

## INDEPENDENT TRANSMISSION COMPANIES

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### House Bill 5807

Sponsor: Rep. Bill McConico

### House Bill 5808

Sponsor: Rep. Ken Bradstreet

Committee: Energy and Technology

Complete to 5-4-04

## A SUMMARY OF HOUSE BILLS 5807 AND 5808 AS INTRODUCED 4-22-04

The bills would amend two electric energy-related acts to establish, in statute, independent electricity transmission companies. Both bills would define “independent transmission company” to mean a person, partnership, corporation, association, or other legal entity that is engaged in the state in the transmission of electricity using facilities it owns that have been divested under section 10w of Public Act 3 of 1939 and is independent of an electric utility (or an affiliate) generating or distributing electricity to retail customers in the state. [Section 10w of Public Act 3 was added by Public Act 141 of 2000, the Customer Choice and Electricity Reliability Act, and required each investor-owned electric utility in the state to either join a Federal Energy Regulatory Commission-approved multistate regional transmission system organization or other FERC-approved multistate independent transmission organization or divest its interest in its transmission facilities to an independent transmission owner by December 31, 2001.] The bills are tied-barred to each other.

### House Bill 5807 - Public Act 238 of 1923 (Electric and Gas Corporations)

The bill would amend Public Act 238 of 1923 to provide an independent transmission company with the power to condemn property that is necessary to transmit electric energy for public use, subject to the Electric Transmission Line Certification Act and the Uniform Condemnation Procedures Act. In condemning property, an independent transmission company would be subject to the same procedures and requirements under the act as a corporation formed under the act. The authority of the independent transmission company and any procedure or requirements under the act that are inconsistent with the Electric Transmission Line Certification Act or the Uniform Condemnation Procedure Act would not apply to an independent transmission company.

MCL 486.253

## **House Bill 5808 - Electric Transmission Line Certification Act**

The bill would amend the Electric Transmission Line Certification Act to extend requirements placed on electric utilities related to the construction of major transmission lines to independent transmission companies.

The act regulates the process by which electric utilities with at least 50,000 residential customers are permitted to construct major transmission lines and requires, among other things, a utility to hold a public meeting in each affected municipality and to provide each affected landowner with notice and the Public Service Commission to hold a hearing on an application to construct a major transmission line. Electric utilities are required to obtain a certificate of public convenience and necessity from the PSC prior to beginning construction on a major transmission line. The application for the certificate must include, among others, a detailed description of the proposed major route, a description and evaluation of any alternate routes and why the proposed route was selected, estimated public benefits, estimated cost, and potential affects on the public health and safety. The PSC shall grant the certificate if it determines that the public benefits justify the construction, the route is feasible and reasonable, the proposed major transmission line does not pose an unreasonable threat to public health or safety, and the utility accepts conditions in a conditional grant. Construction must commence within five years from the date on which the certificate was granted.

MCL 460.562 et al.

### **FISCAL IMPACT:**

There is no fiscal impact to either the State or local units of government

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.