



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

MINUTES OF THE STANDING COMMITTEE ON ENERGY POLICY

Thursday, November 5, 2015 8:00 a.m. Room 519 House Office Building, Lansing

Representative Nesbitt, Chair, called the meeting to order.

The Chair stated that the Committee would stand at ease, the time being 8:01 a.m.

Chair Nesbitt reconvened the meeting at 2:08 p.m.

MEMBERS PRESENT: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, Garrett, D. Miller, Plawecki.

Representative Barrett made a motion to adopt the minutes of the meeting of November 4, 2015. No objections being offered, the minutes were accepted as presented.

The Chair laid the following bills before the Committee.

HB 4297 (Nesbitt) Energy; alternative sources; energy generated from waste; allow to qualify as renewable or advanced cleaner energy, modify renewable energy location requirements, and eliminate energy optimization program.

HB 4298 (Nesbitt) Public utilities; electric utilities; electric choice; eliminate, prohibit self-implementation of rate increases, and require utilities to utilize a competitive bid process.

HB 4575 (Cole) Public utilities; electric utilities; Michigan electric infrastructure act; create.

HB 4298 (H-3) was adopted on November 4, 2015.

Chair Nesbitt offered the following amendments to HB 4298 (H-3).

1. Amend page 43, line 1, after "**BY**" by striking out "**OCTOBER**" and inserting "**NOVEMBER**".

2. Amend page 43, line 27, after "**(i)**" by striking out "**AS**" and inserting "**THE COMMISSION PREDICTS THAT, OR THE APPLICABLE REGIONAL TRANSMISSION ORGANIZATION DETERMINES THAT, AS**".

3. Amend page 44, line 22, after "**RESOURCES.**" by inserting "**THE COMMISSION SHALL ONLY REQUIRE AN ELECTRIC PROVIDER TO ADDRESS THAT PROVIDER'S LOCAL RELIABILITY NEED IF A PROJECTED CAPACITY SHORTFALL IS DETERMINED UNDER SUBDIVISION (B)(ii). THE PERCENTAGE**

OF THE RESOURCES NEEDED TO MEET AN ELECTRIC PROVIDER'S RESERVE MARGIN REQUIREMENT IN A PLANNING YEAR THAT MAY BE MET THROUGH RESOURCES FROM OUTSIDE OF THE APPLICABLE AREA WITHIN THE STATE SHALL BE DETERMINED ACCORDING TO THE FOLLOWING METHODOLOGY: IF THE APPLICABLE AREA WITHIN THE STATE HAS ANY AVAILABLE CAPACITY IMPORT CAPABILITY FOR THAT PLANNING YEAR, THE COMMISSION SHALL ASSUME THAT THE ELECTRIC PROVIDER WILL NOT USE MORE THAN ITS PRO RATA SHARE OF 50% OF THE AVAILABLE IMPORT CAPABILITY. TO THE EXTENT THAT AN ELECTRIC PROVIDER HAS NOT UTILIZED ITS PRO RATA SHARE OF THE 50% OF AVAILABLE IMPORT CAPABILITY, THE COMMISSION SHALL REDISTRIBUTE THAT ELECTRIC PROVIDER'S SHARE OF THE AVAILABLE IMPORT CAPABILITY TO ALL OTHER ELECTRIC PROVIDERS THAT CANNOT MEET THEIR RESERVE MARGIN REQUIREMENT WITH RESOURCES IN THE APPLICABLE AREA PLUS THEIR PRO RATA SHARE OF AVAILABLE IMPORT CAPABILITY ON A PRO RATA BASIS. NOTWITHSTANDING AN ELECTRIC PROVIDER'S ABILITY TO IMPORT RESOURCES TO MEET THAT PROVIDER'S RESERVE MARGIN REQUIREMENT, ALL OF A PROVIDER'S LOCAL RELIABILITY NEED SHALL ONLY BE MET WITH LOCAL RELIABILITY NEED RESOURCES. NOTHING IN THIS ACT SHALL BE INTERPRETED TO RESTRICT ACTUAL IMPORTATION OF POWER OR REGULATE THE TRANSMISSION OF POWER OVER THE TRANSMISSION SYSTEM. THE IMPORT CAPABILITY DETERMINATION SHALL BE USED SOLELY TO DETERMINE WHETHER PROPOSED CAPACITY CAN BE COUNTED TOWARD THIS STATE'S REQUIREMENT FOR CAPACITY IN ORDER TO ASSURE RELIABILITY AND SUFFICIENT GENERATION RESOURCES. AS USED IN THIS SUBDIVISION, "PRO RATA SHARE" MEANS THE PERCENTAGE OF THE APPLICABLE AREA'S PLANNING RESERVE MARGIN REQUIREMENT THAT THE ELECTRIC PROVIDER IS REQUIRED TO MEET."

4. Amend page 46, line 23, after "SUPPLIER" by inserting "OR THAT WOULD BE UNABLE TO BE SERVED BY THE ALTERNATIVE ELECTRIC SUPPLIER IN THE SUBSEQUENT 3-YEAR PERIOD".

5. Amend page 47, line 6, after "ORDER." by inserting "IF THE COMMISSION DETERMINES IN A SUBSEQUENT RESOURCE ADEQUACY PROCEEDING THAT AN ALTERNATIVE ELECTRIC SUPPLIER HAS OBTAINED ADDITIONAL CAPACITY, THE COMMISSION SHALL MODIFY THE AMOUNT OF LOAD THAT THE ALTERNATIVE ELECTRIC SUPPLIER MAY SERVE IN THIS STATE."

Representative Jacobsen made a motion to adopt the amendments to HB 4298 (H-3).

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Jacobsen, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Lane, Kivela, Kosowski, Byrd. (17/25)

Nays: Representatives Glenn, Lucido, D. Miller. (3/25)

Pass: Representatives LaFontaine, Brunner, Dianda, Garrett, Plawecki. (5/25) (17/3/5)

A sufficient number of members voting in the affirmative, the motion prevailed.

Chair Nesbitt offered the following amendments to HB 4298 (H-3).

1. Amend page 38, line 2, after "time." by striking out the balance of the subdivision.
2. Amend page 40, line 24, after "UTILITY." by inserting "**A CUSTOMER THAT ELECTS TO RETURN TO SERVICE UNDER THIS SUBPARAGRAPH IS NOT ELIGIBLE TO RECEIVE ELECTRIC SUPPLY SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER FOR A PERIOD OF 15 YEARS AFTER RETURNING TO SERVICE.**".
3. Amend page 41, line 6, after "CUSTOMER." by inserting "**A CUSTOMER THAT ELECTS TO RETURN TO SERVICE UNDER THIS SUBPARAGRAPH IS NOT ELIGIBLE TO RECEIVE ELECTRIC SUPPLY SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER FOR A PERIOD OF 15 YEARS AFTER RETURNING TO SERVICE.**".
4. Amend page 41, line 19, after "IRREVOCABLE." by inserting "**A CUSTOMER THAT ELECTS TO RETURN TO SERVICE UNDER THIS SUBPARAGRAPH IS NOT ELIGIBLE TO RECEIVE ELECTRIC SUPPLY SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER FOR A PERIOD OF 20 YEARS AFTER RETURNING TO SERVICE.**".
5. Amend page 41, line 20, by striking out all of subparagraph (*iv*).
6. Amend page 41, following line 23, by inserting:
"**(F) PROVIDE THAT A CUSTOMER THAT ELECTS TO LEAVE UTILITY BUNDLED SERVICE AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION WILL CONTINUE TO BE CHARGED FOR THE UTILITY'S FULL GENERATION COSTS INCLUDED IN THE UTILITY'S BASE RATES AND GENERATION CAPACITY COSTS AND OTHER FIXED ENERGY GENERATION COSTS INCLUDED IN SURCHARGES AND POWER SUPPLY COST RECOVERY FACTORS, REGARDLESS OF WHETHER THOSE COSTS RESULT FROM UTILITY OWNERSHIP OF CAPACITY RESOURCES OR THE PURCHASE OF CAPACITY RESOURCES FROM A THIRD PARTY OR MARKETS, FOR A PERIOD OF 15 YEARS. THE COMMISSION SHALL IMPLEMENT A COST-BASED RATE DESIGN IN THE UTILITY'S RATE PROCEEDINGS UNDER THIS ACT TO ALLOCATE GENERATION CAPACITY COSTS OR OTHER FIXED ENERGY GENERATION COSTS TO THOSE CUSTOMERS AS THE CUSTOMER WOULD OTHERWISE BE CHARGED IF IT WERE A BUNDLED CUSTOMER OF THE UTILITY. NOTWITHSTANDING THE CUSTOMER'S ELECTION, THE UTILITY WILL BE RESPONSIBLE FOR THE CUSTOMER'S CAPACITY REQUIREMENTS AND WILL ALLEVIATE THE ALTERNATIVE ELECTRIC SUPPLIER'S RESPONSIBILITY FOR THIS CUSTOMER'S CAPACITY REQUIREMENTS UNDER SUBSECTION (3) FOR THAT 15-YEAR PERIOD.**".
7. Amend page 44, line 6, after "BY" by striking out "**100%**" and inserting "**1,000%**".
8. Amend page 45, line 23, after "ALTERNATIVE" by striking out "ENERGY" and inserting "ELECTRIC".

9. Amend page 46, line 11, after "**EXPECTED**" by striking out "**PEAK DEMAND**" and inserting "**RESERVE MARGIN REQUIREMENT**".

10. Amend page 47, following line 11, by inserting:

"(7) **NOTHING IN SUBSECTIONS (3) TO (6) SHALL BE INTERPRETED AS A REQUIREMENT FOR OR A PROHIBITION OF A 3-YEAR CONTRACT.**" and renumbering the remaining subsections.

