



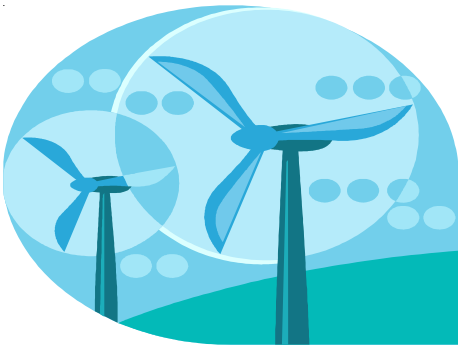
State Energy Plan: Renewable Energy, Clean Coal

In an effort to find middle ground between the State's energy producing utilities and the conservationists, Michigan Public Service Commission Chair J. Peter Lark is leaning toward a 21st Century Energy plan that would increase the State's alternative energy production and include a clean coal fire plant.

Governor Jennifer Granholm placed Mr. Lark in charge of developing a long-term energy plan that would make the State more self-sufficient in energy production. The development should be complete by the end of the year.

Mr. Lark spoke earlier this month before the Lansing Regional Chamber of Commerce's Economic Club. He explained his rationale the plan.

The plan includes increasing the State's alternative energy production from 3 to 10 percent by 2015, establishing the "cleanest coal fire plant" available, and pushing for more energy conservation. That, Lark said, would handle the expected annual 1.2 percent increase in energy consumption.



Mr. Lark hinted he would ask the Legislature to pass legislation requiring Consumers Energy and Detroit Edison to invest in more solar, wind and other renewable energy options.

Some believe Mr. Lark's plan does not go far enough. Legislation is needed that would make utilities more competitive through a bidding process and ensure

customers get what they pay for as a means of further enhancing the "choice" program.

While Mr. Lark prefers renewable energy and conservation to make up the increase in the State's energy needs over the next 20 years, he's leaning toward recommending the construction of the State's first coal-fired plant. This recommendation is due to concerns he has about nuclear energy, due to Michigan's inability to find places to store the nuclear waste it already has, and because Washington is changing the rules regarding the national depository of nuclear waste.

Mr. Lark concluded with two points: One, stepping up renewable energy efforts would likely cost consumers more long term, but moving the State away from fossil-burning fuels is in the economic best interests of the State. Two, he reserves the right to change his mind on this strategy before the final plan is submitted in December.

Granholm Creates Renewable Fuels Commission

Governor Jennifer Granholm formed a new Michigan Renewable Fuels Commission to promote the production and distribution of alternative fuel in the State.

Established under Public Act 272 of 2006, the 25-member commission will invest and recommend strategies that the Governor and Legislature may implement to promote the use of alternative fuels and encourage the use of vehicles that utilize alternative fuel. The commission will also identify mechanisms that promote research of alternative fuels.

The members serve at the pleasure of the Governor and do not require Senate confirmation.

State Revenues Short of Projection

The Senate Fiscal Agency (SFA) reported that fiscal year 2006 tax collections fell short of the State's consensus revenue estimates by \$130 million. This is \$90 million less than expected in the School Aid Fund and \$40 million less in the General Fund.

September tax collections declined significantly from the same month a year ago. Tax collections were down 4.2 percent from July to September 2006 compared to the same three months in 2005.

In developing the FY 2006 budget, the Legislature provided a \$109 million cushion for the General Fund and a \$95 million cushion for the School Aid Fund. If, however, there are more declines Michigan could end the year in the red. If so, look for a negative supplemental in December or early next year.

Meanwhile, the House Fiscal Agency (HFA) reported gas tax collections were \$5.2 million less for the first six-months of 2006, compared to the same period in 2005, and \$13.3 million below the same period in 2004.

Supreme Court Changes Filing Timelines

Beginning next year rule changes and other changes in various timelines for certain court filings will be implemented as a result of recent action taken by the Michigan Supreme Court.

Among them, Rule 7.211 of the Michigan Court Rules has been amended to extend the time to answer certain motions from seven to fourteen days. The revised rule also establishes a new category of motions that can be decided in less than seven days, without delaying the submission until the answer period has expired.



