

EXEMPT INDEPENDENT POWER PRODUCERS AND MANUFACTURING OR MINING OPERATIONS

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Senate Bill 358 (Substitute S-1 as amended)

Sponsor: Sen. Arlan Meekhof

House Committee: Regulatory Reform

Senate Committee: Reforms, Restructuring, and Reinventing

Complete to 11-4-13

A SUMMARY OF SENATE BILL 358 (S-1 AS AMENDED) AS PASSED BY THE SENATE 10-17-13

Generally, the Electrical Administrative Act prohibits individuals from engaging in electrical contracting without being licensed under the act as an electrical contractor or employed by and working under the direction of a licensed electrical contractor. However, the act contains a number of exceptions to this requirement for specific classes of work.

Senate Bill 358 would add to the list of exempt classes of work: (1) independent power producers that install, alter, or repair electrical equipment under certain conditions, and (2) agents or employees of a manufacturing or mining operator, if the operator employs a licensed master electrician that meets certain criteria.

Exemption for manufacturing or mining operation

The bill would exempt the installation, alteration, maintenance, repair, or renovation of electrical wiring by an employee or agent of a manufacturing or mining operation if both of the following are met:

- A licensed master electrician is employed or engaged by the operation and designated as responsible for (1) code compliance; (2) obtaining all necessary permits for installation, alteration, maintenance, repair, or renovation of electrical wiring; and (3) recording the applicable hours worked by employees engaged in an apprenticeship program.
- The operation notifies the Department of Licensing and Regulatory Affairs in writing of the identity of the master electrician that is responsible for code compliance.

The written notice provided to LARA would have to include the name, phone number, business address, and signature of the designated licensed master electrician for the mining or manufacturing operation (or someone authorized to sign on the operation's behalf). If a mining or manufacturing operation designates a different licensed master electrician for code compliance, the operation would have to provide the same written information to the department. Notice would have to be provided to LARA within 60 days of a licensed master electrician ceasing responsibility for code compliance.

LARA would be required to maintain a copy of each notice designating a licensed master electrician for code compliance that it receives.

Exemption for independent power producer

Currently, a license is not needed for an electrical energy supply or communication agency with respect to the installation, alteration, or repair of electrical equipment and associated wiring that is installed on the premises of consumers or subscribers and used to generate, transmit, distribute, meter the energy, or operate signals or transmit intelligence.

Additionally, a license is not needed for an electric light and power utility with respect to the installation, alteration, or repair of electrical wiring for the generation and primary distribution of electric current, or the secondary distribution system up to and including the meters, if the work is an integral part of the system.

The bill would extend these exemptions to also apply to *independent power producers*.

"*Independent power producer*" would mean a person, other than an electric utility, that owns or operates a facility that generates electricity and sells electricity primarily at wholesale.

MCL 338.887

FISCAL IMPACT:

The bill would not have a significant fiscal impact on the state or local units of government.

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