11. Amend page 48, line 13, by striking out "(9)" and inserting "(10)".

12. Amend page 48, line 15, by striking out "(10)" and inserting "(11)".

13. Amend page 48, line 27, after "subsection" by striking out "(10)" and inserting "(11)".

14. Amend page 49, line 18, after "subsection" by striking out "(12)" and inserting "(13)".

15. Amend page 50, line 8, by striking out "(12)" and inserting "(13)".

16. Amend page 58, line 15, by striking out "**10A(8)**" and inserting "**10A(9)**".

17. Amend page 59, line 13, after "section" by striking out "**10A(8)**" and inserting "**10A(9)**".

18. Amend page 59, line 15, by striking out "**10A(8)**" and inserting "**10A(9)**".

19. Amend page 59, line 25, by striking out "**10A(8)**" and inserting "**10A(9)**".

20. Amend page 59, line 27, after "section" by striking out "**10A(8)**" and inserting "**10A(9)**".

21. Amend page 60, line 12, after "section" by striking out "**10A(8)**" and inserting "**10A(9)**".

22. Amend page 60, line 15, by striking out "**10A(8)**" and inserting "**10A(9)**".

23. Amend page 60, line 18, after "section" by striking out "**10A(8)**" and inserting "**10A(9)**".

24. Amend page 60, line 19, after "section" by striking out "**10A(8)**" and inserting "**10A(9)**".

25. Amend page 60, line 25, after "section" by striking out "**10A(8)**" and inserting "**10A(9)**".

Representative LaVoy made a motion to adopt the amendments to HB 4298 (H-3).

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Jacobsen, Outman, Pettalia, Hughes, Barrett, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Kivela, Byrd, Garrett. (16/25)

Nays: None. (0/25)

Pass: Representatives Glenn, LaFontaine, McBroom, Cole, Lucido, Dianda, Kosowski, D. Miller, Plawecki. (9/25) (16/0/9)

A sufficient number of members voting in the affirmative, the motion prevailed.

Valerie Brader, Executive Director of the Michigan Agency for Energy, reviewed the provisions of the bills before the Committee and answered questions.

Representative Glenn made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 40, following line 10, by inserting:

"(E) **NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A**

PUBLIC SCHOOL MAY PURCHASE ALL OR ANY PORTION OF ITS ELECTRICITY FROM AN ALTERNATIVE ELECTRIC SUPPLIER, REGARDLESS OF WHETHER THAT CUSTOMER WAS TAKING SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6T. AS USED IN THIS SUBDIVISION, "PUBLIC SCHOOL" MEANS THAT TERM AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.5.

(F) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A PUBLIC SCHOOL ACADEMY OR NONPUBLIC SCHOOL MAY PURCHASE ALL OR ANY PORTION OF ITS ELECTRICITY FROM AN ALTERNATIVE ELECTRIC SUPPLIER, REGARDLESS OF WHETHER THAT CUSTOMER WAS TAKING SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6T. AS USED IN THIS SUBDIVISION, "PUBLIC SCHOOL ACADEMY" AND "NONPUBLIC SCHOOL" MEAN THOSE TERMS AS DEFINED IN SECTION 5 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.5.

(G) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A STATE PUBLIC UNIVERSITY, COMMUNITY COLLEGE, OR INDEPENDENT NONPROFIT DEGREE-GRANTING COLLEGE OR UNIVERSITY LOCATED IN THIS STATE MAY PURCHASE ALL OR ANY PORTION OF ITS ELECTRICITY FROM AN ALTERNATIVE ELECTRIC SUPPLIER, REGARDLESS OF WHETHER THAT CUSTOMER WAS TAKING SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6T. AS USED IN THIS SUBDIVISION:

(i) "COMMUNITY COLLEGE" MEANS THAT TERM AS DEFINED IN SECTION 1311B OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1311B.

(ii) "STATE PUBLIC UNIVERSITY" MEANS THAT TERM AS DEFINED IN SECTION 1311B OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1311B.

(H) A RETAIL CUSTOMER PURCHASING ITS ELECTRICITY UNDER SUBDIVISION (E), (F), OR (G) SHALL SUBMIT AN AFFIDAVIT TO THE COMMISSION AFFIRMING THAT THE CUSTOMER MEETS AT LEAST 1 OF THE CRITERIA SET FORTH IN SUBDIVISION (E), (F) OR (G). ANY CHALLENGES TO THE AFFIDAVIT OR THE ELIGIBILITY OF THE RETAIL CUSTOMER SHALL BE SUBMITTED TO THE COMMISSION WITHIN 10 DAYS OF THE AFFIDAVIT BEING FILED. IF THE COMMISSION FINDS REASONABLE CAUSE FOR THE CHALLENGE, IT SHALL COMMENCE AN INVESTIGATION, HOLD HEARINGS, AND ISSUE ITS FINDINGS AND ORDER ON THE MATTER UNDER THE CONTESTED CASE PROVISIONS OF CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287." and relettering the remaining subdivision.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, Cole, Lucido. (3/25)

Nays: Representatives Nesbitt, Jacobsen, Outman, Pettalia, Hughes, Barrett, Maturen, B. Roberts, Sheppard, Webber, Kivela. (11/25)

Pass: Representatives LaFontaine, McBroom, LaVoy, Brunner, Lane, Dianda, Kosowski, Byrd, Garrett, D. Miller, Plawecki. (11/25) (3/11/11)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Glenn discussed a proposed amendment to HB 4298 (H-3) and withdrew the amendment.

Chair Nesbitt stated that the Committee would stand at ease, the time being 3:25 p.m.

The Chair reconvened the meeting at 3:50 p.m.

Representative Glenn made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 14, line 11, by striking out all of section 6s and inserting:

"Sec. 6s. (1) AN ELECTRIC UTILITY THAT PROPOSES TO ACQUIRE NEW ELECTRIC GENERATION CAPACITY, MAKE A SIGNIFICANT INVESTMENT IN AN EXISTING ELECTRIC GENERATION FACILITY, PURCHASE AN EXISTING ELECTRIC GENERATION FACILITY, OR ENTER INTO A POWER PURCHASE AGREEMENT FOR THE PURCHASE OF ELECTRIC CAPACITY SHALL SUBMIT AN APPLICATION FOR A CERTIFICATE OF COMPLIANCE WITH THE COMPETITIVE BIDDING REQUIREMENTS OF SUBSECTION (5)(C) IF THE TOTAL INCREMENTAL COST OF THE PROJECT IS \$100,000,000.00 OR MORE.

(2) (1)–An electric utility that proposes to ~~construct an~~ ACQUIRE NEW electric generation facility, CAPACITY, make a significant investment in an existing electric generation facility, purchase an existing electric generation facility, or enter into a power purchase agreement for the purchase of electric capacity for a period of 6 years or longer may submit an application to the commission seeking a certificate of necessity for that ~~construction, ACQUISITION,~~ investment, or purchase if that ~~construction, ACQUISITION,~~ investment, or purchase costs \$500,000,000.00 or more and a portion of the costs would be allocable to retail customers in this state. A significant investment in an electric generation facility includes a group of investments reasonably planned to be made over a multiple year period not to exceed 6 years for a singular purpose such as increasing THAT WILL MATERIALLY INCREASE the NET capacity of an existing electric generation plant. The commission shall not issue a certificate of necessity under this section for any environmental upgrades to existing electric generation facilities or for a renewable energy system.

(3) (2)–The commission may implement separate review criteria and approval standards for electric utilities with less than 1,000,000 ~~120,000~~ retail customers who ENGAGE IN COMPETITIVE BIDDING UNDER SUBSECTION (5) FOR PROJECTS THAT COST LESS THAN \$100,000,000.00 OR seek a certificate of necessity for projects costing less than \$500,000,000.00.

(4) (3)–An electric utility submitting an application under this section SUBSECTION (2) may request 1 or more of the following:

(a) A certificate of necessity that the power to be supplied as a result of the proposed ~~construction, ACQUISITION,~~ investment, or purchase is needed.

(b) A certificate of necessity that the size, fuel type, and other design characteristics of the existing or proposed electric generation facility or the terms of the power purchase agreement represent the most reasonable and prudent means of meeting that power need.

(c) A certificate of necessity that the price specified in the power purchase agreement will be recovered in rates from the electric utility's customers.

(d) A certificate of necessity that the estimated purchase or capital costs of and the financing plan for the existing or proposed electric generation facility, including, but not limited to, the costs of siting and licensing a new facility and the estimated cost of power from the new or proposed electric generation facility, will be recoverable in rates from the electric utility's customers subject to subsection ~~(4)(e).~~(5)(C).

(5) (4)–Within 270 days of the filing of an application under this section, SUBSECTION (1) OR (2), the commission shall issue an order granting or denying A CERTIFICATE OF COMPLIANCE FILED UNDER SUBSECTION (1) OR the requested certificate of necessity FILED UNDER SUBSECTION (2). The commission shall hold a hearing on the AN application. The hearing shall be conducted as a contested case pursuant to chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287. The commission shall allow intervention by interested persons INCLUDING THE REGIONAL TRANSMISSION ORGANIZATION, ANY ELECTRIC CUSTOMER OR ASSOCIATION OF CUSTOMERS, ALTERNATIVE ELECTRIC SUPPLIERS, RESOURCE SUPPLIERS, OR OTHERS WITH INFORMATION POTENTIALLY RELEVANT TO THE PROCEEDING, INCLUDING, BUT NOT LIMITED TO, POTENTIALLY COMPETITIVE RESOURCE SUPPLIERS OF THE ELECTRIC UTILITY. Reasonable discovery shall be permitted before and during the hearing in order to

assist parties and interested persons in obtaining evidence concerning the application, including, but not limited to, the reasonableness and prudence of the ~~construction, ACQUISITION,~~ investment, or purchase for which the ~~certificate of necessity~~ **AN APPLICATION** has been requested. The commission shall grant the request if it determines all of the following:

(a) That the electric utility has demonstrated a need for the power that would be supplied by the existing or proposed electric generation facility or pursuant to the proposed power purchase agreement through its **PREVIOUSLY** approved integrated resource plan that complies with subsection ~~(11)~~ **(12)**.