The amendment to sub rule (C), submission of a motion to withdraw as appointed counsel in an appeal from an order terminating parents' rights, reduces the deadline from an order terminating parents' rights from 56 to 28 days. The 56-day deadline is retained for all other appeals.

Some Good News On The Energy Front

The Michigan Public Service Commission's (MPSC) annual appraisal found that home heating bills are expected to be 12 percent lower this year than last year. The appraisal projected prices and available energy in the State during the winter months.

Currently, natural gas prices are 12 percent lower than last winter's average. Statewide, the monthly bills gas utility customers pay could be approximately \$20 less than last year, assuming "normal" weather.

With regards to gasoline, Michigan motorists will pay \$1.2 billion less for gasoline than over the past four months, if gasoline prices remain at current levels. Gasoline sales in Michigan are projected to continue to decline for the remainder of 2006.

State Unemployment Rate Unchanged

Michigan's unemployment rate for the month of September was 7.1 percent. This number is the same as the previous month, but well above the national rate of 4.6 percent.

Figures released by the Department of Labor and Economic Growth (DLEG) indicate that, while total employment increased by 22,000, the number of unemployed increased by 4,000. This indicates the State's labor force expanded by 26,000 over the month.

The report shows the State has lost 33,000 jobs since this time last year, or seven-tenths of one percent. The job losses occurred primarily in manufacturing, retail trade, and government.

Beware of Internet Scam

Consumers conducting on-line financial transactions should be aware of an Internet scam called "pharming," according to Attorney General Mike Cox. Pharming is an attempt to steal personal information by redirecting computer users from legitimate commercial Web sites to fake sites set up by scammers. For more information, visit the Attorney General Web site at: www.michigan.gov/ag and click on Pharming under Consumer Alerts.

It Won't Be Long Now

It is only days now before voters go to the polls on November 7th to decide who will lead Michigan for the next four years. Will it be Governor Jennifer Granholm, who says her "Jobs Today, Jobs Tomorrow Plan" is working and Michigan's turnaround is "just over the horizon"? Or will it be Republican challenger Dick DeVos, who has criticized Governor Granholm for her lack of leadership and says he can accomplish more in 45 days that she has accomplished in 45 months?

What do the two candidates propose to lift Michigan from the depths of economic despair and lower the unemployment rate?



What does the Granholm plan entail?

- According to her administration, the \$3.8 billion Jobs Today initiative is putting thousands of Michigan residents to work by accelerating 10 years of road and bridge construction work, nursing home improvement and pollution cleanup projects.
- The 21st Century Jobs Fund is a \$2 billion initiative to create thousands of good-paying jobs that will diversify the state economy by attracting high-tech jobs, alternative energy, advanced manufacturing, and homeland security.
- The Governor also signed into law a \$600 million property tax cut for businesses.
- Governor Granholm is connecting those seeking work with jobs that are available through the MI Opportunity Partnership program.
- She has proposed a New Merit Scholarship Award that would guarantee a \$4,000 scholarship to all Michigan students who continue their education beyond high school.

- Governor Granholm proposed the "Michigan First Health Care Plan" designed to make health care affordable and accessible to nearly everyone in Michigan.



What is Dick DeVos proposing?

- Mr. DeVos says he will take personal control of the Michigan Economic Development Corporation (MEDC).
- He will call an immediate special session of the Legislature to replace the \$1.9 billion annual Single Business Tax (SBT) that is scheduled to disappear at the end of 2007 with a broad-based tax that is competitive with other states.
- Mr. DeVos also wants to replace the personal property tax.
- He is calling for increased funding for higher education and creation of a merit pay program for teachers.
- His plan calls for signing an executive order creating one-stop shopping for small business, reducing permitting time to 30-days, and cutting red tape.
- In addition, DeVos pledges to open ten trade offices, with the first to be located in Japan, invest in promoting Michigan as a tourism destination, and eliminate state programs that are no longer necessary.
- Finally, he said he would work to create a regional transit system in southeast Michigan and put 500 more police on Detroit streets by the end of 2007.