

SENATE BILL NO. 439

June 24, 2025, Introduced by Senators WEBBER, ALBERT, BELLINO, DAMOOSE, HAUCK, LINDSEY, THEIS and OUTMAN and referred to Committee on Government Operations.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers and certain providers of electric vehicle charging services; 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 powers and duties of certain state governmental officers and entities; 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 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,"

by amending section 6t (MCL 460.6t), as amended by 2023 PA 231.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6t. (1) The commission shall, by August 31, 2025, and
2 every 4 years thereafter, commence a proceeding and, in
3 consultation with the department of environment, Great Lakes, and
4 energy, and other interested parties, do all of the following as
5 part of the proceeding:

6 (a) Conduct an assessment of the potential for energy waste
7 reduction in this state.

8 (b) Conduct an assessment for the use of demand response
9 programs in this state, based on what is economically and
10 technologically feasible, as well as what is reasonably achievable.
11 The assessment must expressly account for advanced metering
12 infrastructure that has already been installed in this state and
13 seek to fully maximize potential benefits to ratepayers in lowering
14 utility bills.

15 (c) Identify significant state or federal environmental
16 regulations, laws, or rules and how each regulation, law, or rule
17 would affect electric utilities in this state.

18 (d) Identify any formally proposed state or federal
19 environmental regulation, law, or rule that has been published in

1 the Michigan Register or the Federal Register and how the proposed
2 regulation, law, or rule would affect electric utilities in this
3 state.

4 (e) Identify any required planning reserve margins and local
5 clearing requirements in areas of this state.

6 (f) Establish the modeling scenarios and assumptions each
7 electric utility should include in addition to its own scenarios
8 and assumptions in developing its integrated resource plan filed
9 under subsection (3), including, but not limited to, all of the
10 following:

11 (i) Any required planning reserve margins and local clearing
12 requirements.

13 (ii) All applicable state and federal environmental
14 regulations, laws, and rules identified in this subsection.

15 (iii) Any supply-side and demand-side resources that reasonably
16 could address any need for additional generation capacity,
17 including, but not limited to, the type of generation technology
18 for any proposed generation facility, projected energy waste
19 reduction savings, projected load impact due to electrification,
20 and projected load management and demand response savings.

21 (iv) Any regional infrastructure limitations in this state.

22 (v) The projected costs of different types of technologies and
23 fuel used for electric generation.

24 (g) Allow other state agencies to provide input regarding any
25 other regulatory requirements that should be included in modeling
26 scenarios or assumptions.

27 (h) Publish a copy of the proposed modeling scenarios and
28 assumptions to be used in integrated resource plans on the
29 commission's website.

1 (i) Before issuing the final modeling scenarios and
2 assumptions each electric utility should include in developing its
3 integrated resource plan, receive written comments and hold
4 hearings to solicit public input regarding the proposed modeling
5 scenarios and assumptions.

6 (j) Conduct an assessment of the potential for electrification
7 of transportation, buildings, and industries consistent with
8 economy-wide elimination of greenhouse gas emissions in this state,
9 based on what is economically and technically feasible, as well as
10 what is reasonably achievable.

11 (k) Identify environmental justice communities.

12 (2) A proceeding commenced under subsection (1) must be
13 completed within 120 days, and is not a contested case under
14 chapter 4 of the administrative procedures act of 1969, 1969 PA
15 306, MCL 24.271 to 24.288. The determination of the modeling
16 assumptions for integrated resource plans made under subsection (1)
17 is not considered a final order for purposes of judicial review.
18 The determinations made under subsection (1) are only subject to
19 judicial review as part of the final commission order approving an
20 integrated resource plan under this section.

21 (3) Not later than April 20, 2019, each electric utility whose
22 rates are regulated by the commission shall file with the
23 commission an integrated resource plan that provides a 5-year, 10-
24 year, and 15-year projection of the utility's load obligations and
25 a plan to meet those obligations, to meet the utility's
26 requirements to provide generation reliability, including meeting
27 planning reserve margin and local clearing requirements determined
28 by the commission or the appropriate independent system operator,
29 and to meet all applicable state and federal reliability and

1 environmental regulations over the ensuing term of the plan. The
2 commission shall issue an order establishing filing requirements,
3 including application forms and instructions, and filing deadlines
4 for an integrated resource plan filed by an electric utility whose
5 rates are regulated by the commission. The electric utility's plan
6 may include alternative modeling scenarios and assumptions in
7 addition to those identified under subsection (1).

