

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

460.1091 Alternative compliance payment.

Sec. 91.

(1) Except for section 89(5), sections 71 to 89 do not apply to a provider that makes an alternative compliance payment in an amount determined, and to an independent energy waste reduction program administrator selected by the commission. The commission shall determine the amount of an alternative compliance payment under this subsection.

(2) The commission shall initiate a proceeding by July 1, 2024 to adopt a framework energy waste reduction program that shall be utilized by the independent energy waste reduction program administrator in administering a program on behalf of a provider, and to determine the appropriate amount of alternative compliance payments for effective administration of energy waste reduction programs consistent with that framework. The proceeding shall be conducted as a contested case in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The framework energy waste reduction program and the appropriate amount of alternative compliance payments adopted under this subsection may be periodically revised by the commission after a contested case proceeding.

(3) An alternative compliance payment received from a provider by the energy waste reduction program administrator under subsection (1) shall be used to administer energy efficiency programs for the provider.

(4) The commission shall allow a provider to recover an alternative compliance payment under subsection (1). The alternative compliance payment shall be recovered from residential customers by volumetric charges, from all other metered customers by per-meter charges, and from unmetered customers by an appropriate charge. Fixed, per-meter charges under this subsection may vary by rate class.

(5) A provider's alternative compliance payment under subsection (1) shall be used only to fund energy waste reduction programs for that provider's customers. To the extent feasible, charges collected from a particular customer rate class and paid to the energy waste reduction program administrator under subsection (1) shall be devoted to energy waste reduction programs and services for that rate class.

(6) Money paid to the energy waste reduction program administrator under subsection (1) and not spent by the administrator that year remains available for expenditure the following year, subject to the requirements of subsection (5).

(7) The commission shall select a qualified nonprofit organization to serve as an energy waste reduction program administrator under this section, through a competitive bid process.

(8) The commission shall require that the energy waste reduction program administrator submit reports, on behalf of each provider that makes an alternative compliance payment, to the commission in compliance with section 97.

(9) The commission shall arrange for a biennial independent audit of the energy waste reduction program administrator.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008 ;-- Am. 2016, Act 342, Eff. Apr. 20, 2017 ;-- Am. 2023, Act 229, Eff. Feb. 13, 2024

Compiler's Notes: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."