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Senate Bill 272 (as introduced 4-19-23)
Sponsor: Senator Sue Shink
Committee: Energy and Environment

Date Completed: 6-20-23

CONTENT

The bill would amend Public Act 3 of 1939, the Public Service Commission Law, to require an electric utility's integrated resource plan (IRP) to address its impact on climate change, equity, and reliability, among other specified subjects. The bill also would require an IRP, before approval by the Michigan Public Service Commission (MPSC), to demonstrate that a utility has made progress on eliminating greenhouse gas emissions and adverse health effects related to power generation and reduced harms to individuals in environmental justice communities.

Under the Act, each utility whose rates are regulated by the MPSC must file with the MPSC an IRP that provides a five-year, 10-year, and 15-year projection of the utility's load obligations and plans to meet those obligations. The IRP must provide a plan to meet the utility's generation reliability requirements and all applicable State and Federal reliability and environmental regulations over those time periods. In addition, the plan must include projections on energy purchased or produced by the electric utility from a renewable energy resource and details on the utility's energy waste reduction efforts, among other requirements.

Under the bill, an IRP also would have to include the IRP's impact on climate change, equity, reliability, affordability, cumulative health effects, and emissions in addition to carbon.

The Act requires the MPSC to evaluate a utility's IRP in a contested case hearing, provide any recommendations it may have, allow for revisions to the IRP upon any recommendations, and then approve or deny the IRP. The MPSC must approve an IRP if it determines that the IRP represents the most reasonable and prudent means of meeting the utility's energy and capacity needs and that construction or investment in a new or existing capacity resource in the State is completed using a workforce composed of residents in the State. In addition, under the bill, the MPSC would have to determine the following before approving an IRP:

- The IRP made progress toward the elimination of greenhouse gas emissions from power generation in the State or for import into the State by 2035.
- The IRP made progress toward the elimination of adverse effects on human health due to power generation in the State.
- The plan reduced harms to the health, safety, and welfare of individuals in environmental justice communities.

(Generally, contested case hearings are proceedings in which a regulatory body determines the legal rights and duties of a party after evidence is provided and evaluated. Contested case hearings before the MPSC determine electric utilities' rights and duties related to the generation, acquisition, and sale of electricity in the State. The contested case process provides an opportunity for interested parties, such as the public or industry stakeholders, to intervene and offer evidence concerning a case's content.)

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.