

Legislative Analysis



ELECTRICAL ENERGY SUPPLY AGENCY

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House Bill 4125 (H-3) as reported from committee

Sponsor: Rep. Gary Howell

Committee: Workforce, Trades, and Talent

Complete to 5-27-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4125 would amend Article 7 (Electricians and Electrical Contractors) of the Skilled Trades Regulation Act to specify the licensure and supervision requirements for electrical work completed on renewable energy facilities.

Generally under the act, a person may not engage in the business of electrical contracting or in any manner undertake to execute electrical wiring unless appropriately licensed and employed. However, the act specifies instances in which a license is not required. The bill would add to that list certain work by or for an *electrical energy supply agency*.

Electrical energy supply agency would mean any of the following, as defined in specified acts:

- An electric utility.
- An independent transmission company.
- A municipal electric utility system.
- An electric cooperative utility engaged in the transmission or distribution of electrical service and the cooperative's subsidiaries, affiliates, contractors, or subcontractors.

The bill would specify that a license and appropriate employment and supervision are required for the electrical wiring of a *renewable energy source*. However, it would also add to the list of instances where a license is not required the alteration or repair of electrical equipment for the generation of electric current of a renewable energy source that is not owned and operated by an electrical energy supply agency.

Renewable energy source would mean energy generated by solar, wind, geothermal, biomass (including waste-to-energy and landfill gas), or hydroelectric.

Finally, the bill would also add to the list of instances where a license is not required the execution of electrical wiring that is performed by apprentice electricians under the supervision of a licensed journeyman or licensed master electrician, subject to the applicable provisions regarding apprentice electricians.

MCL 339.5701 and 339.5737

BRIEF DISCUSSION:

Proponents advanced the bill as a necessary update to a 1956 public utility exemption to the licensure requirement. This exemption was intended for electrical work done by public utilities on their own facilities. Reportedly, over the years that exemption has been extended to renewable energy facilities, which were not contemplated by the drafters of the original language.

FISCAL IMPACT:

House Bill 4125 would not have an appreciable fiscal impact on any unit of state or local government.

POSITIONS:

Representatives of the following entities testified in support of the bill (4-29-21):

- ABC of Michigan
- International Brotherhood of Electrical Workers Local 557
- International Brotherhood of Electrical Workers Local 948
- Renewable Energy for the Utility Workers of America

The following entities indicated support for the bill:

- Michigan Municipal Electric Association (4-29-21)
- DTE Energy (4-29-21)
- Michigan Electric Cooperative Association (5-13-21)

The following entities indicated opposition to the bill (5-13-21):

- Michigan Conservative Energy Forum
- Energy Innovation Business Council

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.