

SENATE BILL No. 1260

May 11, 2000, Introduced by Senators LELAND and DUNASKISS and referred to the Committee on Technology and Energy.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public utilities and other services affected with a public interest within this state; 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 therein on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to provide for a restructuring of rates for certain utilities; to encourage the utilization of resource recovery facilities; to provide for appeals; to provide appropriations; to declare the effect of this act; to prescribe penalties; and to repeal all acts contrary to this act,"

(MCL 460.1 to 460.8) by adding sections 10r and 10s.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 10R. (1) THE COMMISSION SHALL ESTABLISH MINIMUM STAN-
2 DARDS FOR THE FORM AND CONTENT OF ALL DISCLOSURES, EXPLANATIONS,
3 OR SALES INFORMATION DISSEMINATED BY A PERSON SELLING ELECTRIC
4 SERVICE TO ENSURE THAT THE PERSON PROVIDES ADEQUATE, ACCURATE,

1 AND UNDERSTANDABLE INFORMATION ABOUT THE SERVICE THAT ENABLES A
2 CUSTOMER TO MAKE AN INFORMED DECISION RELATING TO THE SOURCE AND
3 TYPE OF ELECTRIC SERVICE PURCHASED. THE STANDARDS SHALL BE
4 DEVELOPED TO DO ALL OF THE FOLLOWING:

5 (A) NOT BE UNDULY BURDENSOME.

6 (B) NOT UNNECESSARILY DELAY OR INHIBIT THE INITIATION AND
7 DEVELOPMENT OF COMPETITION FOR ELECTRIC GENERATION SERVICE IN ANY
8 MARKET.

9 (C) ESTABLISH DIFFERENT REQUIREMENTS FOR DISCLOSURES, EXPLA-
10 NATIONS, OR SALES INFORMATION RELATING TO DIFFERENT SERVICES OR
11 SIMILAR SERVICES TO DIFFERENT CLASSES OF CUSTOMERS, WHENEVER SUCH
12 DIFFERENT REQUIREMENTS ARE APPROPRIATE TO CARRY OUT THE PURPOSES
13 OF THIS SECTION.

14 (2) BEFORE JANUARY 1, 2002, THE COMMISSION SHALL ESTABLISH A
15 FUNDING MECHANISM FOR ELECTRIC SUPPLIERS AND ALTERNATIVE ELECTRIC
16 SUPPLIERS TO CARRY OUT AN EDUCATIONAL PROGRAM FOR CUSTOMERS TO DO
17 ALL OF THE FOLLOWING:

18 (A) INFORM CUSTOMERS OF THE CHANGES IN THE PROVISION OF
19 ELECTRIC SERVICE, INCLUDING, BUT NOT LIMITED TO, THE AVAILABILITY
20 OF ALTERNATIVE ELECTRIC SUPPLIERS.

21 (B) INFORM CUSTOMERS OF THE REQUIREMENTS RELATING TO DISCLO-
22 SURES, EXPLANATIONS, OR SALES INFORMATION FOR ALTERNATIVE ELEC-
23 TRIC SUPPLIERS.

24 (C) PROVIDE ASSISTANCE TO CUSTOMERS IN UNDERSTANDING AND
25 USING THE INFORMATION TO MAKE REASONABLY INFORMED CHOICES ABOUT
26 WHICH SERVICE TO PURCHASE AND FROM WHOM TO PURCHASE IT.

