

CLEAN AND RENEWABLE ENERGY AND ENERGY WASTE REDUCTION ACT (EXCERPT)
Act 295 of 2008

***** 460.1051.added THIS ADDED SECTION IS EFFECTIVE FEBRUARY 27, 2024 *****

460.1051.added Clean energy portfolio requirements; member-regulated requirements; municipally owned electric utility requirements; written report to legislature.

Sec. 51. (1) As a clean energy standard, an electric provider shall achieve a clean energy portfolio of at least the following:

(a) In 2035 through 2039, 80%.

(b) In 2040 and each year thereafter, 100%.

(2) All of the following apply to an electric provider whose rates are regulated by the commission:

(a) The electric provider shall submit a plan to comply with the clean energy standard as part of that electric provider's integrated resource plans filed under section 6t of 1939 PA 3, MCL 460.6t. The costs of compliance with the clean energy standard are a cost of service and may be recovered as provided by 1939 PA 3, MCL 460.1 to 460.11.

(b) The commission may, upon a showing of good cause based on a factor listed in section 32(2), grant the electric provider an extension of a clean energy standard deadline. Each extension shall not exceed 2 years. An extension of a deadline does not affect a subsequent deadline. Upon granting an additional extension for a particular clean energy standard deadline beyond the first 2 extensions, the commission shall notify the speaker of the house, the majority leader of the senate, and the chairpersons of the committees of the legislature having jurisdiction over energy issues that it has granted an additional extension and the reasons for the extension.

(c) The electric provider qualifies for a financial incentive for a clean energy contract under section 28(8).

(3) All of the following apply to an alternative electric supplier or a cooperative electric utility that has elected to become member-regulated under the electric cooperative member-regulation act, 2008 PA 167, MCL 460.31 to 460.39:

(a) An electric provider described in this subsection shall file a proposed clean energy plan with the commission by January 1, 2028. The proposed clean energy plan shall meet all of the following requirements:

(i) Describe how the electric provider will meet the clean energy standard.

(ii) Specify whether the number of megawatt hours of electricity used in the calculation of the clean energy portfolio will be weather-normalized or based on the average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state. Once the plan is approved by the commission, this option shall not be changed.

(b) The commission shall provide an opportunity for public comment on the proposed clean energy plan filed under subdivision (a). After the opportunity for public comment and within 150 days after the proposed clean energy plan is filed with the commission, the commission shall approve, with any changes consented to by the electric provider, or reject the clean energy plan.

(c) Every 4 years after initial approval of a clean energy plan under subdivision (b), the commission shall review the clean energy plan. The commission shall provide an opportunity for public comment on the clean energy plan. After the opportunity for public comment, the commission shall approve, with any changes consented to by the electric provider described in this subsection, or reject any proposed amendments to the clean energy plan.

(d) If an electric provider described in this subsection proposes to amend its clean energy plan at a time other than during the review process under subdivision (c), the electric provider shall file the proposed amendment with the commission. The commission shall provide an opportunity for public comment on the amendment. After the opportunity for public comment and within 150 days after the amendment is filed, the commission shall approve, with any changes consented to by the electric provider, or reject the amendment.

(e) If the commission rejects a proposed clean energy plan or amendment under this subsection, the commission shall explain in writing the reasons for its determination.

(f) The commission may, upon a showing of good cause based on a factor listed in section 32(2), grant an alternative electric supplier an extension of a clean energy standard deadline. Each extension shall not exceed 2 years. An extension of a deadline does not affect a subsequent deadline. Upon granting an additional extension for a particular clean energy standard deadline beyond the first 2 extensions, the commission shall notify the speaker of the house, the majority leader of the senate, and the chairpersons of the committees of the legislature having jurisdiction over energy issues that it has granted an additional extension and the reasons for the extension.

(g) The governing board of a cooperative electric utility may, upon a demonstration of good cause based

on a factor listed in section 32(2), grant an extension of a clean energy standard deadline. Each extension shall not exceed 2 years. An extension of a deadline does not affect a subsequent deadline. Upon granting an additional extension for a particular clean energy standard deadline beyond the first 2 extensions, the governing board of a cooperative electric utility shall notify the commission that it has granted an additional extension and the reasons for the extension.