8 (4) For an electric utility with fewer than 1,000,000
9 customers in this state whose rates are regulated by the
10 commission, the commission may issue an order implementing separate
11 filing requirements, review criteria, and approval standards that
12 differ from those established under subsection (3). An electric
13 utility providing electric tariff service to customers both in this
14 state and in at least 1 other state may design its integrated
15 resource plan to cover all its customers on that multistate basis.
16 If an electric utility has filed a multistate integrated resource
17 plan that includes its service area in this state with the relevant
18 utility regulatory commission in another state in which it provides
19 tariff service to retail customers, the commission shall accept
20 that integrated resource plan filing for filing purposes in this
21 state. However, the commission may require supplemental information
22 if necessary as part of its evaluation and determination of whether
23 to approve the plan. Upon request of an electric utility, the
24 commission may adjust the filing dates for a multistate integrated
25 resource plan filing in this state to place its review on the same
26 timeline as other relevant state reviews.

27 (5) An integrated resource plan must include all of the
28 following:

29 (a) A long-term forecast of the electric utility's sales and

1 peak demand under various reasonable scenarios.

2 (b) The type of generation technology proposed for a
3 generation facility contained in the plan and the proposed capacity
4 of the generation facility, including projected fuel costs under
5 various reasonable scenarios.

6 (c) Projected energy purchased or produced by the electric
7 utility from a renewable energy resource. If the level of renewable
8 energy purchased or produced is projected to drop over the planning
9 periods set forth in subsection (3), the electric utility must
10 demonstrate why the reduction is in the best interest of
11 ratepayers.

12 (d) An analysis of how the electric utility's plan complies
13 with the renewable energy plan requirements and goals of section 28
14 of the clean and renewable energy and energy waste reduction act,
15 2008 PA 295, MCL 460.1028, the clean energy requirements of section
16 51 of the clean and renewable energy and energy waste reduction
17 act, 2008 PA 295, MCL 460.1051, the energy waste reduction measures
18 in section 77 of the clean and renewable energy and energy waste
19 reduction act, 2008 PA 295, MCL 460.1077, and the energy storage
20 target of section 101 of the clean and renewable energy and energy
21 waste reduction act, 2008 PA 295, MCL 460.1101.

22 (e) Projected load management and demand response savings for
23 the electric utility and the projected costs for those programs.

24 (f) Projected energy and capacity purchased or produced by the
25 electric utility from a cogeneration resource.

26 (g) An analysis of potential new or upgraded electric
27 transmission options for the electric utility.

28 (h) Data regarding the utility's current generation portfolio,
29 including the age, capacity factor, licensing status, and remaining

1 estimated time of operation for each facility in the portfolio.

2 (i) Plans for meeting current and future capacity needs with
3 the cost estimates for all proposed construction and major
4 investments, including any transmission or distribution
5 infrastructure that would be required to support the proposed
6 construction or investment, and power purchase agreements.

7 (j) An analysis of the cost, capacity factor, and viability of
8 all reasonable options available to meet projected energy and
9 capacity needs, including, but not limited to, existing electric
10 generation facilities in this state.

11 (k) Projected rate and affordability impact for the periods
12 covered by the plan.

13 (l) How the utility will comply with all applicable state and
14 federal environmental regulations, laws, and rules, and the
15 projected costs of complying with those regulations, laws, and
16 rules.

17 (m) A forecast of the utility's peak demand and details
18 regarding the amount of peak demand reduction the utility expects
19 to achieve and the actions the utility proposes to take in order to
20 achieve that peak demand reduction.

21 (n) The projected long-term firm gas transportation contracts
22 or natural gas storage the electric utility will hold to provide an
23 adequate supply of natural gas to any new generation facility.

24 (o) The projected long-term forecast of greenhouse gas
25 emissions and other pollutants from power generated or purchased by
26 the electric utility. The electric utility may include details on
27 the broader emissions impact of shifting to electrification of
28 transportation, buildings, and industries.