1 (3) THE COMMISSION SHALL REQUIRE THAT, STARTING JANUARY 1,
2 2002, ALL ELECTRIC SUPPLIERS DISCLOSE IN STANDARDIZED, UNIFORM
3 FORMAT ON THE CUSTOMER'S BILL WITH A BILL INSERT OR ON CUSTOMER
4 CONTRACTS, INFORMATION ABOUT THE ENVIRONMENTAL CHARACTERISTICS OF
5 ELECTRICITY PRODUCTS PURCHASED BY THE CUSTOMER, INCLUDING ALL OF
6 THE FOLLOWING:

7 (A) THE AVERAGE FUEL MIX, INCLUDING CATEGORIES FOR OIL, GAS,
8 COAL, SOLAR, HYDROELECTRIC, WIND, BIOFUEL, NUCLEAR, SOLID WASTE
9 INCINERATION, BIOMASS, AND OTHER FUEL SOURCES. IF A SOURCE FITS
10 INTO THE OTHER CATEGORY, THE SPECIFIC SOURCE MUST BE DISCLOSED.
11 A REGIONAL AVERAGE, DETERMINED BY THE COMMISSION, MAY BE USED
12 ONLY FOR THAT PORTION OF THE ELECTRICITY PURCHASED BY THE CUS-
13 TOMER FOR WHICH THE FUEL MIX CANNOT BE DISCERNED. FOR THE PUR-
14 POSES OF THIS SUBDIVISION, "BIOMASS" MEANS DEDICATED CROPS GROWN
15 FOR ENERGY PRODUCTION AND ORGANIC WASTE.

16 (B) THE AVERAGE EMISSIONS, IN POUNDS PER MEGAWATT HOUR, OF
17 HIGH-LEVEL NUCLEAR WASTE GENERATED, SULFUR DIOXIDE, CARBON DIOX-
18 IDE, AND OXIDES OF NITROGEN. AN EMISSIONS DEFAULT, DETERMINED BY
19 THE COMMISSION, MAY BE USED IF THE REGIONAL AVERAGE FUEL MIX IS
20 BEING DISCLOSED.

21 (C) THE REGIONAL AVERAGE FUEL MIX AND EMISSIONS PROFILE AS
22 REFERENCED IN SUBSECTION (3)(A) AND (B).

23 (4) THE INFORMATION REQUIRED BY SUBSECTION (3) SHALL BE PRO-
24 VIDED NO MORE THAN TWICE ANNUALLY, AND BE BASED ON A ROLLING
25 ANNUAL AVERAGE. EMISSIONS FACTORS WILL BE BASED ON ANNUAL PUB-
26 LICLY AVAILABLE DATA BY GENERATION SOURCE.

1 (5) ALL OF THE INFORMATION REQUIRED TO BE PROVIDED UNDER
2 SUBSECTION (1) SHALL ALSO BE PROVIDED TO THE COMMISSION TO BE
3 INCLUDED ON THE COMMISSION'S INTERNET SITE.

4 (6) THE COMMISSION SHALL ESTABLISH THE MICHIGAN RENEWABLES
5 ENERGY PROGRAM. THE PROGRAM SHALL BE DESIGNED TO INFORM CUSTOM-
6 ERS IN THIS STATE OF THE AVAILABILITY AND VALUE OF USING RENEW-
7 ABLE ENERGY GENERATION AND THE POTENTIAL OF REDUCED POLLUTION.

8 (7) THE COMMISSION SHALL ESTABLISH THE RATES, TERMS, AND
9 CONDITIONS OF SERVICE THAT ALLOW CUSTOMERS TO PURCHASE RENEWABLE
10 ENERGY.

11 SEC. 10S. (1) THE COMMISSION SHALL ESTABLISH A NONBYPAS-
12 SABLE TRANSACTION CHARGE TO FUND LOW-INCOME ASSISTANCE AND PRO-
13 GRAMS TO IMPROVE ENERGY EFFICIENCY.

