

HOUSE BILL No. 5693

March 6, 2018, Introduced by Reps. Rabhi, Sabo, Reilly, Robinson, Howell, Scott, Cambensy, Geiss and Johnson and referred to the Committee on Energy Policy.

A bill to amend 2008 PA 295, entitled
"Clean and renewable energy and energy waste reduction act,"
by amending sections 7 and 177 (MCL 460.1007 and 460.1177), as
amended by 2016 PA 342; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. As used in this act:

2 (a) "Gasification facility" means a facility located in this
3 state that, using a thermochemical process that does not involve
4 direct combustion, produces synthesis gas, composed of carbon
5 monoxide and hydrogen, from carbon-based feedstocks (such as coal,
6 petroleum coke, wood, biomass, hazardous waste, medical waste,
7 industrial waste, and solid waste, including, but not limited to,
8 municipal solid waste, electronic waste, and waste described in

1 section 11514 of the natural resources and environmental protection
2 act, 1994 PA 451, MCL 324.11514) and that uses the synthesis gas or
3 a mixture of the synthesis gas and methane to generate electricity
4 for commercial use. Gasification facility includes the transmission
5 lines, gas transportation lines and facilities, and associated
6 property and equipment specifically attributable to such a
7 facility. Gasification facility includes, but is not limited to, an
8 integrated gasification combined cycle facility and a plasma arc
9 gasification facility.

10 (b) "Incremental costs of compliance" means the net revenue
11 required by an electric provider to comply with the renewable
12 energy standard, calculated as provided under section 47.

13 (c) "Independent transmission company" means that term as
14 defined in section 2 of the electric transmission line
15 certification act, 1995 PA 30, MCL 460.562.

16 (d) "Integrated gasification combined cycle facility" means a
17 gasification facility that uses a thermochemical process, including
18 high temperatures and controlled amounts of air and oxygen, to
19 break substances down into their molecular structures and that uses
20 exhaust heat to generate electricity.

21 (e) "Integrated pyrolysis combined cycle facility" means a
22 pyrolysis facility that uses exhaust heat to generate electricity.

23 (f) "LEED" means the leadership in energy and environmental
24 design green building rating system developed by the United States
25 Green Building Council.

26 (g) "Load management" means measures or programs that target
27 equipment or behavior to result in decreased peak electricity

1 demand such as by shifting demand from a peak to an off-peak
2 period.

3 (h) "Megawatt", "megawatt hour", or "megawatt hour of
4 electricity", unless the context implies otherwise, includes the
5 steam equivalent of a megawatt or megawatt hour of electricity.

6 (i) "Modified net metering" means a utility billing method
7 that applies the power supply component of the full retail rate to
8 the net of the bidirectional flow of kilowatt hours across the
9 customer interconnection with the utility distribution system,
10 during a billing period or time-of-use pricing period. A negative
11 net metered quantity during the billing period or during each time-
12 of-use pricing period within the billing period reflects net excess
13 generation for which the customer is entitled to receive credit
14 under section 177(4). Under modified net metering, standby charges
15 for distributed generation customers on an energy rate schedule
16 shall be equal to the retail distribution charge applied to the
17 imputed customer usage during the billing period. The imputed
18 customer usage is calculated as the sum of the metered on-site
19 generation and the net of the bidirectional flow of power across
20 the customer interconnection during the billing period. The
21 commission shall establish standby charges under modified net
22 metering for distributed generation customers on demand-based rate
23 schedules that provide an equivalent contribution to utility system
24 costs. ~~A charge for net metering and distributed generation~~
25 ~~customers established pursuant to section 6a of 1939 PA 3, MCL~~
26 ~~460.6a, shall not be recovered more than once. This subdivision is~~
27 ~~subject to section 177(5).~~

1 Sec. 177. (1) Electric meters shall be used to determine the
2 amount of the customer's energy use in each billing period, net of
3 any excess energy the customer's generator delivers to the utility
4 distribution system during that same billing period. For a customer
5 with a generation system capable of generating more than 20
6 kilowatts, the utility shall install and utilize a generation meter
7 and a meter or meters capable of measuring the flow of energy in
8 both directions. A customer with a system capable of generating
9 more than 150 kilowatts shall pay the costs of installing any new
10 meters.

11 (2) An electric utility serving over 1,000,000 customers in
12 this state may provide its customers participating in the
13 distributed generation program, at no additional charge, a meter or
14 meters capable of measuring the flow of energy in both directions.

15 (3) An electric utility serving fewer than 1,000,000 customers
16 in this state shall provide a meter or meters described in
17 subsection (2) to customers participating in the distributed
18 generation program at cost. Only the incremental cost above that
19 for meters provided by the electric utility to similarly situated
20 nongenerating customers shall be paid by the eligible customer.

21 (4) If the quantity of electricity generated and delivered to
22 the utility distribution system by an eligible electric generator
23 during a billing period exceeds the quantity of electricity
24 supplied from the electric utility or alternative electric supplier
25 during the billing period, the eligible customer shall be credited
26 by their supplier of electric generation service for the excess
27 kilowatt hours generated during the billing period. The credit

shall appear on the bill for the following billing period and shall be limited to the total power supply charges on that bill. Any excess kilowatt hours not used to offset electric generation charges in the next billing period will be carried forward to subsequent billing periods. Notwithstanding any law or regulation, distributed generation customers shall not receive credits for electric utility transmission or distribution charges. The credit per kilowatt hour for kilowatt hours delivered into the utility's distribution system shall be either of the following:

(a) The monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory, or for distributed generation customers on a time-based rate schedule, the monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory during the time-of-use pricing period.

(b) The electric utility's or alternative electric supplier's power supply component, excluding transmission charges, of the full retail rate during the billing period or time-of-use pricing period.

~~———— (5) A charge for net metering and distributed generation customers established pursuant to section 6a of 1939 PA 3, MCL 460.6a, shall not be reduced by any credit or other ratemaking mechanism for distributed generation under this section.~~

Enacting section 1. Section 183 of clean and renewable energy and energy waste reduction act, 2008 PA 295, MCL 460.1183, is repealed.