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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
4 – North, HOB Lansing, MI

HB5457 AS REPORTED WITHOUT AMENDMENT

Sponsor: Rep. Ken Bradstreet

Committee: ENERGY AND TECHNOLOGY

HB5458 SUBSTITUTE
H-1

Sponsor: Rep. Joseph L. Rivet

Committee: ENERGY AND TECHNOLOGY

HB5459 AS REPORTED WITHOUT AMENDMENT

Sponsor: Rep. Barb VanderVeen

Committee: ENERGY AND TECHNOLOGY

Analyst(s): Schneider, Bob

Completed: 12/10/01

State Fiscal Impact

Cost: None
Revenues: None

Local Fiscal Impact

Cost: Indeterminate/Decrease
Revenues: Indeterminate/Increase

The bills would allow a "joint agency" formed by one or more municipalities to supply electric power to transfer all or part of its interest in transmission facilities to either a multistate regional transmission system organization approved by the federal government or to one or more of the organization's transmission-owning members. They would also permit a joint agency to buy, sell, acquire, or transfer stock, membership units, or other interests in either a federally approved multistate regional transmission system organization or in one or more of the organization's transmission-owning members.

By clarifying that "joint agencies" may become a part of these regional transmission systems, the bills would expand the market available to municipalities involved in a "joint agency" agreement in buying and selling electricity. Currently, these municipalities buy and sell from other members locally. As part of a regional transmission system organization, these municipalities would have the capacity to buy and sell electricity across a much larger region. Over the long run, this would likely increase the price at which municipalities could sell excess electricity capacity (thus increasing revenue) and decrease the price at which the affected municipalities could purchase electricity when needed (decreasing costs).