



Power hangs in the balance

Thursday, February 21, 2008

BACK, BRIEFLY, TO PUBLIC Act 141. That's the law that allows customers to pick the power provider they want.

It's called competition. It's also the law that Consumers Energy and DTE Energy want to repeal so they have a monopoly on the electricity business. Consumers, in particular, says it needs a guaranteed customer base before it can build a \$2 billion, 800-megawatt coal-fired plant next to its Karn-Weadock complex at the mouth of the Saginaw River.

The company says competition causes uncertainty because its customers could opt for an alternative -- presumably cheaper -- electricity supplier and that, in turn, makes it impossible to pay for such a big project. So who cares about a little bit of monopoly, especially when the new plant would create 1,800 construction jobs and

80 permanent jobs?

Here's why everyone in mid-Michigan should care: Hemlock Semiconductor. It's the largest producer of polycrystalline silicon -- it makes cell phones and solar panels work -- in the world. It's the largest one-site electricity user in the state. Its annual bill to Consumers is

\$50 million.

HSC is also an economic powerhouse. The Thomas Township company is expanding -- to the tune of about \$1.5 billion -- and creating jobs left and right. And its next expansion is just around the corner.

HSC is going to look for the most inexpensive electricity it can get, possibly from Mid-Michigan Energy, a private operation that wants to build its own

\$1.5 billion, 750-megawatt, coal-fired plant in Midland. It would create 1,500 construction jobs and 241 permanent jobs. It won't, of course, if Consumers gets its monopoly.

And that brings us back to 141.

Gov. Jennifer M. Granholm last week said she backs changes to 141 without an outright ban on competition, suggesting she and lawmakers need to "slice 141 with a scalpel and not with an ax."

Maybe so, but the Legislature has never gained fame for its surgical lawmaking skills. No, quite the opposite, in fact.

So Consumers has its powerful lobbying machine going full tilt, Granholm wants to tinker and our lawmakers have to come up with a monopoly that isn't a monopoly.

Is there any hope for HSC? And can anyone see the higher utility bills freight train coming?

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