29 (p) An environmental justice impact analysis that includes a

1 review of the reasonably anticipated environmental justice impacts
2 for any plan that includes the construction of a new natural-gas-
3 fired generation facility and an analysis of whether the facility
4 complies with the requirements for clean energy systems established
5 in the clean and renewable energy and energy waste reduction act,
6 2008 PA 295, MCL 460.1001 to 460.1211. If a plan proposes retiring
7 or retaining 1 or more fossil fuel peaking plants, in an
8 environmental justice community, a review of the reasonably
9 anticipated environmental justice impacts for each generation
10 facility.

11 (6) Before filing an integrated resource plan under this
12 section, each electric utility whose rates are regulated by the
13 commission shall issue a request for proposals to provide any new
14 supply-side generation capacity resources needed to serve the
15 utility's reasonably projected electric load, applicable planning
16 reserve margin, and local clearing requirement for its customers in
17 this state and customers the utility serves in other states during
18 the initial 3-year planning period to be considered in each
19 integrated resource plan to be filed under this section. An
20 electric utility shall define qualifying performance standards,
21 contract terms, technical competence, capability, reliability,
22 creditworthiness, past performance, and other criteria that
23 responses and respondents to the request for proposals must meet in
24 order to be considered by the utility in its integrated resource
25 plan to be filed under this section. Respondents to a request for
26 proposals may request that certain proprietary information be
27 exempt from public disclosure as allowed by the commission. A
28 utility that issues a request for proposals under this subsection
29 shall use the resulting proposals to inform its integrated resource

1 plan filed under this section and include all of the submitted
2 proposals as attachments to its integrated resource plan filing
3 regardless of whether the proposals met the qualifying performance
4 standards, contract terms, technical competence, capability,
5 reliability, creditworthiness, past performance, or other criteria
6 specified for the utility's request for proposals under this
7 section. An existing supplier of electric generation capacity
8 currently producing at least 200 megawatts of firm electric
9 generation capacity resources located in the independent system
10 operator's zone in which the utility's load is served that seeks to
11 provide electric generation capacity resources to the utility may
12 submit a written proposal directly to the commission as an
13 alternative to any supply-side generation capacity resource
14 included in the electric utility's integrated resource plan
15 submitted under this section, and has standing to intervene in the
16 contested case proceeding conducted under this section. This
17 subsection does not require an entity that submits an alternative
18 under this subsection to submit an integrated resource plan. This
19 subsection does not limit the ability of any other person to submit
20 to the commission an alternative proposal to any supply-side
21 generation capacity resource included in the electric utility's
22 integrated resource plan submitted under this section and to
23 petition for and be granted leave to intervene in the contested
24 case proceeding conducted under this section under the rules of
25 practice and procedure of the commission. The commission shall only
26 consider an alternative proposal submitted under this subsection as
27 part of its approval process under subsection (8). The electric
28 utility submitting an integrated resource plan under this section
29 is not required to adopt any proposals submitted under this

1 subsection. To the extent practicable, each electric utility is
2 encouraged, but not required, to partner with other electric
3 providers in the same local resource zone as the utility's load is
4 served in the development of any new supply-side generation
5 capacity resources included as part of its integrated resource
6 plan.

7 (7) Not later than 300 days after an electric utility files an
8 integrated resource plan under this section, the commission shall
9 state if the commission has any recommended changes, and if so,
10 describe them in sufficient detail to allow their incorporation in
11 the integrated resource plan. If the commission does not recommend
12 changes, it shall issue a final, appealable order approving or
13 denying the plan filed by the electric utility. If the commission
14 recommends changes, the commission shall set a schedule allowing
15 parties at least 15 days after that recommendation to file comments
16 regarding those recommendations, and allowing the electric utility
17 at least 30 days to consider the recommended changes and submit a
18 revised integrated resource plan that incorporates 1 or more of the
19 recommended changes. If the electric utility submits a revised
20 integrated resource plan under this section, the commission shall
21 issue a final, appealable order approving the plan as revised by
22 the electric utility or denying the plan. The commission shall
23 issue a final, appealable order no later than 360 days after an
24 electric utility files an integrated resource plan under this
25 section. Up to 150 days after an electric utility makes its initial
26 filing, the electric utility may file to update its cost estimates
27 if those cost estimates have materially changed. A utility shall
28 not modify any other aspect of the initial filing unless the
29 utility withdraws and refiles the application. A utility's filing

1 updating its cost estimates does not extend the period for the
2 commission to issue an order approving or denying the integrated
3 resource plan. The following are applicable to an integrated
4 resource plan filed under this section:

5 (a) The commission shall do all of the following:

6 (i) Review the integrated resource plan in a contested case
7 proceeding conducted in accordance with chapter 4 of the
8 administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to
9 24.288.