(b) The information supplied indicates that the existing or proposed electric generation facility will comply with all applicable state and federal environmental standards, laws, and rules.

(c) The estimated cost of power from the existing or proposed electric generation facility or the price of power specified in the proposed power purchase agreement is reasonable. The commission shall find that the cost is reasonable if ~~in the construction ACQUISITION OF~~ or investment in a new or existing facility ~~, to the extent it is commercially practicable, the estimated costs are the result of competitively bid engineering, procurement, and construction contracts, or in a~~ **OR** power purchase agreement ~~, the cost is the result of a competitive solicitation. Up to 150 days after an electric utility makes its initial filing, it may file to update its cost estimates if they have materially changed. No other aspect of the initial filing may be modified unless the application is withdrawn and refiled. A utility's filing updating its cost estimates does not extend the period for the commission to issue an order granting or denying a certificate of necessity. An affiliate of an electric utility that serves customers in this state and at least 1 other state may participate in the competitive bidding to provide engineering, procurement, and construction services to that electric utility for a project covered by this section.~~ **IS DEMONSTRATED TO BE THE MOST ADVANTAGEOUS TO CUSTOMERS, CONSIDERING COST AND MEETING THE POWER NEEDS OF THOSE CUSTOMERS AS DETERMINED BY THE COMPETITIVE BID PROCESS ESTABLISHED IN THIS SUBSECTION. THE COMMISSION SHALL DO ALL OF THE FOLLOWING:**

(i) **ESTABLISH A FORM OF REQUEST FOR PROPOSALS TO BE EMPLOYED BY THE UTILITY FOR THE PURPOSE OF PROCURING NEEDED RESOURCES THAT REQUESTS AN OFFER PRICE IN DOLLARS PER MEGAWATT HOUR, STATES THE TERM OF THE PROPOSED CONTRACT, STATES THE AMOUNT OF CAPACITY IN MEGAWATTS BEING SOUGHT, STATES WHETHER THE CAPACITY MUST BE DISPATCHABLE BY THE PURCHASING UTILITY, INCLUDES A UNIFORM FORCE MAJEURE CLAUSE, STATES WHETHER THE OBLIGATION TO SELL AND DELIVER MUST BE FIRM OR INTERRUPTIBLE, AND REQUESTS THE BIDDER TO SPECIFY ANY MINIMUM QUANTITY IN MEGAWATT HOURS THAT MUST BE PURCHASED ON AN ANNUAL BASIS.**

(ii) **SPECIFY THE EVALUATION CRITERIA BY WHICH THE PREFERRED PROPOSAL RECEIVED UNDER SUBPARAGRAPH (i) WILL BE DETERMINED.**

(iii) **ESTABLISH A PREFERRED FORM OF CONTRACT OR STANDARDIZED CONTRACT TERMS TO BE ENTERED INTO BY THE SELECTED RESOURCE SUPPLIER AND THE ELECTRIC UTILITY.**

(iv) **PRESCRIBE BOTH OF THE FOLLOWING:**

(A) **THE RESPONSIBILITIES AND DUTIES OF AN INDEPENDENT THIRD-PARTY EVALUATOR SELECTED BY THE COMMISSION TO ISSUE REQUESTS FOR PROPOSALS, ADMINISTER A REQUEST FOR PROPOSALS PROCESS, RECEIVE PROPOSALS SUBMITTED IN RESPONSE TO A REQUEST FOR PROPOSALS, IDENTIFY THE PROPOSAL THAT BEST MEETS THE EVALUATION CRITERIA, AND RECOMMEND TO THE COMMISSION THE SELECTION OF 1 OR MORE PROPOSALS. THE COST OF THE INDEPENDENT THIRD-PARTY EVALUATOR SHALL BE ASSESSED AS A COST OF REGULATION UNDER 1972 PA 299, MCL 460.111 TO 460.120.**

(B) **THE MEANS BY WHICH THE INDEPENDENT THIRD-PARTY EVALUATOR IS SELECTED AND THE TIME FOLLOWING SUBMISSION OF PROPOSALS WITHIN WHICH THE INDEPENDENT THIRD-PARTY EVALUATOR SHALL RECOMMEND A PROPOSAL FOR SELECTION.**

(v) PRESCRIBE THE CONDITIONS UNDER WHICH THE ELECTRIC UTILITY MAY SUBMIT A PROPOSAL IN RESPONSE TO ITS OWN REQUEST FOR PROPOSALS. THE CONDITIONS SHALL ENSURE THAT AN ELECTRIC UTILITY'S USE OF RATEPAYER—FUNDED ASSETS DOES NOT PLACE OTHER RESOURCE SUPPLIERS SUBMITTING PROPOSALS AT A COMPETITIVE DISADVANTAGE AND ENSURE THAT THE ELECTRIC UTILITY'S PARTICIPATION IS CONSISTENT WITH THE ELECTRIC UTILITY'S CODE OF CONDUCT.

(vi) PRESCRIBE THE PROCESS FOR IDENTIFICATION AND APPROVAL OF PROPOSALS.

(vii) PRESCRIBE THE TERMS TO BE INCLUDED IN ANY CONTRACT BETWEEN AN ELECTRIC UTILITY AND A RESOURCE SUPPLIER THAT WILL LIMIT COMPENSATION TO BE RECEIVED BY THE RESOURCE SUPPLIER TO NO MORE THAN THE AMOUNT THAT THE UTILITY MAY RECOVER FROM RATEPAYERS AS SET FORTH IN A COMMISSION ORDER.

(viii) IDENTIFY IN THE REQUEST FOR PROPOSALS WHAT RISKS ARE TO BE ASSUMED BY UTILITY CUSTOMERS AND WHAT RISKS ARE TO BE ASSUMED BY PERSONS SUBMITTING PROPOSALS IN CONNECTION WITH EACH RESOURCE TO BE PROCURED.

(ix) PRESCRIBE CRITERIA THAT WILL PERMIT PERSONS PROPOSING TO PROVIDE DEMAND-SIDE MANAGEMENT, TRANSMISSION SERVICE, OR GENERATING CAPACITY, INCLUDING RENEWABLE AND DISTRIBUTED GENERATING CAPACITY, TO FAIRLY COMPETE TO PROVIDE REQUIRED RESOURCES, PROVIDED THAT THE RESOURCES WITH THE MOST PREDICTABLE YEAR-TO-YEAR COST WILL BE CHOSEN BEFORE A RESOURCE WITH A LESS PREDICTABLE YEAR-TO-YEAR COST.

(x) PROVIDE REASONABLE MEANS TO ASSURE THAT THE REQUEST FOR PROPOSALS PROCESS WILL BE OPEN AND FAIR TO ALL PARTICIPATING PARTIES.

(xi) PROVIDE THAT, AFTER THE COMMISSION HAS SELECTED A PROPOSAL, ALL PROPOSALS SUBMITTED, EXCEPT THE SELECTED PROPOSAL, ARE CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

(xii) PROVIDE THAT, IN CONSIDERING THE RELATIVE COST OF NEW GENERATING RESOURCES, ALL COSTS OF TRANSMITTING POWER TO THE ELECTRIC UTILITY, THE FUEL COST, THE EXPECTED USEFUL LIFE OF THE RESOURCE, AND THE NET PRESENT VALUE OF THE COST TO DECOMMISSION THE RESOURCE AT THE END OF ITS SERVICE LIFE ARE CONSIDERED A PART OF THE COST OF GENERATION.

(xiii) PROVIDE FOR ALL OF THE FOLLOWING:

(A) WITHIN THE TIME PRESCRIBED BY THE COMMISSION, THAT THE INDEPENDENT THIRD-PARTY EVALUATOR RECOMMENDS TO THE COMMISSION 1 OR MORE PROPOSALS FOR SELECTION.

(B) POSTING OF THE RECOMMENDATION ON THE COMMISSION'S INTERNET WEBSITE AND MAILING OF COPIES TO EACH PARTY TO THE PROCEEDING IN WHICH THE COMMISSION DETERMINED THE UTILITY'S RESOURCE NEEDS AND TO EACH SUPPLIER SUBMITTING A PROPOSAL.

(C) ALLOWING ANY PERSON OR SUPPLIER NOTIFIED UNDER SUB-PARAGRAPH (B), WITHIN 15 DAYS OF THE DATE THE RECOMMENDATION IS POSTED, TO SUBMIT COMMENTS ON THE INDEPENDENT THIRD-PARTY EVALUATOR'S RECOMMENDATION OR REQUEST COMMISSION REVIEW OF THE PROCESS OF REQUESTING, RECEIVING, AND SELECTING PROPOSALS.

(D) WITHIN 30 DAYS OF THE DATE THE RECOMMENDATION IS POSTED, ISSUING AN ORDER THAT SELECTS THE PROPOSAL MOST ADVANTAGEOUS TO THE UTILITY'S CUSTOMERS CONSIDERING COST AND THE CRITERIA IN SUBPARAGRAPHS (v) TO (xii) UNLESS THE UTILITY OR SUPPLIER COMMITTED FRAUD OR THE INDEPENDENT THIRD-PARTY EVALUATOR FAILED TO FOLLOW COMMISSION PROCEDURES AND THE FAILURE WAS MATERIALLY DETRIMENTAL TO THE UTILITY'S CUSTOMERS.

(E) THAT THE UTILITY AND THE SUPPLIER SUBMITTING THE SELECTED PROPOSAL SHALL, NOT LATER THAN 5 DAYS AFTER THE COMMISSION'S ORDER SELECTING A PROPOSAL, EXECUTE A CONTRACT SETTING FORTH ALL TERMS AND CONDITIONS OF THE REQUEST FOR PROPOSALS EXCEPT TO THE EXTENT THEY HAVE BEEN MODIFIED IN THE SELECTED PROPOSAL.

