition faced by the state's major electric utilities.

A package of bills now will go before the Senate, where we hope senators can be made to understand that what Consumers Energy and Detroit Edison are telling them is just so much hooey.

While there is some good in the gaggle of bills, there is much to loathe. For instance, if these bills pass, it will effectively eliminate competition — nearly all types of competition — in the state, while at the same time allow the state's two largest power providers (they produce about 86 percent of power used today) nearly carte blanche to finance new power plants on the backs of ratepayers even before a watt of power is produced.

And, it will allow the energy behemoths to raise rates automatically if the Michigan Public Services Commission doesn't act on any request within a certain time period.

Somehow, the state's legislators overlooked the proposed construction of a power plant in Midland to be developed and financed through LS Power and Dynegy — independent producers. Instead, they listened to Consumers and DTE lobbyists tell them that without monopoly power in Michigan they just can't build plants here because they can't get financing.

While we understand that there was a certain amount of dickering and horse trading going on that might have had an effect on the votes' outcomes — such as one bill that would provide tax credits to Hemlock Semiconductor in an effort by the state to keep the company in Michigan — we can't understand the logic in some of the other representatives' votes.

One group critical of the legislation — The Customer Choice Coalition — said that the legislation poses a "major risk for consumers, especially to seniors on fixed incomes and low-income households, while protecting the interests of investors and shareholders of our two large private-sector utilities. The bill has the potential to increase rates by as much as 30 to 40 percent. Further, the bill puts the burden for paying for new power plants, whether needed or not, on customers, not on management or investors. Customers would begin paying for the plants even before they are open and generating energy."

That, in our opinion, pretty much sums it up, and it doesn't sound good.

[x] Close Window