



State unveils energy plan

Goal is to use 10% renewable sources by 2015

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Michigan Public Service Commission Chairman Peter Lark unveiled the state's long-awaited comprehensive energy plan Wednesday, calling for 10% of Michigan's energy to be produced by renewable sources by 2015.

The 21st Century Energy plan, which was commissioned by Gov. Jennifer Granholm last April, also calls for giving consideration to building at least one coal-fired power plant and adopting energy efficiency standards over the next eight years.

The creation of a Michigan Energy Efficiency Program could cost the average residential customer about 50 cents more a month, or about \$6 more a year, to pay for energy education around the state.

Speaking in Lansing, Lark pointed out that the plan must begin to address the state's future energy needs immediately. He also stressed the importance of further diversifying Michigan's energy mix by promoting alternative energy markets and developing increased energy efficiency over the years.

"The energy efficiency program will save Michigan citizens \$3 billion over the next 20 years -- the cost of two new power plants," Lark said. "It is estimated that by replacing the five most frequently used light fixtures in a home with EnergyStar models, customers can save more than \$60 per year in energy costs."

One of the most controversial recommendations in the plan is the implementation of a renewable portfolio standard in Michigan.

The standard would require Michigan utilities to generate 10% of the state's overall electric supply through alternative fuel sources such as wind, solar and biofuels. To date, there are 24 states that have renewable portfolio standards.

Historically, renewable standards have been opposed by utilities. But with rising energy prices, it appears that some in the industry are becoming more receptive to the idea.

Detroit Edison, the electric unit of DTE that serves 2.2 million customers, recently requested proposals for its GreenCurrents renewable program. Consumers Energy, a part of Jackson-based CMS Energy, started its

Green Generation renewable project in September 2005.

Officials at DTE Energy, Michigan's largest utility, received the report and are studying it now.

"We appreciate" Gov. Granholm and Commissioner Lark's "efforts to seek a broad spectrum of input to reach their conclusions," said Scott Simons, a spokesman for Detroit-based DTE. "But we will need to review the entire report before commenting on specific elements."

The detailed, 40-page plan estimates that electricity growth will increase by about 1.2% a year over the next two decades. And given the capacity of Michigan's power plants, which average 48 years old, the state must consider the construction of new power plants within the next eight years.

The cost of building a new 1,000-megawatt, coal-fired power plant in Michigan, which would take about six years to complete, is \$1.6 billion, according to Lark. Construction of a similar-size nuclear power plant, an idea that has been gaining some traction in Lansing in recent years, would cost \$2.4 billion.

"I think it is important that we look at all options and that would include nuclear power," Lark said. "It takes about 12 years to build them, so now is not the time to consider them as a solution for the time horizon of 2015. But it is something to consider going forward."

Some environmental groups who oppose the construction of power plants, especially nuclear ones, suggest that Michigan can save money by embracing energy efficiency.

"Energy efficiency doesn't sound sexy, but it's the cheapest, fastest and cleanest energy resource available to Michigan. It must be the centerpiece of any visionary energy plan," Martin Kushler, utilities program director of the American Council for an Energy Efficient Economy, said in a statement. "Each kilowatt-hour saved ... through programs for high-efficiency appliances, lighting and other improvements, costs less than half what utility" customers "would pay if that kilowatt-hour was bought from a new power plant."

To read the 21st Century Energy plan, log on to www.michigan.gov/mpsc.

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