

# HOUSE BILL No. 5893

May 28, 1998, Introduced by Rep. Alley and referred to the Committee on Conservation, Environment and Recreation.

A bill to protect and improve the public health, environmental quality, and natural resource values of this state through an effort to reduce or minimize air and water emissions from electricity generation.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. As used in this act:

2       (a) "Administrative procedures act of 1969" means 1969 PA  
3 306, MCL 24.201 to 24.328.

4       (b) "Commission" means the Michigan public service  
5 commission.

6       (c) "Consumer" or "customer" means an end-user of electric-  
7 ity or an aggregator purchasing or brokering electricity for a  
8 group of end-users.

1 (d) "Contested case" or "case" means "contested case" as  
2 that term is defined in section 3 of the administrative  
3 procedures act of 1969, MCL 24.203.

4 (e) "Electric utility" means any public utility including a  
5 local distribution utility.

6 (f) "Electricity supplier" means, but is not limited to, any  
7 electric utility or any energy service provider that sells elec-  
8 tricity and related services at retail to customers located in  
9 the service territories of local distribution utilities.

10 (g) "Energy service provider" means the provider of elec-  
11 tricity and related services sold to a consumer and delivered by  
12 a local distribution utility that is not affiliated with the  
13 local distribution utility.

14 (h) "Local distribution utility" means a public utility,  
15 other than a municipal electric utility, subject to the  
16 commission's rate jurisdiction that operates the facilities nec-  
17 essary to deliver electricity to customers.

18 (i) "Nonpassable transaction charge" means a charge imposed  
19 for the purposes described in section 2, which may not be avoided  
20 by any customer of a local distribution utility except as specif-  
21 ically provided in section 2.

22 (j) "Person" means an individual, corporation, partnership,  
23 association, governmental entity, or other legal entity.

24 Sec. 2. (1) In addition to the other powers and duties pre-  
25 scribed by law and following a contested case, the commission may  
26 do both of the following:

1 (a) Establish a nonbypassable transaction charge for both of  
2 the following purposes:

3 (i) To support nuclear decommissioning.

4 (ii) To encourage cost-effective energy efficiency and con-  
5 servation activities and in-state research, operation, and devel-  
6 opment of existing, new, and emerging renewable resource  
7 technologies.

8 (b) Collect a charge established under this subsection from  
9 all customers of a local distribution utility except that the  
10 nonbypassable transaction charge shall not apply to retail elec-  
11 tricity sales by the local distribution utility to customer loads  
12 that are located in a geographic area in which the local distri-  
13 bution utility does not provide retail service on the effective  
14 date of this act, or to the extent that customer loads for the  
15 2-month period immediately preceding the effective date of this  
16 act were served by cogeneration, served by self-generation, or  
17 directly served by transmission or distribution facilities of  
18 another electricity supplier that is not subject to the jurisdic-  
19 tion of the commission.

20 (2) The funds distribution for energy efficiency services  
21 under this section shall be distributed to qualified energy effi-  
22 ciency service providers and to eligible customers according to  
23 rules promulgated by the commission. The commission shall estab-  
24 lish a public advisory committee to assist in the development of  
25 the rules and in the oversight of energy efficiency services  
26 funded by this section. Eligible program types shall include,

1 but not be limited to, low-interest loans, direct grants, and  
2 contracts for achieving energy savings.

3       (3) For the first 3 years after the effective date of this  
4 act, the commission shall make available not less than  
5 \$1,000,000.00 nor more than \$5,000,000.00 from the revenues col-  
6 lected from the portion of the nonbypassable transaction charge  
7 levied under this section for grants and loans for the research  
8 and demonstration of cost-effective renewable source technologies  
9 that have the potential to reduce adverse environmental impacts  
10 from electricity generation. The commission shall, with the  
11 assistance of the public advisory committee established under  
12 subsection (2), establish application procedures for these funds  
13 and shall provide that universities, not-for-profit organiza-  
14 tions, and other persons may apply and be eligible to receive  
15 these funds.

