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Legislation aims at encouraging energy park development

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By Erica Goff

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Senator Roger Kahn and 93rd District Representative Paul Opsommer are “working as a team” to push forward legislation that could put the proposed Great Lakes Energy Research Park into motion.

Last week Kahn described three separate Senate bills, one of which he drafted with the help of Mike Sawruk, President of M&M Energy, the company planning to construct the project, that deal with a renewable energy portfolio. While Kahn’s bill was originally very similar to the other two, additional cooperation with Sawruk and other officials led to the inclusion of a specific element that would benefit the local energy project.

“We added sections that specifically included clean coal technology and unconventional gas as renewable energy sources,” Kahn explained, adding the move would change “what constitutes as renewable energy” so those technologies, which would be used in the GLERP facility, would be included within the standards of the portfolio.

Sawruk, along with Representatives from M&M Energy – Chairman Mike Muckleroy, President Mike Sawruk and Core Energy LLC President Robert Mannes who is a partner on the project – have worked with legislators, including Congressman Dave Camp, Opsommer and Kahn, on developing “working relationships” that could make the facility a reality. Opsommer and Kahn said they are “working very hard” to make sure that happens.

“We want to provide every available avenue and benefit for them to progress,” Opsommer said, adding the development would be a substantial benefit to Gratiot County on a variety of levels.

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practical for people to hook into and generate that (renewable) energy”

Kahn’s proposed Senate bill is one step among many legislators are attempting to move the process forward. Like the two other proposed bills, his develops a mandate for energy suppliers such as DTE Energy and Consumers Energy to have seven percent of its total energy sold be of a renewable classification by 2015. The other bills set similar standards – 10 percent renewable energy by 2015 and 20 percent by 2015 – but “are viewed unrealistic by some,” Kahn said. His bill, however, is the only one of the three that includes the redefinition of the renewable energy portfolio.

Opsommer said he has been working on a similar House bill, one with a mandate of 10 percent by 2015, that also includes Carbon Capture, or Clean Coal Technology. The goal, he said, is to have both the House and Senate energy committees pass the bills and develop a compromise between the two in terms of the mandates.

“We have to work on the mandate. Actually the higher the number is the better for the facility,” Opsommer explained. “If the mandate is higher (for energy suppliers) the greater the demand on their energy.”

Kahn said the bills, hoped to be passed by October, would initiate “a reverse domino effect” in relation to economic development in the area. Legislators and GLERP officials have also been looking into other items that would benefit the project, such as expanding rail links between Midland and Alma and developing partnerships with major energy consumers such as Dow Corning, Dow Chemical and Hemlock Semiconductor.

“This will all just continue building,” Kahn said, describing the cyclical affect: “if an available energy source is cheap, consumers (like Dow and others) will use more energy, which will create more jobs, which will spend more money, and increase energy demand.”

Opsommer and Kahn both spoke of the importance of the potential partnership with Hemlock Semiconductor, due in part to two \$1 billion expansions, one of which has already broke ground and another being discussed.

“Many places (like Hemlock) are looking at energy as an issue, which can lead to a creation of jobs locally – now and down the road,” Kahn said. “Jobs are reinforced by the expansion, and could be created in other local businesses as well.”

He noted Merrill Fabricators as an example, which could be contracted as a partner for Hemlock.

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people to hook into and generate that (renewable) energy” by highlighting three important factors about the Integrated Gas Combined Cycle or IGCC technology the park will use: it is renewable, it is cheap and it encourages competition to keep prices down, he explained.

“Companies look at many different things to keep their costs down,” he said, exemplifying wages and health care. “Companies like Hemlock Semiconductor and Dow also look at energy costs. That is becoming more of an economic issue.”

Both leaders noted the potential ripple effect the success of the GLERP project could have in the area, noting, among other things, the increased attention to the long-pursued US 127 project. Opsommer said the construction of such a state-of-the-art facility in Gratiot County, combined with the existence of the Liberty Renewable Fuels, LLC ethanol plant currently under construction in Ithaca, would mean “more demand on finishing 127.”

“We would be more successful in speeding up funding from MDOT (Department of Transportation) by getting more focus (on that project),” he said.

Kahn and Opsommer said many of the gains necessary to see the idea culminate are expected to pass this year. The House hopes to have a version of the bill passed by the Energy and Technology Committee within the next four weeks, and leaders in the Senate hope to reach agreements in committee near similar timelines. The two Gratiot County leaders said they have and will continue to “work as a team” to help “make this energy park a reality.”