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GRANHOLM SIGNS NEW ENERGY POLICY

[Governor Jennifer Granholm](#) said the state would see new jobs with her signature on legislation requiring Michigan utilities to use more renewable energy. And environmental groups said the state's overall health would improve. But competitors challenged supporters to show over time that the restrictions on choice under the new legislation still kept rates down.

Under the new laws ([HB 5524](#), PA 286; [SB 213](#), PA 295; [SB 1048](#), PA 287), utilities would have to use at least 10 percent renewable power by 2015. They also have to help customers cut at least 5.5 percent of their potential power demand through energy efficiency programs over that same period. And customers would receive tax credits for purchasing certain energy efficient products. But the bills cap customer choice at 10 percent of the load for Consumers Energy and Detroit Edison to give them the demand stability they said they needed to be able to finance new power plants in the state.

"This comprehensive package will create tens of thousands of new energy jobs by making Michigan even more attractive to job-creating companies that are looking for a place to expand as they meet the growing demand for energy from renewable sources like wind and solar power," Ms. Granholm said. "It also helps reduce costs for our citizens by requiring new energy efficiency programs and reducing the need for additional coal-burning power plants."

She cited recent studies that estimated the state could see 30,000 new jobs just in the wind industry and potentially double that from development of other energy sources.

"Michigan is currently facing an enormous risk from expensive, unneeded, dirty power proposals," said Sierra Club Legislative Director Gayle Miller. "The package of bills signed into law today will require utilities to invest immediately in clean energy, reducing demand for far more expensive energy options of coal and nuclear."

The legislation puts Consumers Energy one step closer to a proposed new power plant in Bay City, said spokesperson Dan Bishop. "There are several steps. This is obviously a key one," he said. "This is an important day for Michigan."

"The legislation will be a catalyst for new construction and energy-related jobs in Michigan," said DTE Energy CEO Anthony Earley. "DTE Energy will move forward immediately with the development of renewable energy projects and energy efficiency initiatives in Michigan. The legislation has also provided the certainty necessary to construct new power plants. These projects will provide thousands of highly paid construction jobs and long-term employment for hundreds of engineers, scientists and skilled technicians - just the kind of new economy and jobs Michigan needs."

Doug Roberts Jr. with the Michigan Chamber of Commerce praised the package for opening the door to both renewable power and new coal or nuclear plants. "And (it includes) reestablishment of cost of service rates, which should help to lower rates for businesses."

But groups that were supporting customer choice said the package would mean higher energy prices in the state and potentially some limits on renewable power.

"We still believe competition and markets work better than monopolies and government regulators. It is now incumbent on supporters of this policy to prove to Michigan that regulation can work better than competition to hold

down rates while increasing energy generation in the state," said Barry Cargill, executive director of the Customer Choice Coalition.

Mr. Cargill argued the new regulatory structure under the bills would allow the utilities to raise rates to a point that it would make the state more attractive to competitors. And he argued the cap could be revisited at that point. "We had the best electric system in the nation from 2000 to 2008," he said. "We should be prepared to return to it in the future."

Ms. Miller also argued there were additional steps the state needed to take, including a new energy efficient building code and regulations on carbon dioxide emissions. The building code is under court challenge by builders who argue many of the provisions are excessively expensive. The Department of Environmental Quality has said it is waiting to create CO2 standards until the U.S. Environmental Protection Agency completes work on the federal standards.

Other bills signed and filed Monday:

[HB 4001](#) ■, PA 288 OFFICIAL'S LEGAL DEFENSE FUNDS ([Bieda](#)) Requires disclosure of legal defense funds for elected officials. [Full Text](#) [Gongwer Coverage](#)

Signed: October 6, 2008; Effective: October 1, 2008

[SB 1263](#) ■, PA 289 LOBBYIST GIFT RULINGS ([McManus](#)) Clarifies issuance of process for declaratory rulings on definition of gifts by lobbyists. [Full Text](#) [Gongwer Coverage](#)

Signed: October 6, 2008; Effective: October 1, 2008

[HB 5686](#) ■, PA 290 GRAY WOLF CONTROL ([Lahti](#)) Permits the removal, capture or lethal control of a gray wolf attacking livestock under certain circumstances. [Full Text](#) [Gongwer Coverage](#)

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[HB 6271](#) ■, PA 291 FISHING ([Lindberg](#)) Extends season for spearing certain fish. [Full Text](#) [Gongwer Coverage](#)

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[SB 943](#) ■, PA 292 CUYLER HIGHWAY ([Stamas](#)) Designates portion of M-72 as Hazen Shirley 'Kiki' Cuyler Memorial Highway. [Full Text](#) [Gongwer Coverage](#)

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[SB 338](#) ■, PA 293 NATURAL RESOURCES GIFT CARDS ([McManus](#)) Expands types of transactions for which Natural Resources gift cards may be used. [Full Text](#) [Gongwer Coverage](#)

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[SB 1304](#) ■, PA 294 HOSPITAL FUNDING ([Stamas](#)) Allows public hospital funding under hospital finance authority act. [Full Text](#) [Gongwer Coverage](#)

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