

HOUSE BILL NO. 5606

March 20, 2024, Introduced by Reps. Filler, Andrews, Farhat, McKinney, Steckloff, Hope, Byrnes, McFall, Price, Neeley, Conlin, MacDonell, Wendzel, Martin, Brenda Carter, DeBoer, BeGole, Thompson, Skaggs, Bruck, Bierlein, Cavitt, Zorn, Schuette and Kunse and referred to the Committee on Energy, Communications, and Technology.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers and certain providers of electric vehicle charging services; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; 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 on the public service commission; to provide for the powers and duties of certain state governmental officers and entities; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses;

to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

by amending section 10h (MCL 460.10h), as amended by 2023 PA 245.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 10h. As used in this act:

2 **(a) "Advanced nuclear reactor technologies" means material**
 3 **improvements to a utilization facility, as that term is defined in**
 4 **42 USC 2014 and 10 CFR 50.2, that has significant improvements,**
 5 **including additional inherent safety features, compared to reactors**
 6 **operating before January 1, 2016, in the United States. Advanced**
 7 **nuclear reactor technologies includes both of the following:**

8 **(i) Advanced nuclear reactors, as that term is defined in 42**
 9 **USC 16271.**

10 **(ii) Existing electricity generating facilities benefiting from**
 11 **research, development, demonstration, and commercialization**
 12 **programs, as described in 42 USC 16272, in this state powered by**
 13 **nuclear energy that have completed a life cycle management program.**

14 **(b) ~~(a)~~"Assignee" means an individual, corporation, or other**
 15 **legally recognized entity to which an interest in securitization**
 16 **property is transferred.**

17 **(c) ~~(b)~~"Commission" means the Michigan public service**
 18 **commission created in section 1.**

19 **(d) ~~(e)~~"Electric utility" means that term as defined in**
 20 **section 2 of the electric transmission line certification act, 1995**
 21 **PA 30, MCL 460.562.**

1 **(e)** ~~(d)~~—"Electric vehicle" means that term as defined in
2 section 2(f) *(iii)* of the Michigan next energy authority act, 2002 PA
3 593, MCL 207.822.

4 **(f)** ~~(e)~~—"Electric vehicle charging services" means the
5 transfer of electric energy from electric vehicle service equipment
6 to a battery or other storage device in an electric vehicle, and
7 the provision of billing services, networking, and operation and
8 maintenance related to that transfer of electric energy to an
9 electric vehicle.

10 **(g)** ~~(f)~~—"Electric vehicle charging station" means an electric
11 component assembly or cluster of component assemblies designed
12 specifically to charge batteries within an electric vehicle by
13 permitting the transfer of electric energy to a battery or other
14 storage device in an electric vehicle.

15 **(h)** ~~(g)~~—"Financing order" means an order of the commission
16 approving the issuance of securitization bonds and the creation of
17 securitization charges and any corresponding utility rate
18 reductions.

19 **(i)** ~~(h)~~—"Financing party" means a holder of securitization
20 bonds, including trustees, collateral agents, and other persons
21 acting for the benefit of the holder.

22 **(j)** ~~(i)~~—"Nonbypassable charge" means a charge in a financing
23 order payable by a customer to an electric utility or its assignees
24 or successors regardless of the identity of the customer's electric
25 generation supplier.

26 **(k)** ~~(j)~~—"Qualified costs" means an electric utility's
27 regulatory assets as determined by the commission, adjusted by the
28 applicable portion of related investment tax credits, plus any
29 costs that the commission determines that the electric utility

1 would be unlikely to collect in a competitive market, including,
2 but not limited to, retail open access implementation costs and the
3 costs of a commission approved restructuring, buyout or buy-down of
4 a power purchase contract, together with the costs of issuing,
5 supporting, and servicing securitization bonds and any costs of
6 retiring and refunding the electric utility's existing debt and
7 equity securities in connection with the issuance of securitization
8 bonds. Qualified costs include taxes related to the recovery of
9 securitization charges.

10 (l) ~~(k)~~—"Securitization bonds" means bonds, debentures, notes,
11 certificates of participation, certificates of a beneficial
12 interest, certificates of ownership, or other evidences of
13 indebtedness that are issued by an electric utility, its
14 successors, or an assignee under a financing order, that have a
15 term of not more than 15 years, and that are secured by or payable
16 from securitization property. If certificates of participation,
17 certificates of beneficial interest, or certificates of ownership
18 are issued, references in this act to principal, interest, or
19 premium refer to comparable amounts under those certificates.

20 (m) ~~(l)~~—"Securitization charges" means nonbypassable amounts to
21 be charged for the use or availability of electric services,
22 approved by the commission under a financing order to fully recover
23 qualified costs, that ~~shall~~**must** be collected by an electric
24 utility, its successors, an assignee, or other collection agents as
25 provided for in the financing order.

26 (n) ~~(m)~~—"Securitization property" means the property described
27 in section 10j.

28 Enacting section 1. This amendatory act does not take effect
29 unless all of the following bills of the 102nd Legislature are

1 enacted into law:

2 (a) Senate Bill No. _____ or House Bill No. 5608 (request no.
3 04578'23 *).

4 (b) Senate Bill No. _____ or House Bill No. 5609 (request no.
5 05524'24 *).