14 (2) THE LOW-INCOME ASSISTANCE AND ENERGY EFFICIENCY TRUST
15 FUND IS CREATED WITHIN THE STATE TREASURY AND ADMINISTERED
16 THROUGH THE FAMILY INDEPENDENCE AGENCY. THE FUND SHALL RECEIVE
17 AN AMOUNT EQUAL TO 1.2 MILLS PER KILOWATT HOUR SOLD IN THE STATE
18 FOR A PERIOD OF 6 YEARS TO BE COLLECTED FROM CUSTOMER CLASSES
19 THROUGH THE NONBYPASSABLE TRANSACTION CHARGE PROVIDED IN SUBSEC-
20 TION (1). EACH QUARTER, THE FUNDS SHALL BE DEPOSITED IN THE
21 LOW-INCOME ASSISTANCE AND ENERGY EFFICIENCY TRUST FUND. THE
22 DEPARTMENT OF TREASURY SHALL BE RESPONSIBLE FOR THE TIMELY COL-
23 LECTION OF THESE FUNDS. THE FAMILY INDEPENDENCE AGENCY SHALL BE
24 RESPONSIBLE FOR THE DISBURSEMENT OF THE FUNDS. THESE FUNDS SHALL
25 ONLY BE DISBURSED FOR THE PURPOSES AS IDENTIFIED IN SUBSECTION
26 (3)(A) AND (B).

1 (3) FOR THE FIRST 6 YEARS, AN ANNUAL AMOUNT OF
2 \$30,000,000.00 SHALL BE AVAILABLE FOR DISBURSEMENT UNDER
3 SUBDIVISIONS (A), (B), AND (C). AFTER THAT TIME, INTEREST AND
4 EARNINGS ONLY SHALL BE AVAILABLE FOR DISBURSEMENT, WITH THE
5 REMAINDER OF THE MONEY COLLECTED REMAINING IN THE FUND TO ACCUMU-
6 LATE INTEREST AND EARNINGS. THE FUNDS SHALL BE DISBURSED IN THE
7 FOLLOWING MANNER:

8 (A) FORTY PERCENT OF THE AVAILABLE FUNDS SHALL BE SPENT ON
9 PROGRAMS TO PROVIDE LOW-INCOME ASSISTANCE.

10 (B) FIFTY-NINE PERCENT OF THE AVAILABLE FUNDS SHALL BE SPENT
11 FOR ENERGY EFFICIENCY PROGRAMS AND SERVICES. NOT LESS THAN 25%
12 OF FUNDS AVAILABLE UNDER THIS SUBSECTION SHALL BE USED TO PROVIDE
13 ENERGY EFFICIENCY SERVICES TO LOW-INCOME CUSTOMERS. THE REMAIN-
14 DER OF THE FUNDS SHALL BE ALLOCATED TO EACH CUSTOMER CLASS IN
15 PROPORTION TO ITS RELATIVE CONTRIBUTION TO THE TRANSACTION CHARGE
16 REVENUES DEPOSITED INTO THE FUND.

17 (C) ONE PERCENT OF THE AVAILABLE FUNDS SHALL BE SPENT FOR
18 RESEARCH, DEVELOPMENT, AND THE USE OF ENERGY EFFICIENT FUEL
19 CELLS.

20 (4) THE FUNDS COLLECTED FOR ENERGY EFFICIENCY SERVICES SHALL
21 BE DISTRIBUTED TO QUALIFIED ENERGY EFFICIENCY SERVICE PROVIDERS
22 AND TO ELIGIBLE CUSTOMERS ACCORDING TO RULES PROMULGATED BY THE
23 FAMILY INDEPENDENCE AGENCY. THE FAMILY INDEPENDENCE AGENCY SHALL
24 ESTABLISH A PUBLIC ADVISORY COMMITTEE TO ASSIST IN THE DEVELOP-
25 MENT OF THE RULES AND IN THE OVERSIGHT OF ENERGY EFFICIENCY SERV-
26 ICES FUNDED BY THIS SECTION. ELIGIBLE PROGRAMS SHALL INCLUDE
27 GRANTS, LOW-INTEREST LOANS, AND CONTRACTS FOR ACHIEVING ENERGY

1 SAVINGS. THE FUNDS MADE AVAILABLE FOR CONTRACTS SHALL BE MADE
2 AVAILABLE THROUGH A COMPETITIVE PROCESS BASED UPON ACHIEVING THE
3 GREATEST REDUCTIONS IN ENERGY USAGE ON A COST-EFFECTIVE BASIS.