10 (ii) Allow intervention by interested persons including
11 electric customers of the utility, respondents to the utility's
12 request for proposals under this section, or other parties approved
13 by the commission.

14 (iii) Request an advisory opinion from the department of
15 environment, Great Lakes, and energy regarding all of the
16 following:

17 (A) Whether any potential decrease in emissions of sulfur
18 dioxide, oxides of nitrogen, mercury, and particulate matter would
19 reasonably be expected to result if the integrated resource plan
20 proposed by the electric utility under subsection (3) was approved.

21 (B) Whether the integrated resource plan can reasonably be
22 expected to achieve compliance with the regulations, laws, or rules
23 identified in subsection (1).

24 (C) The potential impacts of proposed energy generation
25 resources and of any prudent and feasible alternatives identified
26 by the department on whether the plan makes adequate progress
27 toward achieving the clean energy standard established in section
28 51 of the clean and renewable energy and energy waste reduction
29 act, 2008 PA 295, MCL 460.1051.

1 (D) The potential impacts of the plan and of any prudent and
2 feasible alternatives identified by the department on whether the
3 plan makes adequate progress toward the economy-wide virtual
4 elimination of greenhouse gas emissions in this state by 2050.

5 (E) Whether the plan in comparison to any prudent and feasible
6 alternatives makes adequate progress toward the elimination of
7 adverse effects on human health due to power generation in this
8 state.

9 (F) Whether the plan in comparison to any prudent and feasible
10 alternatives adequately reduces harms to the health, safety, and
11 welfare of individuals in environmental justice communities.

12 (b) The commission may do 1 or both of the following:

13 (i) Take official notice of the opinion issued by the
14 department of environment, Great Lakes, and energy under this
15 subsection pursuant to R 792.10428 of the Michigan Administrative
16 Code. Information submitted by the department of environment, Great
17 Lakes, and energy under this subsection is advisory and is not
18 binding on future determinations by the department of environment,
19 Great Lakes, and energy or the commission in any proceeding or
20 permitting process. This section does not prevent an electric
21 utility from applying for, or receiving, any necessary permits from
22 the department of environment, Great Lakes, and energy.

23 (ii) Invite other state agencies to provide testimony regarding
24 other relevant regulatory requirements related to the integrated
25 resource plan. The commission shall permit reasonable discovery
26 after an integrated resource plan is filed and during the hearing
27 in order to assist parties and interested persons in obtaining
28 evidence concerning the integrated resource plan, including, but
29 not limited to, the reasonableness and prudence of the plan and

1 alternatives to the plan raised by intervening parties.

2 (8) The commission shall approve the integrated resource plan
3 under subsection (7) if the commission determines all of the
4 following:

5 (a) The proposed integrated resource plan represents the most
6 reasonable and prudent means of meeting the electric utility's
7 energy and capacity needs. To determine whether the integrated
8 resource plan is the most reasonable and prudent means of meeting
9 energy and capacity needs, the commission shall consider whether
10 the plan appropriately balances all of the following factors:

11 (i) Resource adequacy and capacity to serve anticipated peak
12 electric load, applicable planning reserve margin, and local
13 clearing requirement.

14 (ii) Compliance with applicable state and federal environmental
15 regulations.

16 (iii) Competitive pricing.

17 (iv) Reliability.

18 (v) Commodity price risks.

19 (vi) Diversity of generation supply.

20 (vii) Whether the proposed levels of peak load reduction and
21 energy waste reduction are reasonable and cost-effective.

22 (viii) Affordability.

23 (ix) Overall cost-effectiveness in providing utility service.

