

**SUBSTITUTE FOR  
SENATE BILL NO. 103**

A bill to provide for the rights of certain electric transmission line owners; to impose certain requirements on certain electric transmission line owners; and to provide for the powers and duties of certain state agencies.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "transmission infrastructure planning act".

3           Sec. 2. As used in this act:

4           (a) "Affiliated transmission company" means that term as  
5 defined in section 2 of the electric transmission line  
6 certification act, 1995 PA 30, MCL 460.562.

7           (b) "Commission" means the Michigan public service commission.

8           (c) "Cooperative electric utility" means either of the

1 following:

2 (i) An electric cooperative organized as a cooperative  
3 corporation under sections 98 to 109 of 1931 PA 327, MCL 450.98 to  
4 450.109.

5 (ii) A cooperative corporation in the business of generating or  
6 transmitting electricity.

7 (d) "Electric utility" means any of the following:

8 (i) An electric utility as that term is defined in section 10h  
9 of 1939 PA 3, MCL 460.10h.

10 (ii) A municipal electric utility system as that term is  
11 defined in section 4 of the Michigan energy employment act of 1976,  
12 1976 PA 448, MCL 460.804.

13 (iii) A cooperative electric utility.

14 (iv) A joint agency acting on its own behalf or on behalf of 1  
15 or more of its member municipal electric utility systems.

16 (e) "High-voltage transmission line" means a line used to  
17 transmit electricity and all associated structures, equipment,  
18 facilities, and other personal property necessary to transfer  
19 electricity over the line at a system bulk supply voltage of 100  
20 kilovolts or more.

21 (f) "Incumbent electric transmission company" means an  
22 electric utility, affiliated transmission company, or independent  
23 transmission company that owns a high-voltage transmission line in  
24 this state on or after the effective date of this act.

25 (g) "Independent transmission company" means that term as  
26 defined in section 2 of the electric transmission line  
27 certification act, 1995 PA 30, MCL 460.562.

28 (h) "Joint agency" means that term as defined in section 3 of  
29 the Michigan energy employment act of 1976, 1976 PA 448, MCL

1 460.803.

2 (i) "Recognized electric planning authority" means a person  
3 recognized by the Federal Energy Regulatory Commission or the North  
4 American Electric Reliability Corporation as authorized under  
5 federal law to approve a high-voltage transmission line for  
6 construction by an incumbent electric transmission company,  
7 including, but not limited to, a regional transmission  
8 organization.

9 (j) "Regional transmission organization" means a person that  
10 meets all of the following:

11 (i) Possesses characteristics required under 18 CFR 35.34(j).

12 (ii) Performs functions required under 18 CFR 35.34(k).

13 (iii) Accommodates an open architecture as required under 18 CFR  
14 35.34(l).

15 (iv) Is recognized by the Federal Energy Regulatory Commission  
16 as the organization with oversight responsibility for a region that  
17 includes the service territory of an incumbent electric  
18 transmission company.

19 (k) "Regionally cost-shared transmission line" means a high-  
20 voltage transmission line that is eligible for regional cost  
21 sharing and is not subject to a right of first refusal in  
22 accordance with the tariff of a recognized electric planning  
23 authority.

24 Sec. 3. (1) An incumbent electric transmission company has the  
25 right to construct, own, operate, maintain, and control a  
26 regionally cost-shared transmission line if both of the following  
27 apply:

28 (a) The regionally cost-shared transmission line or its  
29 construction was included in a plan adopted or otherwise approved

1 by a recognized electric planning authority for the incumbent  
2 electric transmission company.

3 (b) The regionally cost-shared transmission line will  
4 interconnect to facilities owned, or that will be owned, by that  
5 incumbent electric transmission company.

6 (2) The right to construct, own, operate, maintain, and  
7 control a regionally cost-shared transmission line that will  
8 interconnect to facilities owned by 2 or more incumbent electric  
9 transmission companies belongs individually and equally to each  
10 incumbent electric transmission company, unless otherwise agreed to  
11 in writing by each incumbent electric transmission company.