(F) THAT, IF THE ORDER HAS NOT BEEN STAYED OR SUSPENDED BY A COMPETENT COURT WITHIN 30 DAYS AFTER THE DATE OF THE ORDER, THE CONTRACT IS A VALID AND BINDING CONTRACT ACCORDING TO ITS TERMS, NOTWITHSTANDING THAT THE COMMISSION'S PROCEDURES OR SELECTION IS LATER VACATED, MODIFIED, OR OTHERWISE HELD TO BE INVALID IN WHOLE OR IN PART.

(d) The existing or proposed electric generation facility or proposed power purchase agreement represents the most reasonable and prudent means of meeting the power need relative to other resource options for meeting power demand, including energy efficiency programs and electric transmission efficiencies.

(e) To the extent practicable, the ~~construction~~-**ACQUISITION** or investment in a new or existing facility in this state is completed using a workforce composed of residents of this state as determined by the commission. This subdivision does not apply to a facility that is located in a county that lies on the border with another state.

~~(6)~~ ~~(5)~~ The commission may consider any other costs or information related to the costs associated with the power that would be supplied by the existing or proposed electric generation facility or pursuant to the proposed purchase agreement or alternatives to the proposal raised by intervening parties.

~~(7)~~ ~~(6)~~ In a certificate of necessity under this section, the commission shall specify the costs approved for the ~~construction~~-**ACQUISITION** of or significant investment in the electric generation facility, the price approved for the purchase of the existing electric generation facility, or the price approved for the purchase of power pursuant to the terms of the power purchase agreement.

~~(8)~~ ~~(7)~~ The utility shall annually file, or more frequent if required by the commission, reports to the commission regarding the status of any project for which a certificate of necessity has been granted under subsection ~~(4)~~, ~~(5)~~, including an update concerning the cost and schedule of that project.

~~(9)~~ ~~(8)~~ If the commission denies any of the relief requested by an electric utility, the electric utility may withdraw its application or proceed with the proposed ~~construction~~, **ACQUISITION**, purchase, investment, or power purchase agreement without a certificate **OF NECESSITY** and the assurances granted under this section.

~~(10)~~ ~~(9)~~ Once the electric generation facility or power purchase agreement is considered used and useful or as otherwise provided in subsection ~~(12)~~, ~~(13)~~, the commission shall include in an electric utility's retail rates all reasonable and prudent costs for an electric generation facility or power purchase agreement for which a certificate of necessity has been granted. The commission shall not disallow recovery of costs an electric utility incurs in ~~constructing~~, **ACQUIRING**, investing in, or purchasing an electric generation facility or in purchasing power pursuant to a power purchase agreement for which a certificate of necessity has been granted, if the costs do not exceed the costs approved by the commission in the certificate. Once the electric generation facility or power purchase agreement is considered used and useful or as otherwise provided in subsection ~~(12)~~, ~~(13)~~, the commission shall include in the electric utility's retail rates costs actually incurred by the electric utility that exceed the costs approved by the commission only if the commission finds that the additional costs are reasonable and prudent. If the actual costs incurred by the electric utility exceed the costs approved by the commission, the electric utility has the burden of proving by a preponderance of the evidence that the costs are reasonable and prudent. The portion of the cost of a plant, facility, or power purchase agreement which exceeds 110% of the cost approved by the commission is presumed to have been incurred due to a lack of prudence. The commission may include any or all of the portion of the cost in excess of 110% of the cost approved by the commission if the commission finds by a preponderance of the evidence that the costs were prudently incurred.

~~(11)~~ ~~(10)~~ Within 90 days of the effective date of the amendatory act that added this section, ~~the~~ **THE** commission shall adopt standard application filing forms and instructions for use in all requests for a certificate of necessity under this section. The commission may, in its

discretion, modify the standard application filing forms and instructions adopted under this section.

(12) ~~(11)~~—The commission shall establish standards for an integrated resource plan that shall be filed by an electric utility ~~requesting a certificate of necessity under this section.~~ **AND APPROVED BY THE COMMISSION AFTER A CONTESTED CASE HEARING PURSUANT TO CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287.** An integrated resource plan **AND PROCEEDING** shall include all of the following:

(a) A long-term forecast of the electric utility's load growth under various reasonable scenarios.

(b) The type of generation technology proposed for ~~the~~ **ANY NEW** generation facility and the proposed capacity of the generation facility, including projected fuel and regulatory costs under various reasonable scenarios.

(c) Projected energy and capacity purchased or produced by the electric utility pursuant to any renewable portfolio standard.

(d) Projected energy efficiency program savings under any energy efficiency program requirements and the projected costs for that program.

(e) Projected load management and demand response savings for the electric utility and the projected costs for those programs.

(f) An analysis of the availability and costs of other electric resources that could defer, displace, or partially displace the proposed generation facility or purchased power agreement, including additional renewable energy, energy efficiency programs, load management, and demand response, beyond those amounts contained in subdivisions (c) to (e).

(g) Electric transmission options for the electric utility.

(H) NOTICE TO EACH REGIONAL TRANSMISSION ORGANIZATION SERVING ANY PORTION OF THE UTILITY'S SERVICE AREA THAT IT HAS STANDING TO INTERVENE IN THE INTEGRATED RESOURCE PLAN PROCEEDING AND A REQUEST THAT THE REGIONAL TRANSMISSION ORGANIZATION PARTICIPATE.

(I) NOTICE TO ELECTRIC CUSTOMERS, ALTERNATIVE ELECTRIC SUPPLIERS, AND OTHER POTENTIAL RESOURCE SUPPLIERS OF THE UTILITY'S PROPOSED INTEGRATED RESOURCE PLAN AND THEIR STANDING TO PARTICIPATE IN THE PROCEEDING.

(J) THE PROJECTED ANNUAL LOAD FOR ALL CUSTOMERS AND CUSTOMER CLASSES CONNECTED TO THE UTILITY'S DISTRIBUTION SYSTEM FOR AT LEAST THE NEXT 10 YEARS.

(K) THE ELECTRIC UTILITY'S PROJECTED WHOLESALE SALES AND PURCHASES OF ELECTRICITY.

(L) THE ELECTRIC GENERATING CAPACITY LOCATED WITHIN THE ELECTRIC UTILITY'S SERVICE AREA, INCLUDING ELECTRIC GENERATING FACILITIES NOT OWNED BY THAT ELECTRIC UTILITY.

(M) THE AVAILABLE TRANSMISSION CAPACITY AND THE COST OF ADDITIONAL TRANSMISSION CAPACITY THAT COULD BE USED TO SERVE CUSTOMERS WITHIN THE UTILITY'S DISTRIBUTION SERVICE AREA.

(N) THE COST AND RELIABILITY OF RESOURCES LOCATED OUTSIDE THE ELECTRIC UTILITY'S DISTRIBUTION SERVICE AREA THAT COULD BE USED TO SERVE CUSTOMERS WITHIN THE SERVICE AREA.

(O) THE PORTION OF THE ELECTRIC UTILITY'S LOAD PROJECTED TO BE SERVED BY ALTERNATIVE ELECTRIC SUPPLIERS.

(P) AN ANALYSIS OF THE PROJECTED MARKET PRICES FOR POWER PURCHASED UNDER THE RULES OF THE MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, OR APPLICABLE REGIONAL TRANSMISSION ORGANIZATION, AS COMPARED TO THE COSTS OF NEW ELECTRIC GENERATION FACILITIES AND NEW ELECTRIC TRANSMISSION FACILITIES.

(Q) THE RELATIVE COST TO THE ELECTRIC UTILITY'S FULL-SERVICE CUSTOMERS OF MAINTAINING A 1-DAY INTERRUPTION IN 10 YEARS RELIABILITY STANDARD AND MORE OR LESS STRINGENT STANDARDS OF RELIABILITY.

(R) THE NEED FOR ADDITIONAL GENERATING OR TRANSMISSION CAPACITY TO MAINTAIN ELECTRIC RELIABILITY OR SECURE ECONOMIC ADVANTAGES TO THE UTILITY'S FULL-SERVICE CUSTOMERS.

(S) A REGIONAL AND STATEWIDE EVALUATION OF ELECTRIC SUPPLY AND DEMAND TO IDENTIFY SOURCES OUTSIDE OF THE ELECTRIC UTILITY SERVICE AREA WHERE POWER MAY BE AVAILABLE OR WHERE THERE MAY BE A PARTICULARLY FAVORABLE SITE FOR BUILDING TRANSMISSION OR GENERATION FACILITIES.

(T) THE QUANTITY AND TYPE OF RESOURCES, INCLUDING RESERVES, REQUIRED BY THE OPEN ACCESS TRANSMISSION AND ENERGY MARKETS TARIFFS OF THE REGIONAL TRANSMISSION ORGANIZATION OR THE TARIFF OF ANY SUCCESSOR ORGANIZATION IN WHICH THE ELECTRIC UTILITY PARTICIPATES, AND RESOURCES REQUIRED BY RELIABILITY STANDARDS OR OTHER REQUIREMENTS IMPOSED UNDER THE AUTHORITY OF AN ELECTRIC RELIABILITY ORGANIZATION TO WHICH THE ELECTRIC UTILITY IS SUBJECT.

(13) ~~(12)~~—The commission shall allow financing interest cost recovery in an electric utility's base rates on construction work in progress for capital improvements approved under this section prior to the assets being considered used and useful. Regardless of whether or not the commission authorizes base rate treatment for construction work in progress financing interest expense, an electric utility shall be allowed to recognize, accrue, and defer the allowance for funds used during construction related to equity capital.