24 (b) To the extent practicable, the construction or investment
25 in a new or existing capacity resource in this state is completed
26 using a workforce composed of residents of this state as determined
27 by the commission. This subdivision does not apply to a capacity
28 resource that is located in a county that lies on the border with
29 another state.

1 (c) The construction and construction maintenance of new or
2 the rehabilitation of existing capacity resources in this state
3 includes using an apprenticeship program registered and certified
4 with the United States Secretary of Labor under the national
5 apprenticeship act, 29 USC 50 to 50c, and the workers employed for
6 the construction or construction maintenance of the energy facility
7 are paid a minimum wage standard not less than the wage and fringe
8 benefit rates prevailing in the locality in which the work is to be
9 performed as determined under ~~2023 PA 10, MCL 408.1101 to 408.1126,~~
10 ~~or 40 USC 3141 to 3148, whichever provides the higher wage and~~
11 ~~fringe benefit rates,~~ and, to the extent permitted by law, the
12 entities performing the construction or construction maintenance
13 work shall enter into a project labor agreement or operate under a
14 collective bargaining agreement for the work to be performed. This
15 subdivision does not apply to an independent power producer
16 supplying power under a contract or agreement entered into in
17 accordance with the public utility regulatory policies act of 1978,
18 Public Law 95-617, as of the effective date of the amendatory act
19 that added this subdivision. As used in this subdivision, "project
20 labor agreement" means a prehire collective bargaining agreement
21 with 1 or more labor organizations that establishes the terms and
22 conditions of employment for a specific construction project and
23 does all of the following:

24 (i) Binds all contractors and subcontractors on the
25 construction project through the inclusion of appropriate
26 specifications in all relevant solicitation provisions and contract
27 documents.

28 (ii) Allows all contractors and subcontractors on the
29 construction project to compete for contracts and subcontracts

1 without regard to whether they are otherwise parties to collective
2 bargaining agreements.

3 (iii) Contains guarantees against strikes, lockouts, and similar
4 job disruptions.

5 (iv) Sets forth effective, prompt, and mutually binding
6 procedures for resolving labor disputes arising during the term of
7 the project labor agreement.

8 (v) Provides other mechanisms for labor-management cooperation
9 on matters of mutual interest and concern, including productivity,
10 quality of work, safety, and health.

11 (vi) Complies with all state and federal laws, rules, and
12 regulations.

13 (d) The plan is consistent with the renewable energy plan
14 requirements and goals of section 28 of the clean and renewable
15 energy and energy waste reduction act, 2008 PA 295, MCL 460.1028,
16 the clean energy requirements of section 51 of the clean and
17 renewable energy and energy waste reduction act, 2008 PA 295, MCL
18 460.1051, the energy waste reduction measures in section 77 of the
19 clean and renewable energy and energy waste reduction act, 2008 PA
20 295, MCL 460.1077, and the energy storage target of section 101 of
21 the clean and renewable energy and energy waste reduction act, 2008
22 PA 295, MCL 460.1101.

23 (e) The plan promotes environmental quality and public health
24 and reasonably mitigates adverse effects on human health due to
25 power generation, with a priority on mitigating impacts and
26 prioritizing benefits to communities disproportionately impacted by
27 pollution and other environmental harms.

28 (f) The plan meets the requirements of subsection (5).

29 (9) If the commission denies a utility's integrated resource

1 plan, the utility, within 60 days after the date of the final order
2 denying the integrated resource plan, may submit revisions to the
3 integrated resource plan to the commission for approval. The
4 commission shall commence a new contested case hearing under
5 chapter 4 of the administrative procedures act of 1969, 1969 PA
6 306, MCL 24.271 to 24.288. Not later than 90 days after the date
7 that the utility submits the revised integrated resource plan to
8 the commission under this subsection, the commission shall issue an
9 order approving or denying, with recommendations, the revised
10 integrated resource plan if the revisions are not substantial or
11 inconsistent with the original integrated resource plan filed under
12 this section. If the revisions are substantial or inconsistent with
13 the original integrated resource plan, the commission has up to 150
14 days to issue an order approving or denying, with recommendations,
15 the revised integrated resource plan.

