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## MIRS Capitol Capsule, Monday, October 31, 2011

### **Biz Advocates: Keep Current Energy Laws**

Three business group officials said today they want Michigan's current energy laws to be kept in place for the sake of stability and reliability.

Staff from the Michigan Chamber of Commerce, Michigan Manufacturers Association (MMA), and Detroit Regional Chamber said that while they appreciate concerns about energy costs, it is important to keep policies and regulations that keep jobs and investments in Michigan.

All three groups are part of the Michigan Jobs & Energy Coalition. Consumers Energy and DTE Energy, Michigan's two energy producers, are also part of the coalition.

The three business groups will testify at Sen. Mike **NOFS'** (R-Battle Creek) Senate Energy and Technology Committee on Tuesday, where committee members are scheduled to conduct a review of PA 286 of 2008. The legislation regulated energy utilities in the state.

Applauding the structure provided by the 2008 legislation, Jim **HOLCOMB**, senior vice president of business advocacy and associate general counsel for the Michigan Chamber of Commerce, said the key is to focus on the state's long-term costs and long-term energy policy.

"Going forward, we think this is about the long-term predictability and stability so (businesses) can expand and grow jobs in Michigan," he said.

He said it is "critical" to let the 2008 legislation play itself out, calling the policy a "jobs-creation bill" that allows businesses to invest in Michigan. That 2008 law came after what Holcomb called a "failed experiment" with deregulation.

"We should not even be looking to change it until we see what the state of affairs is two years from now," Holcomb said on the 2008 policies.

Mike **JOHNSTON**, vice president of government affairs for MMA, said Michigan has the oldest fleet of energy-producing facilities by approximately 40 years. Over the next five years, approximately half of that fleet "is at risk of being closed by federal environmental policy," Johnston said.

"The realities we were aware of in 2006 and 2007 are coming more true as more regulation is piled on at the federal level, threatening our generation base," Johnston said. "We need to be able to generate enough power for a large industrial economy, and to say we don't really need a plan going forward does not address the reality of our carbon-constrained world."

Regulation is providing more steady prices than the price-spikes consumers saw under deregulation, he said.

"We ought to focus on driving prices down, but what this policy currently does is provide certainty in availability of power and the possibility and structure for certainty of prices within a range," Johnston said.

Brian **KANDLER**, government relations director for the Detroit Regional Chamber, focused on the need to keep a 10 percent cap on competition within Michigan's energy sector. He said Michigan's main utilities have been supportive of economic development organizations.

"There really is a market difference and economic consequence of having strong and financially healthy hometown energy producers," Kandler said.

It's not fair to compare "hometown" energy to out-of-state companies, he said.

"It's not just apples and apples when you're talking about a company that can just pick up and leave the state as soon as a global commodity price like natural gas changes," Kandler said.

Johnston said that the growing idea of moving back to deregulation, painting it as a "choice" issue, is not telling the full story.

"I want to be very clear -- we are very supportive of sticking with the current structure because we think moving back to deregulation is moving back to more destabilized systems in Michigan," Johnston said.

One question that has to be asked with the issue of choice is whether customers would be willing to accept not going back to their original energy provider. That would mean the utilities have an obligation to produce a system big enough for those consumers to come back to, and that results in ongoing costs, Johnston said.