(14) ~~(13)~~—As used in this section, "renewable energy system" means that term as defined in **SECTION 11 OF** the clean, renewable, and efficient energy act, **2008 PA 295, MCL 460.1011**."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, McBroom, Barrett, Cole, Lucido, Dianda, D. Miller. (7/25)

Nays: Representatives Nesbitt, Jacobsen, Outman, Pettalia, Hughes, Maturen, B. Roberts, Sheppard, Brunner, Kivela. (10/25)

Pass: Representatives LaFontaine, Webber, LaVoy, Lane, Kosowski, Byrd, Garrett, Plawecki. (8/25) (7/10/8)

A insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Glenn made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 40, following line 10, by inserting:

"(E) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, A QUALIFIED CUSTOMER MAY PURCHASE ALL OR ANY PORTION OF ITS ELECTRICITY FROM AN ALTERNATIVE ELECTRIC SUPPLIER, REGARDLESS OF WHETHER THAT CUSTOMER WAS TAKING SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6T. AS USED IN THIS SUBDIVISION, "QUALIFIED CUSTOMER" MEANS A FOR-PROFIT HOSPITAL, NONPROFIT HOSPITAL, OR INPATIENT HEALTH CARE FACILITY LOCATED IN THIS STATE.

(F) A RETAIL CUSTOMER PURCHASING ITS ELECTRICITY UNDER SUBDIVISION (E) SHALL SUBMIT AN AFFIDAVIT TO THE COMMISSION AFFIRMING THAT THE CUSTOMER MEETS AT LEAST 1 OF THE CRITERIA SET FORTH IN SUBDIVISION (E). ANY CHALLENGES TO THE AFFIDAVIT OR THE ELIGIBILITY OF THE RETAIL CUSTOMER SHALL BE SUBMITTED TO THE COMMISSION WITHIN 10 DAYS OF THE AFFIDAVIT BEING FILED. IF THE COMMISSION FINDS REASONABLE CAUSE FOR THE CHALLENGE, IT SHALL COMMENCE AN INVESTIGATION, HOLD HEARINGS, AND ISSUE ITS FINDINGS AND ORDER ON THE MATTER UNDER THE CONTESTED CASE PROVISIONS OF

CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287." and relettering the remaining subdivision.

UNFAVORABLE ROLL CALL:

Yeas: Representative Glenn. (1/25)

Nays: Representatives Nesbitt, Jacobsen, McBroom, Outman, Pettalia, Hughes, Barrett, Maturen, B. Roberts, Sheppard, Webber. (11/25)

Pass: Representatives LaFontaine, Cole, Lucido, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, Garrett, D. Miller, Plawecki. (13/25) (1/11/13)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Glenn made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 61, following line 5, by inserting:

"Sec. 10bb. (1) Aggregation may be used for the purchasing of electricity and related services from an alternative electric supplier.

(2) ~~Local units of government, public~~ **PUBLIC** and private schools, universities, and community colleges may aggregate for the purpose of purchasing electricity for themselves or for customers within their boundaries with the written consent of each customer aggregated. ~~Customers within a local unit of government shall continue to have the right to choose their electricity supplier and are not required to purchase electricity through the aggregator.~~

(3) THE GOVERNING BODY OF A LOCAL UNIT OF GOVERNMENT MAY ADOPT AN ORDINANCE OR RESOLUTION TO AGGREGATE THE RETAIL ELECTRIC LOADS OF ELIGIBLE AGGREGATION CUSTOMERS LOCATED WITHIN THE LOCAL UNIT OF GOVERNMENT AND MAY ENTER INTO SERVICE AGREEMENTS TO FACILITATE THE SALE AND PURCHASE OF ELECTRICITY FOR THOSE LOADS. THE GOVERNING BODY OF A LOCAL UNIT OF GOVERNMENT MAY ALSO EXERCISE AUTHORITY TO AGGREGATE JOINTLY WITH THE GOVERNING BODY OF ANOTHER LOCAL UNIT OF GOVERNMENT. AN ORDINANCE OR RESOLUTION UNDER THIS SUBSECTION SHALL SPECIFY WHETHER THE AGGREGATION WILL OCCUR ONLY WITH THE PRIOR AFFIRMATIVE CONSENT OF EACH ELIGIBLE AGGREGATION CUSTOMER OR WILL OCCUR AUTOMATICALLY FOR ALL ELIGIBLE AGGREGATION CUSTOMERS WITH THE ABILITY OF THOSE CUSTOMERS TO OPT OUT OF THE AGGREGATION PROGRAM. THE AGGREGATION OF LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS SHALL OCCUR ONLY WITH THE PRIOR, AFFIRMATIVE CONSENT OF EACH OF THOSE CUSTOMERS. IF AN ORDINANCE OR RESOLUTION ADOPTED UNDER THIS SUBSECTION SPECIFIES THAT AGGREGATION OF ELIGIBLE AGGREGATION CUSTOMERS WILL OCCUR AUTOMATICALLY, THE GOVERNING BODY OF THE LOCAL UNIT OF GOVERNMENT SHALL SUBMIT THE ORDINANCE OR RESOLUTION TO THE ELECTORS OF THE LOCAL UNIT OF GOVERNMENT AT THE NEXT REGULAR ELECTION TO BE HELD NOT LESS THAN 90 DAYS AFTER THE DATE OF THE ORDINANCE OR RESOLUTION. AN ORDINANCE OR RESOLUTION ADOPTED UNDER THIS SECTION REQUIRING A VOTE OF THE ELECTORS DOES NOT TAKE EFFECT UNLESS APPROVED BY A MAJORITY OF THE ELECTORS VOTING UPON THE ORDINANCE OR RESOLUTION AT THE ELECTION HELD UNDER THIS SECTION.

(4) A LOCAL UNIT OF GOVERNMENT SHALL NOT AUTOMATICALLY AGGREGATE THE ELECTRICAL LOAD OF ANY ELIGIBLE AGGREGATION CUSTOMER WITHIN ITS JURISDICTION UNLESS THE LOCAL UNIT OF GOVERNMENT IN ADVANCE CLEARLY DISCLOSES THROUGH AN OPT-OUT NOTIFICATION TO THE CUSTOMER THAT THE CUSTOMER WILL BE ENROLLED AUTOMATICALLY IN THE AGGREGATION PROGRAM AND WILL REMAIN ENROLLED IN THE PROGRAM UNLESS THE CUSTOMER

AFFIRMATIVELY ELECTS BY A STATED PROCEDURE NOT TO BE ENROLLED. THE DISCLOSURE SHALL STATE PROMINENTLY THE RATES, CHARGES, AND OTHER TERMS AND CONDITIONS OF ENROLLMENT. THE STATED PROCEDURE SHALL REQUIRE OPT-OUT NOTIFICATIONS TO BE SENT TO PARTICIPANTS OF AN AGGREGATION PROGRAM AT LEAST ONCE EVERY 3 YEARS. ANY ELIGIBLE AGGREGATION CUSTOMER ENROLLED IN AN AGGREGATION PROGRAM MAY DISCONTINUE PARTICIPATION IN THAT PROGRAM WITHOUT PAYING A SWITCHING, CANCELLATION, OR EARLY TERMINATION FEE. ANY ELIGIBLE AGGREGATION CUSTOMER THAT OPTS OUT BEFORE THE COMMENCEMENT OF THE AGGREGATION PROGRAM UNDER THE STATED PROCEDURE SHALL REMAIN A CUSTOMER OF THE PUBLIC UTILITY SERVING THE LOAD OF THAT CUSTOMER.

(5) THE OPERATION OF AN AGGREGATION PROGRAM SHALL NOT UNREASONABLY ADVANTAGE AN AGGREGATION SUPPLIER OVER ANOTHER ALTERNATIVE ELECTRIC SUPPLIER.

(6) THIS SECTION DOES NOT PREVENT A LOCAL UNIT OF GOVERNMENT FROM ENTERING INTO AN AGREEMENT TO ENDORSE A PRODUCT OR SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER OUTSIDE OF AN AGGREGATION PROGRAM.

(7) ~~(3)~~ As used in this section: ~~,"aggregation"~~

(A) "AGGREGATION" means the combining of electric loads of multiple retail customers or a single customer with multiple sites to facilitate the provision of electric service to such customers.

(B) "AGGREGATION SUPPLIER" MEANS AN ALTERNATIVE ELECTRIC SUPPLIER THAT PROVIDES ELECTRIC SUPPLY SERVICE TO AN AGGREGATION PROGRAM ADMINISTERED BY A LOCAL UNIT OF GOVERNMENT.

(C) "ELIGIBLE AGGREGATION CUSTOMER" MEANS A RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER THAT DOES NOT RECEIVE ELECTRIC SUPPLY SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER.

(D) "LOCAL UNIT OF GOVERNMENT" MEANS A COUNTY, CITY, VILLAGE, OR TOWNSHIP.

(E) "SMALL COMMERCIAL CUSTOMER" MEANS A NONRESIDENTIAL CUSTOMER THAT USES 15,000 KILOWATT HOURS OR FEWER PER YEAR."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, Cole. (2/25)

Nays: Representatives Nesbitt, Jacobsen, Outman, Pettalia, Hughes, Barrett, Maturen, B. Roberts, Sheppard, Webber, Brunner, Kivela. (12/25)

Pass: Representatives LaFontaine, McBroom, Lucido, LaVoy, Lane, Dianda, Kosowski, Byrd, Garrett, D. Miller, Plawecki. (11/25) (2/12/11)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Glenn made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 61, following line 5, by inserting:

"SEC. 10FF. (1) ANY CUSTOMER USAGE DATA OR INFORMATION COMPILED BY AN ELECTRIC UTILITY OR ALTERNATIVE ELECTRIC SUPPLIER ON A RETAIL CUSTOMER IS THE PROPERTY OF THAT CUSTOMER.