16       Sec. 3. (1) The commission shall require that all electric-  
17 ity suppliers offer and may charge for energy efficiency audits,  
18 education, and information on the environmental and economic ben-  
19 efits of energy efficiency to residential customers.

20       (2) The commission shall require that all electricity sup-  
21 pliers offer to residential customers the option to purchase  
22 electricity derived from "renewables". As used in this section,  
23 "renewables" means electric power generated from waste to energy  
24 facilities or hydropower facilities in existence as of January 1,  
25 1997, organic waste, biomass, wood, dedicated energy crops, land-  
26 fill gas, coal-bed methane, geothermal, solar, wind, fuel cells,

1 photovoltaic resources, or other renewable energy resources, as  
2 approved by the commission.

3       Sec. 4. It shall not be a condition of doing business in  
4 this state by the commission that an electric supplier under this  
5 section have the ability to deliver renewables-based electricity  
6 at the time of its offering to sell that electricity to its ulti-  
7 mate customers. The commission shall give an electric supplier a  
8 reasonable period of time to acquire and supply renewables-based  
9 electricity to an ultimate customer who requests such  
10 electricity.

11       Sec. 5. (1) The commission shall within 1 year of the  
12 effective date of this act establish procedures to require not  
13 less than annual reporting of renewable source supply percentages  
14 with which all electricity suppliers shall comply.

15       (2) If, within 5 years of the effective date of this act,  
16 the proportion of all electricity supplied in this state from  
17 renewable sources does not meet or exceed 5%, the commission  
18 shall require all electricity suppliers to certify that they meet  
19 or exceed a 5% renewable source supply standard not later than 5  
20 years after the effective date of this act, if such supplies of  
21 power can be obtained at a price not greater than 110% of the  
22 market price of power to the customer.

23       (3) An energy service provider may satisfy the renewable  
24 source requirement by purchasing renewable source energy. For  
25 purposes of calculating the percentage of electricity supplied  
26 from renewable sources, the commission shall include all  
27 electricity generated by organic waste, biomass, landfill gas,

1 geothermal, solar, wind, and fuel cells. The commission shall  
2 also include electricity generated by hydropower facilities and  
3 waste-to-energy facilities in existence as of January 1, 1997,  
4 but the commission shall not include electricity generated by  
5 hydropower facilities and waste-to-energy facilities which com-  
6 mence or recommence operations after January 1, 1998.

7       Sec. 6. (1) The commission shall establish by rule informa-  
8 tion disclosure and filing requirements for competitive energy  
9 service providers. The rules shall require generation providers  
10 to file their generally available rates, terms, and conditions  
11 with the commission. The rules shall establish standard disclo-  
12 sure requirements for all energy service providers.

13       (2) The commission shall develop a standard format for dis-  
14 closure requirements to facilitate ease of comparison and  
15 informed consumer choice.

16       (3) The rules setting forth disclosure requirements shall  
17 include, but not be limited to, any of the following  
18 information:

19       (a) Standard unit price.

20       (b) Price variability.

21       (c) The supplier's typical source of electricity and the  
22 average source of fuel for generation of such electricity during  
23 the preceding year.

24       (d) Average annual emissions to the extent available for the  
25 previous year of provider sources to air, water, and land for the  
26 latest period, which provides the amount of emissions during  
27 power generation of nitrogen oxides, sulfur dioxide, carbon

1 dioxide, particulates, heavy metals, and including but not  
2 limited to mercury.

3 (e) An energy service provider profile.

4 (4) The commission shall require that the information dis-  
5 closed under this section be provided to customers in writing  
6 with any mail solicitation, and by other means that the commis-  
7 sion considers appropriate to assure the consumer's right to know  
8 about price, fuel mix, and environmental impacts of consumer  
9 choice. The commission shall electronically compile and maintain  
10 this information at a designated web site. The commission shall  
11 require that the information be periodically updated annually.