16 (10) If the commission denies an electric utility's integrated
17 resource plan, the electric utility may proceed with a proposed
18 construction, purchase, investment, or power purchase agreement
19 contained in the integrated resource plan without the assurances
20 granted under this section.

21 (11) In approving an integrated resource plan under this
22 section, the commission shall specify the costs approved for the
23 construction of or significant investment in an electric generation
24 or energy storage facility, the purchase of an existing electric
25 generation or energy storage facility, the purchase of power under
26 the terms of the power purchase or energy storage agreement, or
27 other investments or resources used to meet energy and capacity
28 needs that are included in the approved integrated resource plan.
29 The costs for specifically identified investments, including the

1 costs for facilities under subsection (12), included in an approved
2 integrated resource plan that are commenced within 3 years after
3 the commission's order approving the initial plan, amended plan, or
4 plan review are considered reasonable and prudent for cost recovery
5 purposes.

6 (12) Except as otherwise provided in subsection (13), for a
7 new electric generation or energy storage facility approved in an
8 integrated resource plan that is to be owned by the electric
9 utility and that is commenced within 3 years after the commission's
10 order approving the plan, the commission shall finalize the
11 approved costs for the electric generation or energy storage
12 facility only after the utility has done all of the following and
13 filed the results, analysis, and recommendations with the
14 commission:

15 (a) Implemented a competitive bidding process for all major
16 engineering, procurement, and construction contracts associated
17 with the construction of the electric generation or energy storage
18 facility.

19 (b) Implemented a competitive bidding process that allows
20 third parties to submit firm and binding bids for the construction
21 of an electric generation or energy storage facility on behalf of
22 the utility that would meet all of the technical, commercial, and
23 other specifications required by the utility for the generation or
24 energy storage facility, such that ownership of the electric
25 generation or energy storage facility vests with the utility no
26 later than the date the electric generation or energy storage
27 facility becomes commercially available.

28 (c) Demonstrated to the commission that the finalized costs
29 for the new electric generation or energy storage facility are not

1 significantly higher than the initially approved costs under
2 subsection (11). If the finalized costs are found to be
3 significantly higher than the initially approved costs, the
4 commission shall review and approve the proposed costs if the
5 commission determines those costs are reasonable and prudent.

6 (13) If the capacity resource under subsection (12) is for the
7 construction of an electric generation facility of 225 megawatts or
8 more or for the construction of an additional generating unit or
9 units totaling 225 megawatts or more at an existing electric
10 generation facility, the utility shall submit an application to the
11 commission seeking a certificate of necessity under section 6s.

12 (14) An electric utility shall annually, or more frequently if
13 required by the commission, file reports to the commission
14 regarding the status of any projects included in the initial 3-year
15 period of an integrated resource plan approved under subsection
16 (7).

17 (15) If an electric provider whose rates are regulated by the
18 commission enters into a purchase power agreement for renewable
19 energy resources or a third-party contract for energy storage
20 systems or clean energy systems with an entity that is not
21 affiliated with that utility, the commission shall authorize a
22 financial incentive for that utility calculated as the product of
23 contract payments in that year multiplied by the electric
24 provider's pretax weighted average cost of permanent capital
25 comprised of long-term debt obligations and equity of the electric
26 provider's total capital structure as determined by the
27 commission's final order in the electric provider's most recent
28 general rate case. The pretax weighted average cost of permanent
29 capital used to calculate the financial incentive must not be fixed

1 throughout the entire term of the contract at the pretax weighted
2 average cost of capital applicable in the first year and must be
3 updated based on the commission's final order in each succeeding
4 general rate case for the electric provider. The financial
5 incentive applies to each contract described in this subsection
6 from the date the contract is executed for the entire term of the
7 contract. This subsection applies to any contract entered into
8 after June 30, 2024.

9 (16) Notwithstanding any other provision of law, an order by
10 the commission approving an integrated resource plan may be
11 reviewed by the court of appeals upon a filing by a party to the
12 commission proceeding within 30 days after the order is issued. All
13 appeals of the order must be heard and determined as expeditiously
14 as possible with lawful precedence over other matters. Review on
15 appeal is based solely on the record before the commission and
16 briefs to the court and is limited to whether the order conforms to
17 the constitution and laws of this state and the United States and
18 is within the authority of the commission under this act.