(2) AN ELECTRIC UTILITY SHALL DO ALL OF THE FOLLOWING:

(A) PROVIDE ANY CUSTOMER USAGE DATA OR INFORMATION COMPILED BY THAT ELECTRIC UTILITY ON A RETAIL CUSTOMER TO THAT CUSTOMER WHEN REQUESTED.

(B) PROVIDE ANY CUSTOMER USAGE DATA OR INFORMATION COMPILED BY THAT ELECTRIC UTILITY ON A RETAIL CUSTOMER TO AN ALTERNATIVE ELECTRIC SUPPLIER IF REQUESTED BY THAT CUSTOMER.

(C) PROVIDE A RETAIL CUSTOMER WITH THE RETAIL CUSTOMER'S HOURLY NONBILLING QUALITY USAGE DATA ON A NEXT DAY, DAILY BASIS.

(D) PROVIDE AN ALTERNATIVE ELECTRIC SUPPLIER WITH ANY BILLING QUALITY USAGE DATA NECESSARY FOR THE ALTERNATIVE ELECTRIC SUPPLIER TO BILL A CUSTOMER IN A TIMELY MANNER.

(3) AN ELECTRIC UTILITY OR ALTERNATIVE ELECTRIC SUPPLIER SHALL NOT USE RETAIL CUSTOMER USAGE DATA OR INFORMATION FOR ANY PURPOSE THAT IS NOT RELATED TO THE SUPPLY OF ELECTRICITY, BILLING, OR OTHER ENERGY-RELATED SERVICES WITHOUT AUTHORIZATION FROM THAT CUSTOMER.

(4) AS USED IN THIS SECTION, "CUSTOMER USAGE DATA OR INFORMATION" INCLUDES DATA USED BY THE ELECTRIC UTILITY OR ALTERNATIVE ELECTRIC SUPPLIER FOR MONTHLY BILLING AS WELL AS NONBILLING QUALITY USAGE DATA."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, Barrett, Cole, Lucido, Dianda, Garrett, D. Miller. (7/25)

Nays: Representatives Jacobsen, Outman, Hughes, Maturen, B. Roberts. (5/25)

Pass: Representatives Nesbitt, LaFontaine, McBroom, Pettalia, Sheppard, Webber, LaVoy, Brunner, Lane, Kivela, Kosowski, Byrd, Plawecki. (13/25) (7/5/13)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Glenn made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 36, following line 21, by inserting:

"SEC. 9E. (1) A PROVIDER SHALL NOT SHUT OFF ELECTRIC OR NATURAL GAS SERVICE TO A RESIDENTIAL RENTAL PROPERTY UNLESS THE PROVIDER SENDS NOTICE TO THE OWNER OF THE PROPERTY BY FIRST-CLASS MAIL NOT LESS THAN 14 DAYS BEFORE THE SPECIFIED DATE FOR SHUTOFF.

(2) AS USED IN THIS SECTION, "PROVIDER" MEANS AN ELECTRIC UTILITY, COOPERATIVE ELECTRIC UTILITY, MUNICIPALLY OWNED ELECTRIC UTILITY, OR ALTERNATIVE ELECTRIC SUPPLIER, OR A NATURAL GAS UTILITY AS DEFINED IN SECTION 9."

UNFAVORABLE ROLL CALL:

Yeas: Representative Glenn. (1/25)

Nays: Representatives Nesbitt, Jacobsen, LaFontaine, Outman, Pettalia, Hughes, Barrett, Maturen, B. Roberts, Sheppard, Webber, Brunner, Lane, Kivela, Byrd, D. Miller. (16/25)

Pass: Representatives McBroom, Cole, Lucido, LaVoy, Dianda, Kosowski, Garrett, Plawecki. (8/25) (1/16/8)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Glenn made a motion to amend the following amendment adopted earlier in the meeting.

1. Amend Rep. Nesbitt's Amendment No. 2, page 38, line 2, after "subdivision." by striking out "2. Amend page 40, line 24, after "UTILITY." by inserting "**A CUSTOMER THAT ELECTS TO RETURN TO SERVICE UNDER THIS SUBPARAGRAPH IS NOT ELIGIBLE TO RECEIVE ELECTRIC SUPPLY SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER FOR A PERIOD OF 15 YEARS AFTER RETURNING TO SERVICE.**".

3. Amend page 41, line 6, after "CUSTOMER." by inserting "**A CUSTOMER THAT ELECTS TO RETURN TO SERVICE UNDER THIS SUBPARAGRAPH IS NOT ELIGIBLE TO RECEIVE ELECTRIC SUPPLY SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER FOR A PERIOD OF 15 YEARS AFTER RETURNING TO SERVICE.**".

4. Amend page 41, line 19, after "IRREVOCABLE." by inserting "**A CUSTOMER THAT ELECTS TO RETURN TO SERVICE UNDER THIS SUBPARAGRAPH IS NOT ELIGIBLE TO RECEIVE ELECTRIC SUPPLY SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER FOR A PERIOD OF 20 YEARS AFTER RETURNING TO SERVICE.**".

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, McBroom, Cole, Lucido, Dianda. (5/25)

Nays: Representatives Nesbitt, Jacobsen, Outman, Pettalia, Hughes, Barrett, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Kivela, Garrett. (14/25)

Pass: Representatives LaFontaine, Lane, Kosowski, Byrd, D. Miller, Plawecki. (6/25) (5/14/25)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative McBroom made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 3, following line 1, by inserting:

~~"Sec. 1. (1) A commission to be known and designated as the "Michigan public service commission" is hereby created, which~~ **THE MICHIGAN PUBLIC SERVICE COMMISSION IS CREATED IN THE DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS.**

(2) THE COMMISSION shall consist of 3-5 members, not more than 2 of whom shall be members of the same political party, appointed by the governor with the advice and consent of the senate. AT LEAST 1 MEMBER OF THE COMMISSION SHALL BE A MEMBER OF THE GENERAL PUBLIC WHO MEETS ALL OF THE FOLLOWING REQUIREMENTS:

(A) SHALL NOT BE, OR SHALL NOT HAVE BEEN WITHIN THE 5 YEARS PRECEDING APPOINTMENT, A MEMBER OF A GOVERNING BODY OF, OR EMPLOYED IN A MANAGERIAL OR PROFESSIONAL OR CONSULTING CAPACITY BY A UTILITY OR AN ASSOCIATION REPRESENTING UTILITIES; AN ENTERPRISE OR PROFESSIONAL PRACTICE THAT RECEIVED OVER \$1,500.00 IN THE YEAR PRECEDING THE APPOINTMENT AS A SUPPLIER OF GOODS OR SERVICES TO A UTILITY OR ASSOCIATION REPRESENTING UTILITIES; OR AN ORGANIZATION REPRESENTING EMPLOYEES OF A UTILITY, ASSOCIATION, ENTERPRISE, OR PROFESSIONAL PRACTICE, OR AN ASSOCIATION THAT REPRESENTS SUCH AN ORGANIZATION.

(B) SHALL NOT HAVE, OR SHALL NOT HAVE HAD WITHIN 1 YEAR PRECEDING APPOINTMENT, A FINANCIAL INTEREST EXCEEDING \$1,500.00 IN

A UTILITY, AN ASSOCIATION REPRESENTING UTILITIES, OR AN ENTERPRISE OR PROFESSIONAL PRACTICE THAT RECEIVED OVER \$1,500.00 IN THE YEAR PRECEDING THE APPOINTMENT AS A SUPPLIER OF GOODS OR SERVICES TO A UTILITY OR ASSOCIATION REPRESENTING UTILITIES.

(C) SHALL NOT BE A MEMBER OF THE IMMEDIATE FAMILY OF AN INDIVIDUAL WHO WOULD BE INELIGIBLE UNDER SUBDIVISION (A) OR (B).

(3) Each member OF THE COMMISSION shall be a citizen of the United States ~~and of the THIS state, of Michigan, and no member of said commission~~ A MEMBER OF THE COMMISSION shall NOT be pecuniarily interested in any public utility or public service PERSON subject to the jurisdiction and control of the commission. During his OR HER term, ~~no~~ A member OF THE COMMISSION shall NOT serve as an officer or committee member of any political party organization, ~~or~~ hold any office, or be employed by any other commission, board, department, or institution in this state. ~~No commission~~

(4) A member OF THE COMMISSION shall NOT be retained or employed by any public utility or public service PERSON subject to the jurisdiction and control of the commission during the time WHILE he OR SHE is acting as such commissioner, and A MEMBER OF THE COMMISSION OR for 6 months thereafter, and no AFTER THAT TIME.

(5) A member of the commission ~~who is a member of the STATE bar of the state of Michigan, shall NOT practice his profession LAW or act as counselor or attorney in any court of this state during the time WHILE he OR SHE is a member OF THE COMMISSION. of said commission: Provided, however, This shall~~

(6) THIS SECTION DOES not require any commissioner MEMBER OF THE COMMISSION to retire from ~~or~~ dissolve any partnership ~~of which he OR SHE is a member, but said THE partnership ~~while he is a member of the commission,~~ shall not engage in public utility practice WHILE HE OR SHE IS A MEMBER OF THE COMMISSION. Immediately upon the taking effect of this act, the offices of the present members of the Michigan public service commission are hereby abolished, and the members of the Michigan public service commission as herein created shall be appointed by the governor with the advice and consent of the senate, for terms of 6 years each: Provided, That of the members first appointed, 1 shall be appointed for a term of 2 years, 1 for a term of 4 years, and 1 for a term of 6 years. Upon the expiration of said terms successors shall be appointed with like qualifications and in like manner for terms of 6 years each, and until their successors are appointed and qualified. Vacancies shall be filled in the same manner as is provided for appointment in the first instance.~~

(7) MEMBERS OF THE COMMISSION SHALL SERVE FOR TERMS OF 6 YEARS OR UNTIL A SUCCESSOR IS APPOINTED, WHICHEVER IS LATER. IF A VACANCY OCCURS ON THE COMMISSION, THE GOVERNOR SHALL MAKE AN APPOINTMENT FOR THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT."

