

Energy chair rips regulators in electric choice fight

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Gary Glenn(Photo: Detroit News file)

Lansing — The chairman of the Michigan House Energy Policy committee is threatening to sue state regulators if they move forward with rules he says would threaten the state’s 10 percent electric choice market.

State Rep. Gary Glenn, R-Larkin Township, argues new rules proposed by Public Service Commission staff may violate state and federal energy laws while driving up electricity costs for schools and large employers in the choice program that buy power from alternative energy suppliers instead of incumbent utilities.

The Public Service Commission is expected to finalize a “capacity demonstration” order under [a new state energy law](#) by Sept. 28. Staff recommendations include new “locational requirements” for utilities and alternative suppliers to prove they can supply their customers with energy generated in Michigan.

The final version of the energy overhaul law Gov. Rick Snyder signed in late

December did not include strict “local clearing requirements” included in earlier drafts. The contentious language was “deliberately removed,” Reps. Rob Verheulen, R-Walker, and Chris Afendoulis, R-Grand Rapids Township, said in a July 25 letter to the commission.

By adopting the staff recommendations, the commission would be ignoring “clear statements” of legislative intent, Glenn said.

“This is clearly a back-door attempt by unelected bureaucrats to eliminate Michigan’s Electricity Choice program by bureaucratic regulation, a protectionist scheme that was pushed by the state’s two monopoly utilities in the last legislative session but was expressly rejected by the people’s elected representatives,” Glenn said in a statement.

State regulators are considering either phasing in or incrementally increasing locational requirements designed to ensure stable and reliable access to energy in Michigan.

The Public Service Commission has not made any final decision and will consider proposals from “all other stakeholders” in the case as it finalizes a decision this fall, spokesman Nick Assendelft said.

“Working toward agreement on a capacity demonstration process under the state’s new energy laws has been a transparent, collaborative and ongoing effort,” Assendelft said. “It has involved numerous stakeholders and vigorous discussion since the commission started the process right after the new laws went into effect in April.

“The commission is a creature of statute and is bound to ensure its decisions are legally sound.”

Glenn and other choice advocates argue the recommended rules would force alternative energy suppliers to buy more expensive energy generated in Michigan. The requirement could also allow the state’s incumbent utilities — DTE Energy and Consumers Energy — to “squeeze their cheaper competitors out of business,” he said.

If alternative energy suppliers are required to comply with the proposed locational requirements, Glenn said he will urge legal action against the Public Service Commission.

“I will recommend that the Legislature itself go to court, if necessary, to reassert that energy policy in Michigan will be set by the Legislature, who are elected by and accountable to the people, and not by an appointed bureaucracy that seems intent on advancing the financial self interests of two corporate monopolies at the expense of Michigan ratepayers and our economy,” he said.

The new state energy law that took effect April 20 created new approval processes for utilities planning to replace aging coal-fired power plants, increased a mandate for renewable energy production and largely maintained the state's limited electric choice program.

Potential changes to the electric choice program had threatened to derail the legislation, but the proposal eventually won bipartisan support after Snyder brokered a compromise deal that won bipartisan support.

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