(4) All of the following apply to a municipally owned electric utility:

(a) Each municipally owned electric utility shall file a proposed clean energy plan with the commission by July 1, 2028. Two or more municipally owned electric utilities may file jointly for the purposes of compliance with the requirements of this subsection. The proposed clean energy plan shall meet all of the following requirements:

(i) Describe how the municipally owned electric utility or a joint filing of municipally owned electric utilities will meet the clean energy standard.

(ii) Specify whether the number of megawatt hours of electricity used in the calculation of the clean energy portfolio will be weather-normalized or based on the average number of megawatt hours of electricity sold by the municipally owned electric utility annually during the previous 3 years to retail customers in this state. Once the commission determines that the proposed plan complies with this act, this option shall not be changed.

(b) Subject to subdivision (e), the commission shall provide an opportunity for public comment on the proposed clean energy plan filed under subdivision (a). After the applicable opportunity for public comment and within 150 days after the proposed clean energy plan is filed with the commission, the commission shall determine whether the proposed clean energy plan complies with this act.

(c) Every 4 years after the commission initially determines under subdivision (b) that a clean energy plan complies with this act, the commission shall review the clean energy plan. Subject to subdivision (e), the commission shall provide an opportunity for public comment on the clean energy plan. After the opportunity for public comment, the commission shall determine whether any amendment to the clean energy plan proposed by the municipally owned electric utility complies with this act. The proposed amendment is adopted if the commission determines that it complies with this act.

(d) If a municipally owned electric utility proposes to amend its clean energy plan at a time other than during the review process under subdivision (c), the municipally owned electric utility shall file the proposed amendment with the commission. Subject to subdivision (e), the commission shall provide an opportunity for public comment on the amendment. After the applicable opportunity for public comment and within 150 days after the amendment is filed, the commission shall determine whether the proposed amendment to the clean energy plan complies with this act. The proposed amendment is adopted if the commission determines that it complies with this act.

(e) The commission need not provide an opportunity for public comment under subdivision (b), (c), or (d) if the governing body of the municipally owned electric utility has already provided an opportunity for public comment and filed the comments with the commission.

(f) If the commission determines that a proposed clean energy plan or amendment under this subsection does not comply with this act, the commission shall explain in writing the reasons for its determination.

(g) The governing board of a municipally owned electric utility may, upon a demonstration of good cause based on a factor listed in section 32(2), grant an extension of a clean energy standard deadline. Each extension shall not exceed 2 years. An extension of a deadline does not affect a subsequent deadline. Upon granting an additional extension for a particular clean energy standard deadline beyond the first 2 extensions, the governing board of a municipally owned electric utility shall notify the commission that it has granted an additional extension and the reasons for the extension.

(5) By December 1, 2024, the commission shall deliver to the governor, the senate majority leader, the senate minority leader, the speaker of the house of representatives, the minority leader of the house of representatives, and the chairpersons of the senate and house of representatives standing committees with primary responsibility for energy issues a written report detailing all of the following:

(a) The unique conditions influencing electric generation, transmission, and demand in the Upper Peninsula.

(b) The unique role of the reciprocating internal combustion units placed in service to facilitate the retirement of coal-fired generation located in the Upper Peninsula after the regional transmission organization imposed system support resource charges.

(c) Changes in electric demand, including changes from mining-related economic development projects, that may influence the utilization of the reciprocating internal combustion units described in subdivision (b).

(d) Options to reduce the carbon intensity of the existing reciprocating internal combustion units described in subdivision (c), with particular focus on how the unique geological conditions within the Upper Peninsula

influence the feasibility of deploying clean energy systems.

(e) Any other information the commission determines may be relevant to the development of strategies to satisfy the clean energy standard for an electric provider whose rates are regulated by the commission and that owns and operates reciprocating internal commission engine units in the Upper Peninsula.

History: Add. 2023, Act 235, Eff. Feb. 27, 2024.

Compiler's note: Former MCL 460.1051, which pertained to required reports, was repealed by Act 342 of 2016, Eff. Jan. 1, 2023.