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Lane, Dianda, Kivela, Byrd, Garrett, D. Miller, Plawecki. (23/25)

Nays: None. (0/25)

Pass: Representatives Brunner, Kosowski. (2/25) (23/0/2)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Dianda reviewed a proposed amendment with the Committee and, subsequent to discussion, withdrew the amendment.

Chair Nesbitt stated that the Committee would stand at ease, the time being 4:30 p.m.

The Chair reconvened the meeting at 4:50 p.m.

Representative Miller made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 61, line 12, after "period" by striking out "The" and inserting **"EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE"**.

2. Amend page 61, line 14, after "costs" by striking out the balance of the line through **"METHODODOLOGY."** on line 16 and inserting **"BASED ON THE 4CP 75-0-25 METHOD OF COST ALLOCATION."**

3. Amend page 61, line 16, after **"METHODODOLOGY."** by inserting **"IF THE COMMISSION DETERMINES THAT A 4CP 75-0-25 METHOD OF COST ALLOCATION WILL RESULT IN AN UNDUE ECONOMIC HARDSHIP FOR AN INDUSTRIAL CUSTOMER, THE COMMISSION SHALL ADOPT AN ECONOMIC DEVELOPMENT TARIFF FOR THAT CUSTOMER."**

UNFAVORABLE ROLL CALL:

Yeas: Representatives Lane, Dianda, Garrett, D. Miller, Plawecki. (5/25)

Nays: Representatives Nesbitt, Glenn, Jacobsen, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, Brunner. (14/25)

Pass: Representatives LaFontaine, McBroom, LaVoy, Kivela, Kosowski, Byrd. (6/25) (5/14/6)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Hughes made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 36, line 27, by inserting:

"(a) To ensure that all retail customers in this state of electric power have a choice of electric suppliers.

(b) To allow and encourage the Michigan public service commission to foster competition in this state in the provision of electric supply and maintain regulation of electric supply for customers who continue to choose supply from incumbent electric utilities.

(c) To encourage the development and construction of merchant plants which will diversify the ownership of electric generation in this state." and relettering the remaining subdivisions.

2. Amend page 37, line 22, after "allow" by inserting "all".

3. Amend page 38, line 2, after "time." by striking out the balance of the subdivision and inserting **"A CUSTOMER THAT IS TAKING SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER ON JANUARY 1, 2015 MAY CONTINUE TO TAKE SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER. A CUSTOMER ON A LIST AWAITING RETAIL OPEN ACCESS SERVICE ON JANUARY 1, 2015 MAY CONTINUE TO REMAIN ON THE LIST TO TAKE SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER IF THAT SERVICE BECOMES AVAILABLE."**

4. Amend page 39, line 4, after "year." by striking out the balance of the subdivision and inserting **"A CUSTOMER NOT ON A LIST AWAITING RETAIL OPEN ACCESS SERVICE ON JANUARY 1, 2015 MAY BE PLACED ON SUCH A LIST AT ANY TIME AFTER JANUARY 1, 2015. A CUSTOMER THAT ELECTS TO RETURN TO STANDARD TARIFF SERVICE AFTER TAKING SERVICE FROM AN**

ALTERNATIVE ELECTRIC SUPPLIER MAY SUBSEQUENTLY BE PLACED ON A LIST AWAITING RETAIL OPEN ACCESS."

5. Amend page 39, line 14, after "2008" by inserting "**OR A QUALIFIED FACILITY UNDER THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, PUBLIC LAW 95-617,**".

6. Amend page 39, line 15, after "supplier" by inserting "**OR A QUALIFIED FACILITY UNDER THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, PUBLIC LAW 95-617,**".

7. Amend page 39, line 19, after "facility" by inserting "**OR LEASES THE NEW FACILITY**".

8. Amend page 51, line 23, after "power" by inserting "**NOR SHALL AN ELECTRIC UTILITY IMPOSE ANY TRANSITION, IMPLEMENTATION, EXIT FEE, OR OTHER SIMILAR CHARGE ON SELF-SERVICE POWER**".

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, Jacobsen, LaFontaine, Outman, Hughes, Barrett, Cole, Lucido, Dianda, Kosowski. (10/25)

Nays: Representatives Nesbitt, Pettalia, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Kivela, D. Miller. (10/25)

Pass: Representatives McBroom, Lane, Byrd, Garrett, Plawecki. (5/25) (10/10/5)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Glenn made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 61, following line 5, by inserting:

"SEC. 10FF. (1) A UTILITY CUSTOMER MAY CHOOSE BETWEEN THE PLACEMENT OR USE OF A TRADITIONAL METER OR AN ADVANCED METER REGARDLESS OF THE UTILITY THAT PROVIDES SERVICE TO THAT CUSTOMER.

(2) A UTILITY SHALL NOT DO ANY OF THE FOLLOWING:

(A) MAKE THE PROVISION OF ANY PORTION OF UTILITY SERVICE TO A CUSTOMER CONTINGENT UPON THE CUSTOMER'S RECEIVING SERVICE THROUGH ANY METER OR SIMILAR DEVICE OTHER THAN A TRADITIONAL METER. A UTILITY MAY PROHIBIT A CUSTOMER WITH A TRADITIONAL METER FROM PARTICIPATING IN CERTAIN TIME-OF-DAY TARIFF DISCOUNTS.

(B) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IMPOSE ANY FEE OR DISINCENTIVE ON A CUSTOMER FOR OPTING OUT OF OR NOT ACCEPTING THE INSTALLATION OF AN ADVANCED METER OR HUB METER OR USE OF AN ADVANCED METER FUNCTION.

(C) INSTALL AN ADVANCED METER OR UPGRADE THE FUNCTIONALITY OF THE ADVANCED METER AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION UNLESS THE CUSTOMER HAS BEEN PROPERLY NOTIFIED AND HAS NOT OPTED OUT OF THE INSTALLATION OR NEW FUNCTIONALITY. IF A CUSTOMER HAS NOT OPTED OUT OF THE INSTALLATION, AN ON-SITE UTILITY WORKER OR HIS OR HER AGENT SHALL

NEVERTHELESS NOT INSTALL AN ADVANCED METER OR UPGRADE THE FUNCTIONALITY OF THE ADVANCED METER IF THE CUSTOMER HAS POSTED A SIGN ON THE CURRENT METER FORBIDDING INSTALLATION OF AN ADVANCED METER OR THE CUSTOMER VERBALLY INFORMS THE WORKER AT THE TIME OF INSTALLATION NOT TO INSTALL THE ADVANCED METER OR ADDITIONAL FUNCTIONALITY.

(3) A UTILITY SHALL NOTIFY A CUSTOMER IN WRITING OF THE UTILITY'S INTENTION TO INSTALL AN ADVANCED METER AT THE CUSTOMER'S ADDRESS OR TO UPGRADE THE FUNCTIONALITY OF A PREVIOUSLY INSTALLED ADVANCED METER. THE NOTICE SHALL BE SENT BY FIRST-CLASS MAIL, AND SHALL BE SEPARATE FROM ANY BILLING MAILING. THE UTILITY SHALL KEEP A COPY OF EACH MAILED NOTICE ON FILE FOR REVIEW BY THE CUSTOMER OR THE COMMISSION. EACH NOTICE SHALL DO ALL OF THE FOLLOWING:

(A) INCLUDE THE CUSTOMER'S NAME, SERVICE ADDRESS, AND ANTICIPATED DATE OF INSTALLATION.

(B) STATE THE UTILITY'S DESIRE TO INSTALL AN ADVANCED METER AT THE CUSTOMER'S ADDRESS, AS WELL AS THE FUNCTIONALITY OF THE ADVANCED METER, ITS METHOD OF COMMUNICATION, AND FREQUENCY OF DATA COMMUNICATION.

(C) IF THE ADVANCED METER THE CUSTOMER WOULD BE RECEIVING IS A HUB METER, EXPLAIN HOW A HUB METER DIFFERS FROM OTHER METERS.

(D) STATE THE CUSTOMER'S ABILITY TO CHOOSE A TRADITIONAL METER OR NONHUB METER AND THE CUSTOMER'S RIGHTS UNDER THIS SECTION.

(E) CLEARLY EXPLAIN THE PROCESS FOR A CUSTOMER TO OPT OUT OF INSTALLATION OF AN ADVANCED METER OR HUB METER OR THE USE OF AN ADVANCED METER FUNCTION.

(4) THE COMMISSION MAY PROMULGATE OPT-OUT PROCEDURES THAT SHALL BE COMPOSED OF SIMPLE, EASY-TO-UNDERSTAND STEPS THAT AN AVERAGE CUSTOMER CAN EASILY UNDERSTAND THAT DO NOT PLACE ANY UNDUE BURDEN ON THE CUSTOMER. AFTER BEING NOTIFIED THAT THEY CAN OPT OUT, CUSTOMERS MUST BE PROVIDED WITH AT LEAST 45 DAYS TO COMMUNICATE WITH THE UTILITY THEIR DESIRE TO OPT OUT, WITH A CLEAR DEADLINE LISTED ON THE NOTICE. OPT-OUT PROCEDURES SHALL BE FREE OF CHARGE OTHER THAN THE COST OF REGULAR MAILING. AN OPT-OUT PROCEDURE OR PROCESS SHALL BE NARROW IN CONSTRUCTION SO AS TO INFORM THE UTILITY OF THE CUSTOMER'S INTENTIONS AND NOT BE MADE CONTINGENT UPON OR CONTAIN LANGUAGE THAT WOULD REQUIRE THE CUSTOMER'S GIVING UP ANY RIGHTS OR MAKING ANY OTHER ANCILLARY AGREEMENTS. A CUSTOMER THAT DOES NOT OPT OUT WHEN FIRST NOTIFIED DOES NOT GIVE UP ANY RIGHTS REGARDING HAVING AN ADVANCED METER REMOVED IN THE FUTURE.

