



**House
Legislative
Analysis
Section**

Olds Plaza Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

NON-COMPETITIVE UTILITY BIDS

House Bill 4937

Sponsor: Rep. Ken Sikkema

Committee: Public Utilities

Complete to 6-18-91

A SUMMARY OF HOUSE BILL 4937 AS INTRODUCED 6-10-91

The bill would amend the power supply cost recovery section of the Public Service Commission (PSC) act (Public Act 3 of 1939) to require that after April 30, 1991, large utility companies (utilities with 200,000 or more customers)--in effect, Consumers Power Company and Detroit Edison--file capacity solicitation plans with the Public Service Commission.

The bill would define "capacity solicitation plan" to mean a plan filed by a utility that included the utility's need for capacity, avoided capacity costs, procedures and methods for selecting sources of capacity (including, but not limited to, competitive bidding), and allocation of capacity among supply-side and demand-side options. The Public Service Commission would be able to require a plan be modified before approving it.

After April 30, 1991, the PSC would disallow any capacity charges associated with power purchased by Consumers Power or Detroit Edison for periods of longer than six months unless the utility had an approved capacity solicitation plan on file with the commission.

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