



August 20, 2008

Asleep at the switch

By [Jack Lessenberry](#)

Your state legislators (remember them?) do mostly have utter disrespect for your ability to figure out what they are doing to you. That's made a lot easier, as they know very well, because the newspapers don't much cover what they do anymore.

Three months ago, I told you about this wonderful new plan they had to really screw us over the cost of energy ("Getting jacked again," May 7). The House and the Senate then were quickly moving to pass a package of what were billed as "renewable energy" bills.

They told us this would require the big utilities to start converting to renewable, i.e., wind and solar power. Gov. Jennifer Granholm herself is a big wind-power booster, and members of her administration have been known to wax poetic about all the money our poor state could make by making and selling windmill parts.

Accordingly, both houses passed fine packages of "renewable energy" bills. Fine, that is, till you read them carefully.

What they have actually done is pass bills designed to cement into law the virtual monopoly status of both Consumers Energy and DTE, which old-timers still call Detroit Edison. The bills aren't law yet; each house has passed a slightly different version, and they haven't resolved the differences.

But what they have done is severely limit any competition DTE and Consumers will ever have to face. Both versions mandate that no more than 10 percent of either utility's customer load can ever go to alternate energy suppliers! This means if another company can come up with a better, cheaper and more efficient way to provide Michigan consumers with energy, well, they can go screw themselves.

This has been denounced by principled conservatives, such as Hillsdale College economist Gary Wolfram — who actually believes in a free market — and liberals, including the Consumer Choice Coalition, which includes consumer groups and alternative energy suppliers.

What these bills mean, Wolfram noted in an essay a few weeks ago in *The Detroit News*, is that "there will be little incentive for alternative energy providers to develop new resources in Michigan."

He thinks this is not only stupid, it's downright scary: "If the Legislature can make sure Detroit Edison's customers don't leave, why not do the same for AT&T, Blue Cross/Blue Shield and Mackinac Island fudge?" There was, in fact, an economy that did work like that. It was called the Soviet Union, and it didn't work so well. So why are the good Republican and Democratic lawmakers lining up to stick it to us? Simple. They don't think we are paying much attention.

They are right, of course. We are so consumed with Kwame's Krap these days we barely had time to worry about John Edwards' dick. However, if we cared, there might still be time to stop this train. That's because the lawmakers can't agree on how much of a farce they should make the whole "renewable energy" part of the package.

Currently the package that passed the Democratic-controlled House calls for 10 percent of each utility's electricity to come from renewable sources seven years from now, in 2015. The Senate wants to make that only 7 percent — and allow part of that target to be met through "energy efficiency programs," among other things. In other words, it gives them an easy out.

What, by the way, happens if a utility doesn't meet that puny target? Virtually nothing legally, so far as I can tell. In all probability, that year's crop of lawmakers will just give the utilities an extension. That, or agree to count soft coal as a "renewable" fuel. You never can tell when lobbyists are throwing money around.

However, the dream of making big money by manufacturing windmill components may be a bit diminished. Last week Vestas, a prominent renewable energy company, announced it would create 1,350 jobs manufacturing wind turbine blades.

That's the good news. The bad news is that those jobs will be in ... Colorado. See, Colorado passed a strong renewable portfolio standard last year. More than 20 other states have done the same, while Michigan is dithering. But not to worry.

DTE will probably always have some jobs for meter readers.