19 (17) The commission shall include in an electric utility's
20 retail rates all reasonable and prudent costs specified under
21 subsections (11) and (12) that have been incurred to implement an
22 integrated resource plan approved by the commission. The commission
23 shall not disallow recovery of costs an electric utility incurs in
24 implementing an approved integrated resource plan, if the costs do
25 not exceed the costs approved by the commission under subsections
26 (11) and (12). If the actual costs incurred by the electric utility
27 exceed the costs approved by the commission, the electric utility
28 has the burden of proving by a preponderance of the evidence that
29 the costs are reasonable and prudent. The portion of the cost of a

1 plant, facility, power purchase agreement, or other investment in a
2 resource that meets a demonstrated need for capacity that exceeds
3 the cost approved by the commission is presumed to have been
4 incurred due to a lack of prudence. The commission may include any
5 or all of the portion of the cost in excess of the cost approved by
6 the commission if the commission finds by a preponderance of the
7 evidence that the costs are reasonable and prudent. The commission
8 shall disallow costs the commission finds have been incurred as the
9 result of fraud, concealment, gross mismanagement, or lack of
10 quality controls amounting to gross mismanagement. The commission
11 shall also require refunds with interest to ratepayers of any of
12 these costs already recovered through the electric utility's rates
13 and charges. If the assumptions underlying an approved integrated
14 resource plan materially change, or if the commission believes it
15 is unlikely that a project or program will become commercially
16 operational, an electric utility may request, or the commission on
17 its own motion may initiate, a proceeding to review whether it is
18 reasonable and prudent to complete an unfinished project or program
19 included in an approved integrated resource plan. If the commission
20 finds that completion of the project or program is no longer
21 reasonable and prudent, the commission may modify or cancel
22 approval of the project or program and unincurred costs in the
23 electric utility's integrated resource plan. Except for costs the
24 commission finds an electric utility has incurred as the result of
25 fraud, concealment, gross mismanagement, or lack of quality
26 controls amounting to gross mismanagement, if commission approval
27 is modified or canceled, the commission shall not disallow
28 reasonable and prudent costs already incurred or committed to by
29 contract by an electric utility. Once the commission finds that

1 completion of the project or program is no longer reasonable and
2 prudent, the commission may limit future cost recovery to those
3 costs that could not be reasonably avoided.

4 (18) The commission may allow financing interest cost recovery
5 in an electric utility's base rates on construction work in
6 progress for capital improvements approved under this section prior
7 to the assets' being considered used and useful. Regardless of
8 whether or not the commission authorizes base rate treatment for
9 construction work in progress financing interest expense, an
10 electric utility may recognize, accrue, and defer the allowance for
11 funds used during construction.

12 (19) An electric utility may seek to amend an approved
13 integrated resource plan. Except as otherwise provided under this
14 subsection, the commission shall consider the amendments under the
15 same process and standards that govern the review and approval of a
16 revised integrated resource plan under subsection (9). The
17 commission may order an electric utility that seeks to amend an
18 approved integrated resource plan under this subsection to file a
19 plan review under subsection (21).

20 (20) An electric utility shall file an application for review
21 of its integrated resource plan not later than 5 years after the
22 effective date of the most recent commission order approving a
23 plan, a plan amendment, or a plan review. The commission shall
24 consider a plan review under the same process and standards
25 established in this section for review and approval of an
26 integrated resource plan. A commission order approving a plan
27 review has the same effect as an order approving an integrated
28 resource plan.

29 (21) The commission may, on its own motion or at the request

1 of the electric utility, order an electric utility to file a plan
2 review. The department of environment, Great Lakes, and energy may
3 request the commission to order a plan review to address material
4 changes in environmental regulations and requirements that occur
5 after the commission's approval of an integrated resource plan. An
6 electric utility must file a plan review within 270 days after the
7 commission orders the utility to file a plan review.

8 (22) As used in this section, "long-term firm gas
9 transportation" means a binding agreement entered into between the
10 electric utility and a natural gas transmission provider for a set
11 period of time to provide firm delivery of natural gas to an
12 electric generation facility.

13 Enacting section 1. This amendatory act does not take effect
14 unless Senate Bill No. 438 of the 103rd Legislature is enacted into
15 law.