12 (3) If an incumbent electric transmission company, or  
13 companies if there is more than 1 owner of the transmission line,  
14 has the right to construct, own, operate, maintain, and control a  
15 regionally cost-shared transmission line in accordance with this  
16 act, then all of the following cost accountability provisions  
17 apply:

18 (a) Not later than 90 days after approval of the regionally  
19 cost-shared transmission line by the recognized electric planning  
20 authority, an incumbent electric transmission company, or incumbent  
21 electric transmission companies if there is more than 1 owner, that  
22 owns a connecting electric transmission facility shall give written  
23 notice to the commission indicating whether the incumbent electric  
24 transmission company or companies intend to construct the  
25 regionally cost-shared transmission line.

26 (b) Not later than 180 days after approval of the regionally  
27 cost-shared transmission line by the recognized electric planning  
28 authority, the incumbent electric transmission company or companies  
29 shall do both of the following:

1           (i) Hold a meeting with the commission to provide detailed  
2 information and to answer any questions about the regionally cost-  
3 shared transmission line.

4           (ii) Provide a report to the commission that includes an  
5 estimate of the cost to construct the regionally cost-shared  
6 transmission line and documentation that the cost for the  
7 regionally cost-shared transmission line is the result of  
8 competitively bid engineering, procurement, and construction  
9 contracts.

10          (c) Until construction of the regionally cost-shared  
11 transmission line is complete, the incumbent electric transmission  
12 company shall provide a quarterly report to the commission that  
13 includes an updated estimate of the cost to construct the  
14 regionally cost-shared transmission line and an explanation of  
15 changes in the cost estimate from the previous cost estimate.

16          (d) If the commission files a complaint at the Federal Energy  
17 Regulatory Commission to challenge the costs incurred by the  
18 incumbent electric transmission company to construct the regionally  
19 cost-shared transmission line, then the incumbent electric  
20 transmission company shall reimburse the commission's litigation  
21 costs as follows:

22           (i) If the commission's complaint is granted, the incumbent  
23 electric transmission company or companies shall reimburse the  
24 commission 100% of its litigation costs, not to exceed \$250,000.00.

25           (ii) If the commission's complaint is denied, the incumbent  
26 electric transmission company or companies shall reimburse the  
27 commission 25% of its litigation costs, not to exceed \$250,000.00.

28          (4) This section does not alter or limit the right of a person  
29 to construct, own, operate, maintain, or control an electric

1 transmission line in this state that is not a regionally cost-  
2 shared transmission line. This section controls in any conflict  
3 between this section and any other law of this state.

4 (5) This act does not do any of the following:

5 (a) Confer the power of eminent domain.

6 (b) Modify the authority of the Michigan public service  
7 commission under 1939 PA 3, MCL 460.1 to 460.11.

8 (c) Modify the rights of property owners under the uniform  
9 condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75.

10 (d) Modify the requirements, rights, and obligations of an  
11 incumbent electric transmission company under the electric  
12 transmission line certification act, 1995 PA 30, MCL 460.561 to  
13 450.575.

14 (e) Modify or supersede the requirements, rights, and  
15 obligations of an affiliated transmission company, independent  
16 transmission company, or electric utility under any contract to  
17 which the affiliated transmission company, independent transmission  
18 company, or electric utility is a party, including any service  
19 agreement or other contract that is subject to the jurisdiction of  
20 the Federal Energy Regulatory Commission, if the contract relates  
21 to service over facilities owned or operated, or to be owned or  
22 operated, by the affiliated transmission company, independent  
23 transmission company, or electric utility.

24 (f) Modify or supersede the authority, if any, of the Federal  
25 Energy Regulatory Commission or the commission to determine the  
26 proper classification of transmission and local distribution  
27 facilities for any purpose, including assignment of jurisdiction  
28 and approval of cost-recovery.

29 (g) Grant an independent transmission company or affiliated

1 transmission company the right or the authority to distribute  
2 electricity or serve retail electric customers in this state.

3 (h) Modify the exclusive authority of electric utilities to  
4 own, construct, and operate local distribution facilities.

5 (i) Modify or supersede the authority of a municipal electric  
6 utility or joint agency to own, construct, and operate transmission  
7 lines under any other law of this state.