

**MIRS Capitol Capsule**  
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**House Dems Want Energy . . . So Does GOP**

Lawmakers are returning to Lansing Tuesday and bringing with them their optimism that a deal can be struck this week on the energy package that has languished in the House and Senate since last year.

And while the chances of a conference committee report on either HB 4524 or [SB 0213](#) are still 50/50, a unique dynamic is developing in the House. Both Democrats and Republicans are crossing their fingers a vote on either bill is taken within the next three weeks. They want the ammunition in the November election.

Democrats believe the package is a political plus. Republicans believe the package can be framed as a de facto electric bill increase and use as a political hammer against politically vulnerable Democratic incumbents.

Meetings on the package took place all day today, and may even be headed into the evening. The conference committee on [HB 5524](#) is scheduled to meet 9 a.m. Wednesday. Presuming there's enough agreement in the conference committees to move the package, a somewhat unusual situation could arise.

In past election-year Septembers, any vote that could even remotely be used against a majority party would have been delayed until lame duck. But sources say House Speaker Andy [DILLON](#) (D-Redford Twp.) is determined to pass the legislation before Nov. 4 if possible -- a position that some consider may be a political gamble.

[HB 4524](#) guarantees the state's two giant utilities, Consumers Energy and Detroit Edison, and the state's other incumbent utilities 90 percent of the state's electric market. It also gradually ends industry's subsidization of homeowner rates, which Republicans see as rate increase on the average ratepayer.

Meanwhile, the Democrats can claim [HB 4524](#) is a job-creator. It allows Consumers Energy and Detroit Edison to get the capital they need to construct new power plants. In addition, the other bill in the package, [SB 0213](#), would establish Renewable Portfolio Standards (RPS) and energy efficiency programs that the Democrats claim will create jobs. The Republicans will claim this is a rate hike, too.

Some versions of the package that have been discussed would likely have been able to bring over some House Republican votes. However, the word of the moment is that the package is going to be something that most or all House Republicans (especially those running for re-election) would vote against.

Jumping the gun a bit, Holly [HUGHES](#), the GOP candidate in the competitive 91st House District, took her opponent, Rep. Mary [VALENTINE](#) (D-Muskegon), to task today for her support of [HB 4524](#).

In an open letter, Hughes said that Valentine's vote would kill electric competition, force Michigan families to pay a new renewable electric tax and lead to increases for Consumers Energy customers of 23 to 25 percent. Hughes uses Senate Fiscal Agency as a source.

(Note: The Michigan Public Service Commission says the increase would only be 9 percent.)

It was unclear as to whether Hughes' letter was aimed at Valentine's earlier "yes" vote on the House version of [HB 4524](#) or her prospective "yes" vote this week on the conference committee's version. Regardless of which vote she was speaking of, Hughes said today that it would be a vote "to raise electric rates."

"With Michigan families facing huge increases in heating and gasoline bills this fall, Rep. Mary Valentine has joined her Democratic leaders in voting to raise electric rates by up to 25 percent," Hughes said. "Last year it was higher taxes. Now Mary Valentine is voting for higher electric rates. On Nov. 4, voters have a clear choice -- vote for Valentine and her Lansing bosses and higher taxes and electric bills, or vote for me and my plans to keep taxes and electric bills low. Families in the 91st District are having a hard time making ends meet, and sending more money to utilities isn't going to help."

Meanwhile, Granholm, who has wanted the package on her desk since February, signaled that she too expects a possible vote this week. She released a letter, dated Aug. 28, from T. Boone **PICKENS**, an "oil man" who has been promoting wind energy. The letter is addressed to Granholm, Dillon and Senate Majority Leader Mike [BISHOP](#) (R-Rochester).

Pickens, who Democratic presidential candidate Barack **OBAMA** quoted when he visited the Lansing Center in early August as wanting more oil drilling, supports investments in alternative energy.

Granholm used Pickens' own words to make the case that to accelerate investment, Michigan needs the right policies to send strong market signals. That means a RPS at the state level.

"The Department of Energy has determined that the U.S. can generate 20 percent of our nation's electrical power needs from wind in 2030," Pickens wrote. "I think we can do better than that -- and so should Michigan."