

# HOUSE BILL NO. 4236

February 11, 2021, Introduced by Reps. Markkanen, Steven Johnson, Paquette, Rabhi, Kuppa, Roth, Hood, Damoose, Reilly, Borton, Hoitenga, Howell and Wozniak and referred to the Committee on Energy.

A bill to amend 2008 PA 295, entitled  
"Clean and renewable energy and energy waste reduction act,"  
by amending section 173 (MCL 460.1173), as amended by 2016 PA 342.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1           Sec. 173. (1) The commission shall establish a distributed  
2 generation program by order issued ~~not later than 90 days after the~~  
3 ~~effective date of the 2016 act that amended this section.~~ **by July**  
4 **19, 2017.** The commission may promulgate rules the commission  
5 considers necessary to implement this program. Any rules adopted

1 regarding time limits for approval of parallel operation shall  
2 recognize reliability and safety complications including those  
3 arising from equipment saturation, use of multiple technologies,  
4 and proximity to synchronous motor loads. The program shall apply  
5 to all electric utilities whose rates are regulated by the  
6 commission and alternative electric suppliers in this state.

7 (2) Except as otherwise provided under this part, an electric  
8 customer of any class is eligible to interconnect an eligible  
9 electric generator with the customer's local electric utility and  
10 operate the eligible electric generator in parallel with the  
11 distribution system. The program shall be designed for a period of  
12 not less than 10 years and limit each customer to generation  
13 capacity designed to meet up to 100% of the customer's electricity  
14 consumption for the previous 12 months. The commission may waive  
15 the application, interconnection, and installation requirements of  
16 this part for customers participating in the net metering program  
17 under the commission's March 29, 2005 order in case no. U-14346.

18 ~~(3) An electric utility or alternative electric supplier is~~  
19 ~~not required to allow for a distributed generation program that is~~  
20 ~~greater than 1% of its average in-state peak load for the preceding~~  
21 ~~5 calendar years. The electric utility or alternative electric~~  
22 ~~supplier shall notify the commission if its distributed generation~~  
23 ~~program reaches the 1% limit under this subsection. The 1% limit~~  
24 ~~under this subsection shall be allocated as follows:~~

25 ~~(a) No more than 0.5% for customers with an eligible electric~~  
26 ~~generator capable of generating 20 kilowatts or less.~~

27 ~~(b) No more than 0.25% for customers with an eligible electric~~  
28 ~~generator capable of generating more than 20 kilowatts but not more~~  
29 ~~than 150 kilowatts.~~

1 ~~(c) No more than 0.25% for customers with a methane digester~~  
2 ~~capable of generating more than 150 kilowatts.~~

3 **(3) (4) Selection of customers who have submitted a complete**  
4 **application** for participation in the distributed generation program  
5 shall be based ~~on the order in which the applications for~~  
6 ~~participation in the program are received by the electric utility~~  
7 ~~or alternative electric supplier.~~ **solely on meeting the**  
8 **interconnection requirements for participation. An electric utility**  
9 **or alternative electric supplier shall not restrict the number of**  
10 **participants in the distributed generation program.**

11 **(4) (5) An electric utility or alternative electric supplier**  
12 **shall not discontinue or refuse to provide electric service to a**  
13 **customer solely because the customer participates in the**  
14 **distributed generation program.**

15 **(5) (6) The distributed generation program created under**  
16 **subsection (1) shall include all of the following:**

17 (a) Statewide uniform interconnection requirements for all  
18 eligible electric generators. The interconnection requirements  
19 shall be designed to protect electric utility workers and equipment  
20 and the general public.

21 (b) ~~Distributed~~ **Requirements that distributed** generation  
22 equipment and its installation ~~shall~~ meet all current local and  
23 state electric and construction code requirements. Any equipment  
24 that is certified by a nationally recognized testing laboratory to  
25 IEEE 1547.1 testing standards and in compliance with UL 1741 scope  
26 1.1A, effective May 7, 2007, **or updates to those testing standards**  
27 **and scope approved by the commission, and that is** installed in  
28 compliance with this part is considered to be compliant. Within the  
29 time provided by the commission ~~in rules promulgated under~~ **pursuant**

1 to subsection (1) and consistent with good utility practice ~~and~~  
2 the protection of electric utility workers, electric utility  
3 equipment, and the general public, an electric utility may study,  
4 confirm, and ensure that an eligible electric generator  
5 installation at the customer's site meets the IEEE 1547 anti-  
6 islanding requirements or any applicable successor anti-islanding  
7 requirements determined by the commission to be reasonable and  
8 consistent with the purposes of this subdivision. If necessary to  
9 promote reliability or safety, the commission may promulgate rules  
10 that require the use of inverters that perform specific automated  
11 grid-balancing functions to integrate distributed generation onto  
12 the electric grid. Inverters that interconnect distributed  
13 generation resources may be owned and operated by electric  
14 utilities. Both of the following must be completed before the  
15 equipment is operated in parallel with the distribution system of  
16 the utility:

17 (i) Utility testing and approval of the interconnection,  
18 including all metering.

19 (ii) Execution of a parallel operating agreement.

20 (c) A uniform **distributed generation** application form and  
21 process to be used by all electric utilities and alternative  
22 electric suppliers in this state. Customers ~~who~~**that** are served by  
23 an alternative electric supplier shall submit a copy of the  
24 application to the electric utility for the customer's service  
25 area.

26 (d) Distributed generation customers with a system capable of  
27 generating 20 kilowatts or less qualify for true net metering.

28 (e) Distributed generation customers with a system capable of  
29 generating more than 20 kilowatts qualify for modified net

1 metering.

2           **(f)** ~~(7) Each~~ **A requirement that each** electric utility and  
3 alternative electric supplier ~~shall~~ maintain records of all  
4 applications and up-to-date records of all active eligible electric  
5 generators located within ~~their~~ **its** service area.

6           Enacting section 1. This amendatory act takes effect 90 days  
7 after the date it is enacted into law.