House panel votes to require use of green energy by end of 2015

By DAVID EGGLETT
Associated Press Writer

LANSING, Mich. (AP) -- Within eight years, 10 percent of the electricity sold to Michigan consumers would have to come from renewable energy sources such as wind under bipartisan legislation passed Wednesday by a state House committee.

The standard would nearly triple by the start of 2016 the amount of renewable energy now being sold by utilities and other power producers in the state.

Because renewable energy can be more expensive to produce, the standard could cost residential customers an extra $36 a year, commercial customers an extra $199 and industrial customers an extra $2,250.

"This isn't a finished product," said Rep. Jeff Mayes, D-Bay City, who helped craft the compromise. "We consider this a work in progress."

The House Energy and Technology Committee's votes were the first on an issue that is among the biggest facing the Legislature this year.

About half the states already have renewable standards for energy companies, but the issue is far from settled in Michigan.

Although House Republicans back the proposal, Senate Republicans say it's an unacceptable governent mandate. They favor giving tax credits to people who buy renewable green energy and making only state government - not the utilities - purchase a certain amount of clean power.

Senate Energy Policy and Public Utilities Chairman Bruce Patterson, R-Canton, called the House action a political stunt because the bills are imperfect and would take "a horde of money out of ratepayers' pockets."

He planned to consider a Senate alternative in his committee Thursday.

Senate Democrats and environmental groups want to go even farther than the House legislation, proposing that 20 percent of all electricity come from renewable energy by 2020. Gov. Jennifer Granholm backs 10 percent by 2015 but also a goal of 25 percent renewables by 2025.

Despite the haggling and an added cost to customers' bills, supporters agree setting a requirement would boost jobs, reduce pollution and dependence on coal, and protect against potential future emissions regulations that could make coal more expensive to use. They argue that without a guaranteed demand for renewable energy production, renewable companies will take their business elsewhere.
"We want to send out a clear sign that Michigan is ready for you to come here and invest your dollars," said House Energy and Technology Chairman Frank Accavitti Jr., D-Eastpointe.

The legislation includes limitations on how much more consumers could be asked to pay for renewable energy, which could cost more to produce than coal-generated electricity, at least until more limits on greenhouse gases are put in place.

Rep. David Pal Morok, R-Manistee, said residents could have faced an extra $125 a year in costs over eight years. But lawmakers agreed to spread out the expense, lowering residents' potential tab to $3 a month, or $36 per year, over 20 years.

Accavitti said renewable energy such as wind, solar and hydroelectric could ultimately be on par with or cost less than coal power. The state has an aging fleet of coal plants, he noted, so residents were likely to face higher energy costs regardless.

Accavitti also defended his decision to hold a vote. He said negotiators and interest groups had deadlocked over some issues, and he knew that once he started passing bills, consensus can be reached quickly in other areas.

He added that Granholm highlighted the need for an energy plan in her last State of the State speech, and he wanted to take action before her next State of the State, which is next week.

Another bill approved Wednesday would create a program with incentives dedicated to improving energy efficiency. Energy-efficient light bulbs cost a few extra dollars but can save customers at least $30 in electricity over the bulb's lifetime. Utilities could recoup costs of the program by charging customers more.

Each utility, though, would establish plans for reducing energy use by 1 percent a year - potentially saving consumers money, too.

The three bills passed Wednesday remain tied to a controversial measure that would restructure the state law regulating utilities.

Accavitti said he hoped to pass a comprehensive energy plan out of the House before lawmakers go on spring break in late March. He wants a deal with Granholm and the Senate by the summer.

---

David Eggert can be reached at deggert(at)ap.org

---

The energy bills are House Bills 5525 and 5548-49.

---

On the Net:

Michigan Legislature: http://legislature.mi.gov

© 2008 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed. Learn more about our Privacy Policy.