

SENATE BILL No. 1338

May 16, 2002, Introduced by Senators PETERS, BYRUM, SMITH, DE BEAUSSAERT,
CHERRY and KOIVISTO and referred to the Committee on Technology and Energy.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

(MCL 460.1 to 460.10cc) by adding section 10dd.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 10DD. (1) THE COMMISSION SHALL ESTABLISH A STATEWIDE
2 NET METERING PROGRAM NOT LATER THAN JULY 1, 2002. THE PROGRAM
3 SHALL APPLY TO ALL ELECTRIC SUPPLIERS IN THIS STATE. CUSTOMERS
4 OF ANY CLASS ARE ELIGIBLE TO INTERCONNECT SMALL ELECTRIC GENERA-
5 TORS WITH THEIR LOCAL ELECTRIC DISTRIBUTION COMPANY AND OPERATE
6 THE GENERATORS IN PARALLEL WITH THE DISTRIBUTION SYSTEM.
7 ELECTRIC METERS SHALL BE USED TO DETERMINE THE AMOUNT OF THE
8 CUSTOMER'S USE IN EACH BILLING PERIOD, NET OF ANY EXCESS ENERGY
9 THEIR GENERATOR DELIVERS TO THE UTILITY DISTRIBUTION SYSTEM
10 DURING THAT SAME BILLING PERIOD. THE PROGRAM SHALL BE DESIGNED
11 FOR A PERIOD OF NOT LESS THAN 10 YEARS.

12 (2) THE PROGRAM SHALL ALLOW A SYSTEM ON THE CUSTOMER'S
13 PREMISES WITH A MAXIMUM SIZE OF 20KW OR 1.25 TIMES THEIR PEAK
14 LOAD, WHICHEVER IS GREATER.

15 (3) THE PROGRAM MAY SET A STATEWIDE LIMIT OF 1% OF UTILITY
16 PEAK LOAD.

17 (4) THE PROGRAM SHALL INCLUDE ALL OF THE FOLLOWING
18 COMPONENTS:

19 (A) GUIDELINES TO ALLOW A RETAIL ELECTRIC CUSTOMER TO INTER-
20 CONNECT AND EMPLOY A NET METERING SYSTEM USING EITHER A
21 KILOWATT-HOUR METER CAPABLE OF REGISTERING THE FLOW OF ELECTRIC-
22 ITY IN 2 DIRECTIONS, OR ANOTHER TYPE OF COMPARABLY EQUIPPED METER
23 THAT WOULD OTHERWISE BE APPLICABLE TO THE CUSTOMER'S USAGE FOR
24 THE USE OF NET METERING. ANY SYSTEM GREATER THAN 20KW MAY BE
25 REQUIRED TO EMPLOY METERING EQUIPMENT THAT MEASURES THE TIME OF
26 DAY ELECTRICITY WAS FLOWING TO OR FROM THE FACILITY.

1 (B) AN ELECTRICAL SUPPLIER SHALL CHARGE A CUSTOMER-GENERATOR
2 RATES AND CHARGES THAT ARE IDENTICAL TO THOSE THAT WOULD BE
3 CHARGED OTHER RETAIL CUSTOMERS OF THE ELECTRIC COMPANY IN THE
4 SAME RATE CLASS AND SHALL NOT CHARGE A CUSTOMER-GENERATOR ANY
5 ADDITIONAL STANDBY, CAPACITY, INTERCONNECTION, OR OTHER RATE OR
6 CHARGE.

7 (C) IF THE QUANTITY OF ELECTRICITY GENERATED BY A
8 CUSTOMER-GENERATOR DURING A BILLING PERIOD EXCEEDS THE QUANTITY
9 OF ELECTRICITY SUPPLIED BY THE ELECTRIC COMPANY DURING THE BILL-
10 ING PERIOD, THE CUSTOMER-GENERATOR SHALL BE CREDITED FOR THE
11 EXCESS KILOWATT-HOURS GENERATED DURING THE BILLING PERIOD, WITH
12 THE CREDIT APPEARING ON THE BILL FOR THE FOLLOWING BILLING
13 PERIOD. A CUSTOMER MAY CARRY FORWARD A CREDIT FOR A MAXIMUM OF
14 12 MONTHS. AT THE END OF THE 12 MONTHS, THE VALUE OF ANY EXCESS
15 ELECTRICITY GENERATED SHALL BE CREDITED BY THE UTILITY TO AN
16 ACCOUNT ESTABLISHED FOR THE BENEFIT OF LOW-INCOME RESIDENTIAL
17 CUSTOMERS.

18 (D) THE COMMISSION SHALL ESTABLISH MINIMUM INTERCONNECTION
19 REQUIREMENTS THAT ARE DESIGNED TO PROTECT UTILITY WORKERS. A
20 DISTRIBUTOR MAY, AT ITS OWN EXPENSE, AND UPON REASONABLE WRITTEN
21 NOTICE TO A CUSTOMER-GENERATOR, PERFORM SUCH TESTING AND INSPEC-
22 TION OF A NET METERING SYSTEM AS IS NECESSARY TO DEMONSTRATE TO
23 THE SATISFACTION OF THE ELECTRIC COMPANY THAT THE SYSTEM CONFORMS
24 TO APPLICABLE ELECTRIC SAFETY, POWER QUALITY, AND INTERCONNECTION
25 REQUIREMENTS.