

SENATE BILL No. 1362

November 8, 2012, Introduced by Senator KAHN and referred to the Committee on Energy and Technology.

A bill to provide electricity purchasing options to certain electric customers that generate self-service power; to require the adjustment of certain charges by electric utilities; and to prescribe the powers and duties of certain state agencies and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "jobs
2 preservation, economic development, and ratepayer protection act of
3 2012".

4 Sec. 3. As used in this act:

5 (a) "Alternative electric supplier" means that term as defined
6 in section 10g of 1939 PA 3, MCL 460.10g.

7 (b) "Commission" means the Michigan public service commission

1 created in section 1 of 1939 PA 3, MCL 460.1.

2 (c) "Electric utility" means that term as defined in section 2
3 of the electric transmission line certification act, 1995 PA 30,
4 MCL 460.562.

5 (d) "Process of constructing" means when an industrial
6 customer has entered into a binding contract for construction of
7 electrical generation facilities and has obtained all of the
8 necessary permits for construction.

9 Sec. 5. (1) An industrial consumer of electricity that, at a
10 single site or contiguous sites, meets both of the following
11 criteria may obtain all or any portion of its electricity from an
12 alternative electric supplier:

13 (a) Has an electric load of at least 150 megawatts.

14 (b) Has installed or is in the process of constructing
15 electrical generation facilities with a combined gross nameplate
16 rating of at least 100 megawatts to serve that electric load. The
17 electrical generation facilities shall meet the requirement of this
18 subdivision whether the generation facilities are owned by the
19 industrial consumer of electricity or by an entity other than the
20 industrial consumer of electricity.

21 (2) At any time when an industrial consumer of electricity
22 obtains any portion of its electricity from an alternative electric
23 supplier under this act, the electric utility that formerly
24 supplied that portion of the industrial consumer's electricity does
25 not have any obligation to maintain reserve capacity related to
26 that portion of the industrial consumer's load.

27 (3) If an industrial consumer of electricity described in

1 subsection (1) has paid for the cost of all or any part of the
2 distribution facilities that the electric utility uses to deliver
3 the electricity from an alternative electric supplier to the
4 industrial consumer of electricity, the electric utility shall
5 adjust its distribution charges so that the industrial consumer of
6 electricity is not charged for the electric utility's use of those
7 facilities.

8 (4) If an electric utility delivers electricity from an
9 alternative electric supplier to an industrial consumer of
10 electricity described in subsection (1) from the transmission grid
11 at 138 kilovolts or greater, the electric utility shall not charge
12 the industrial consumer of electricity the full tariff rate for
13 distribution, but shall instead reduce its distribution charges to
14 reflect only the direct costs of those facilities that were
15 purchased by the electric utility and that are directly used to
16 deliver electricity from the transmission grid to the industrial
17 consumer of electricity.

18 (5) Nothing in this act limits the existing rights of any
19 other electric customer to obtain service from an alternative
20 electric supplier.

21 (6) The commission has the authority and obligation to enforce
22 this act.

23 (7) If there is a conflict between this act and any other act
24 of this state, this act controls.