

HOUSE BILL No. 6217

November 5, 1998, Introduced by Rep. Olshove and referred to the Committee on Public Utilities.

A bill to provide priority to certain electricity generators in a direct access bid process; and to prescribe the powers and duties of certain state agencies and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Aggregation" means the combining of electric loads of
3 multiple retail customers or a single customer with multiple
4 sites to facilitate the provision of direct access electric serv-
5 ice to such retail customers.

6 (b) "Commission" means the Michigan public service commis-
7 sion in the department of consumer and industry services.

8 (c) "Customer" means an end-user of electricity.

9 (d) "Direct access" means the decision of an electricity
10 customer to choose its electricity supplier and pay the

1 electricity distributor a reasonable rate to deliver the
2 electricity to the customer.

3 (e) "Electric utility" means a public utility that provided
4 electric service during the period of regulated monopoly
5 service.

6 (f) "Electricity distributor" or "distributor" means a
7 person or their lessees, trustees, and receivers, owning or oper-
8 ating equipment or facilities for delivering electricity for
9 compensation.

10 (g) "Electricity generator" means a person having generating
11 capability in this state to produce at least 1 megawatt of
12 electricity.

13 (h) "Electricity supplier" means a person that sells elec-
14 tricity and related services to electricity distributors, aggre-
15 gators, or at retail to customers located in the service territo-
16 ries of electricity distributors.

17 (i) "Kilowatt" means 1,000 watts.

18 (j) "Megawatt" means 1,000,000 watts.

19 (k) "Nonbypassable charge" means any charge approved by the
20 commission under section 3 payable to an electric utility, elec-
21 tricity distributor, or its assignees or successors regardless of
22 the identity of the electricity supplier and regardless of
23 whether electricity is generated on the retail customer's site
24 subsequent to the effective date of this act.

25 (l) "Person" means an individual, partnership, corporation,
26 association, governmental entity, or other legal entity.

1 (m) "Self-service customer" means a person that is an
2 electricity generator who has or desires to have direct access to
3 provide electricity to itself or its affiliated entities within
4 this state.

5 Sec. 2. (1) A self-service customer having a generating
6 unit with a rated capacity of 20 megawatts or less on December 1,
7 1997 shall have priority in any direct access bid process estab-
8 lished by the commission to determine the electricity generator
9 for that customer.

10 (2) A self-service customer shall not receive more than 20
11 total megawatts of preference under this act during any 12-month
12 period.

13 (3) A self-service customer whose bid is not accepted shall
14 have the right to displace other bidders within the amount
15 reserved for customers purchasing electricity through aggregation
16 by matching the prices offered by the non-self-service customer
17 with the highest accepted bid, to the extent necessary to accom-
18 modate the self-service customer.

19 Sec. 3. (1) The commission shall establish a nonbypassable
20 charge on a per kilowatt basis for the recovery of costs associ-
21 ated with direct access.

22 (2) The granting of a priority under this act does not
23 relieve or limit a person's obligation to pay the nonbypassable
24 charge approved by the commission.