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SFA**BILL ANALYSIS**

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Senate Bill 446 (as introduced 5-1-01)
Sponsor: Senator Mat J. Dunaskiss
Committee: Technology and Energy

Date Completed: 5-2-01

CONTENT

The bill would amend the Customer Choice and Electricity Reliability Act to specify that an alternative electric supplier would not be a public utility.

Under the Act, an alternative electric supplier is a person selling electric generation service to retail customers in Michigan. An alternative electric supplier does not include a person who physically delivers electricity directly to retail customers in the State.

MCL 460.10g

BACKGROUND

Statutory provisions for alternative electric suppliers were first enacted by Public Act 141 of 2000, which created the Customer Choice and Electricity Reliability Act. In conjunction with several other measures, Public Act 141 is designed to restructure the electric industry in Michigan in a number of ways. One of these is to give customers the opportunity to choose their electricity provider. Public Act 141 requires the Public Service Commission (PSC) to license alternative electric suppliers and to issue orders establishing the rates, terms, and conditions of service that allow all retail customers of an electric utility or provider to choose an alternative electric supplier. The Act also validated orders issued by the PSC before the Act's effective date (June 5, 2000) that allow customers of an electric utility to choose an alternative electric supplier.

On June 19, 2000, the PSC issued an order approving a licensing procedure for alternative electric suppliers. According to a PSC report dated February 1, 2001, "Status of Electric Competition in Michigan", the Commission had issued 10 alternative supplier licenses as of that date.

Legislative Analyst: G. Towne
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FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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