

HOUSE BILL No. 6526

November 27, 2018, Introduced by Rep. LaFave 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 section 71 (MCL 460.1071), as amended by 2016 PA 342.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 71. (1) A provider shall file a proposed energy
2 optimization plan with the commission within the following time
3 period:

4 (a) For a provider whose rates are regulated by the
5 commission, by March 3, 2009.

6 (b) For a cooperative electric utility that has elected to
7 become member-regulated under the electric cooperative member-
8 regulation act, 2008 PA 167, MCL 460.31 to 460.39, or a municipally
9 owned electric utility, by April 2, 2009.

10 (2) Energy optimization plans filed under subsection (1)

1 remain in effect, subject to any amendments, as energy waste
2 reduction plans.

3 (3) The overall goal of an energy waste reduction plan shall
4 be to help the provider's customers reduce energy waste and to
5 reduce the future costs of provider service to customers. In
6 particular, an electric provider's energy waste reduction plan
7 shall be designed to delay the need for constructing new electric
8 generating facilities and thereby protect consumers from incurring
9 the costs of such construction.

10 (4) An energy waste reduction plan shall do all of the
11 following:

12 (a) ~~Propose~~**PROVIDE FOR** a set of energy waste reduction
13 programs that include offerings for each customer class, including
14 low-income residential. The commission shall allow a provider
15 flexibility to tailor the relative amount of effort devoted to each
16 customer class based on the specific characteristics of the
17 provider's service territory.

18 (b) Specify necessary funding levels.

19 (c) Describe how energy waste reduction program costs will be
20 recovered as provided in section 89(2).

21 (d) Ensure, to the extent feasible, that charges collected
22 from a particular customer rate class are spent on energy waste
23 reduction programs that benefit that rate class.

24 (e) Demonstrate that the proposed energy waste reduction
25 programs and funding are sufficient to ensure the achievement of
26 applicable energy waste reduction standards.

27 (f) Specify whether the number of megawatt hours of

1 electricity or decatherms or MCFs of natural gas used in the
2 calculation of incremental energy savings under section 77 will be
3 weather-normalized or based on the average number of megawatt hours
4 of electricity or decatherms or MCFs of natural gas sold by the
5 provider annually during the previous 3 years to retail customers
6 in this state. Once the plan is approved by the commission, this
7 option shall not be changed.

8 (g) Demonstrate that the provider's energy waste reduction
9 programs, excluding program offerings to low-income residential
10 customers, will collectively be cost-effective.

11 (h) Provide for the practical and effective administration of
12 the proposed energy waste reduction programs. The commission shall
13 allow providers flexibility in designing their energy waste
14 reduction programs and administrative approach, including the
15 flexibility to determine the relative amount of effort to be
16 devoted to each customer class based on the specific
17 characteristics of the provider's service territory. A provider's
18 energy waste reduction programs or any part thereof, may be
19 administered, at the provider's option, by the provider, alone or
20 jointly with other providers, by a state agency, or by an
21 appropriate experienced nonprofit organization selected after a
22 competitive bid process.

23 (i) Include a process for obtaining an independent expert
24 evaluation of the actual energy waste reduction programs to verify
25 the incremental energy savings from each energy waste reduction
26 program for purposes of section 77. All such evaluations are
27 subject to public review and commission oversight.

1 (5) Subject to subsection (6), ~~an~~**A PROVIDER'S** energy waste
2 reduction plan may ~~do~~**PROVIDE FOR** 1 or more of the following:

3 (a) ~~Utilize educational~~**EDUCATIONAL** programs designed to alter
4 consumer behavior or any other measures that can reasonably be used
5 to meet the goals set forth in subsection (3).

6 (b) ~~Propose to the commission measures~~**MEASURES** that are
7 designed to meet the goals set forth in subsection (3) and that
8 provide additional customer benefits. **THE MEASURES MAY BE**
9 **IMPLEMENTED THROUGH A PARTNERSHIP WITH ANOTHER PROVIDER THAT SERVES**
10 **ANY OF THE SAME CUSTOMERS. THE PARTNERSHIP MAY INVOLVE, BUT IS NOT**
11 **LIMITED TO, ANY OF THE FOLLOWING:**

12 (i) **SHARING OF INCENTIVE CREDITS AND OTHER COSTS OF THE**
13 **MEASURES.**

14 (ii) **INCENTIVIZING INSULATION OR OTHER MEASURES THAT MEET THE**
15 **GOALS SET FORTH IN SUBSECTION (3).**

16 (6) Expenditures under subsection (5) shall not exceed 3% of
17 the costs of implementing the energy waste reduction plan.

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