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Report offers starting point for energy plan

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Michigan's electricity problems are well founded and not likely to be solved by any one mandate or technology. That's why it was good to see a range of options presented in a report released Wednesday addressing the state's long-term energy needs.

Of particular interest and promise was the urging by J. Peter Lark, chairman of the Michigan Public Service Commission, to build a major new power plant powered by clean-coal technology. Of all the points presented in the plan, this is the most critical.

Getting there, however, will be a challenge.

Michigan's electricity rates are among the highest of any state in the region, and its aging energy infrastructure further strains the system. Given that demand for power is expected to increase an average of 1.2 percent a year, the need to add capacity is evident.

Importing power from surrounding states, or Canada, is not a good option from a cost or security standpoint. The 21st Century Electric Energy Plan, submitted to the governor by Lark, should serve as the framework for change. Above all else, the state needs to bring down prices for consumers and businesses and can do this by pushing harder toward a truly competitive market with less regulation and government intervention.

In regard to a new power plant, all entrants should be welcomed to present bids, not just the state's incumbent utilities, as the report now outlines.

The more bidders the better, especially given the provision that costs will be recovered by all ratepayers with construction financing recoverable before the plant is operational.

In addition to a new power plant, the report says the state should generate 10 percent of its energy from renewable sources by 2015; and create a Michigan Energy Efficiency Program that would charge retail consumers an average of 50 cents a month to be used for education and alternative energy investment.

It is unwise to set arbitrary targets for technologies and programs that are not yet commercially viable.

Renewable and alternative energy sources are being pursued by utility companies and they'll continue to do so, but mandating benchmarks will only increase costs for consumers. Many of the technologies are neither ready for mass market implementation nor affordable.

The report also asks for the investigation of the costs for requiring the burial of power lines for reliability and aesthetics, and the recommendation that the governor direct the Department of Labor & Economic Growth to review and update building code requirements.

These are both unnecessary and bad ideas, particularly the suggestion that contractors be forced to incur -- and pass on to consumers -- costs associated with upgrading materials. The construction market in Michigan is already on hard times and can't stand the additional burden.

Left largely out of the report is the promise of nuclear energy. Lark says he's not opposed to it, but says the construction would take longer than the needs of the state demand. If energy independence is the goal, nuclear power must play a major part.

Lark's report is a good first step and the Legislature should use it as base for fixing the system.

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