(5) WITHIN 30 DAYS AFTER RECEIVING A CUSTOMER'S REQUEST THAT AN ADVANCED METER BE REMOVED FROM THE CUSTOMER'S RESIDENCE OR

BUSINESS, A UTILITY SHALL REMOVE THE ADVANCED METER AND REPLACE IT WITH A TRADITIONAL METER THAT IS NOT AN ADVANCED METER. LIMITED TO ACTUAL COSTS, A UTILITY MAY CHARGE A 1-TIME ALL-INCLUSIVE FEE, NOT TO EXCEED \$150.00, TO REMOVE THE ADVANCED METER AND TO PROVIDE AND INSTALL A TRADITIONAL METER. HOWEVER, A UTILITY SHALL NOT CHARGE A FEE IF THE UTILITY INSTALLED THE ADVANCED METER IN VIOLATION OF THE NOTICE REQUIREMENTS IN THIS SECTION OR BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION. A UTILITY SHALL NOT CHARGE A MONTHLY FEE FOR USING A TRADITIONAL METER UNLESS THE CUSTOMER IS OFFERED THE OPPORTUNITY, BUT IS UNWILLING, TO READ AND REPORT THE CUSTOMER'S USAGE UNDER SUBSECTION (6). ANY MONTHLY FEE FOR USING A TRADITIONAL METER SHALL NOT EXCEED \$5.00 PER MONTH.

(6) A UTILITY SHALL ALLOW EACH CUSTOMER TO READ AND REPORT THAT CUSTOMER'S SERVICE USAGE IF THE CUSTOMER REPORTS REASONABLY ACCURATE USAGE ON A REGULAR BASIS. A UTILITY SHALL PROVIDE A CUSTOMER WITH A PREAMBITTERED ENVELOPE AND FORM UPON REQUEST OR PERMIT A CUSTOMER TO REPORT METER READINGS ON A SECURE WEBSITE, BY TELEPHONE, OR BY OTHER REASONABLE MEANS. AT LEAST ONCE EVERY 12 MONTHS, THE UTILITY SHALL OBTAIN AN ACTUAL METER READING OF A CUSTOMER'S ENERGY USAGE TO VERIFY THE ACCURACY OF READINGS REPORTED UNDER THIS SECTION. NOTWITHSTANDING THIS SUBSECTION, A REPRESENTATIVE OF A UTILITY MAY MANUALLY READ A CUSTOMER'S METER ON A REGULAR BASIS AS OTHERWISE PERMITTED BY LAW AND CORRECT A READING AS NECESSARY. IF A CUSTOMER FAILS TO REPORT USAGE OR THE UTILITY DOES NOT RECEIVE A CUSTOMER'S SERVICE USAGE ON TIME, THE UTILITY MAY MANUALLY READ A CUSTOMER'S METER OR CHARGE THAT CUSTOMER BASED ON AN ESTIMATE OF PRIOR ENERGY USE IN A MANNER APPROVED BY THE COMMISSION. A CUSTOMER THAT INTENTIONALLY REPORTS INACCURATE INFORMATION MAY BE ASSESSED A REASONABLE PENALTY UNDER RULES PROMULGATED BY THE COMMISSION AND MAY BE SUBJECT TO ANY OTHER PENALTIES PROVIDED BY LAW. AS USED IN THIS SUBSECTION:

(A) "INACCURATE INFORMATION" MEANS THE INTENTIONAL UNDERREPORTING OF METER DATA IN AN EFFORT TO NOT PAY FOR SERVICES. INACCURATE INFORMATION DOES NOT MEAN MINOR DIFFERENCES IN READINGS BY LESS THAN 5% TO ACCOUNT FOR VARIATIONS BASED ON THE TIME OF DAY THAT THE METER IS READ AND SIMILAR FACTORS.

(B) "REGULAR BASIS" MEANS ONCE PER BILLING CYCLE.

(7) SUBJECT TO SUBSECTION (2), THE COMMISSION SHALL NOT APPROVE A UTILITY TARIFF THAT ALTERS RATES FOR CUSTOMERS THAT DO NOT USE AN ADVANCED METER IF THE UTILITY'S COST ESTIMATES ARE BASED ON MORE THAN 1 MANUAL METER READING PER YEAR BY THE UTILITY. THE COMMISSION SHALL CONSIDER THE ABILITY TO SELF-READ

METERS AS PART OF ANY PROCEEDING AND SHALL FULLY RECOGNIZE AND VALUE THAT CUSTOMERS HAVE A LEGITIMATE INTEREST IN CONTROLLING THIRD-PARTY EQUIPMENT PLACED ONTO THEIR PROPERTY THAT IS NOT INHERENTLY NECESSARY AS A CONDITION TO RECEIVING SERVICE.

(8) A CUSTOMER'S ENERGY USE DATA AND INTERNET USER INFORMATION ARE PRIVATE AND CONFIDENTIAL AND SHALL NOT BE SOLD, RENTED, OR SHARED BY A UTILITY OR ITS AGENTS EXCEPT AS PROVIDED BY COMPETENT COURT ORDER OR LAW. A UTILITY MAY REPORT DATA RELATING TO ELECTRIC OR COMPRESSED NATURAL GAS VEHICLE FUELING TO THE DEPARTMENT OF TREASURY. THAT INFORMATION SHALL BE USED BY THE STATE STRICTLY FOR TAXATION PURPOSES, SHALL NOT BE SHARED WITH LAW ENFORCEMENT WITHOUT A WARRANT, AND IS NOT SUBJECT TO DISCLOSURE UNDER THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, EXCEPT FOR AGGREGATE DATA USED FOR RESEARCH PURPOSES IN A NONIDENTIFYING MANNER.

(9) A UTILITY SHALL ENSURE THAT ANY DATA FROM AN ADVANCED METER COMMUNICATED BY NETWORKING TECHNOLOGY IS SUFFICIENTLY ENCRYPTED SO THAT THE DATA CANNOT BE INTERCEPTED BY A DEVICE OTHER THAN A DEVICE USED BY THE UTILITY. A UTILITY SHALL NOT COMMUNICATE BY NETWORKING TECHNOLOGY METER USE DATA THAT INCLUDE A RESIDENTIAL CUSTOMER'S NAME, SOCIAL SECURITY NUMBER, ADDRESS, OR OTHER IDENTIFYING INFORMATION EXCEPT FOR AN INDEPENDENT AND UNIQUE CUSTOMER IDENTIFICATION NUMBER THAT IS ASSIGNED BY THE UTILITY. THE CUSTOMER IDENTIFICATION NUMBER SHALL BE ASSIGNED IN A MANNER THAT INCLUDES SAFEGUARDS TO PREVENT A DEVICE NOT OWNED BY THE UTILITY FROM ASSOCIATING THE NUMBER WITH A PARTICULAR CUSTOMER OR ADDRESS.

(10) A UTILITY SHALL NOT POST A CUSTOMER'S ENERGY USE DATA OR BILL ON THE INTERNET, EXCEPT OVER A SECURED TRANSFER PROTOCOL OR SIMILAR SECURED CONNECTION THAT USES 1 OR MORE ADDITIONAL SECURITY MEASURES, SUCH AS A CUSTOMER-SELECTED PASSWORD, TO ENSURE THAT ONLY THE CUSTOMER CAN ACCESS THE INFORMATION.

(11) A UTILITY SHALL NOT WIRELESSLY OR OTHERWISE REMOTELY SHUT OFF SERVICE TO A CUSTOMER UNLESS BOTH OF THE FOLLOWING REQUIREMENTS ARE MET:

(A) AT LEAST 48 HOURS BEFORE SHUTOFF, A UTILITY REPRESENTATIVE VISITS THE PROPERTY TO WHICH THE SERVICE IS TO BE SHUT OFF, VERIFIES THAT IT IS THE CORRECT ADDRESS, AND FOLLOWS ALL OTHER SHUTOFF PROCEDURES REQUIRED BY LAW.

(B) THE UTILITY HAS A COMMISSION-APPROVED, COMPREHENSIVE SECURITY PROGRAM THAT REASONABLY ENSURES THAT A CUSTOMER'S SERVICE WILL BE SHUT OFF ONLY THROUGH AUTHORIZED ACCESS TO THE UTILITY'S COMPUTER SYSTEM, THAT IS OPEN TO INSPECTION AND AUDIT BY THE COMMISSION, AND THAT IS DESIGNED TO PREVENT UNINTENTIONAL SHUTOFF DUE TO NETWORK HACKING OR TERRORISM.

(12) AS USED IN THIS SECTION:

(A) "ADVANCED METER" MEANS A METER OR METERING DEVICE SYSTEM THAT IS OWNED OR LEASED BY A UTILITY OR ITS AGENT AND THAT MEETS 1 OR MORE OF THE FOLLOWING REQUIREMENTS:

(i) IS A DEVICE THAT MEASURES, RECORDS, OR SENDS A CUSTOMER'S UTILITY USAGE OR OTHER DATA BY USE OF RADIO WAVES OR BROADBAND OVER POWER LINES.

(ii) ALLOWS FOR 2-WAY COMMUNICATION BETWEEN THE METER AND THE UTILITY OR ITS AGENT.

(iii) ALLOWS FOR A UTILITY OR ITS AGENT TO CONTROL A CUSTOMER'S THERMOSTAT, APPLIANCE, OR SERVICE.

(B) "HUB METER" MEANS AN ADVANCED METER THAT GENERATES STRONGER RADIO WAVES AS A RESULT OF THE METER SERVING AS A HUB FOR OTHER ADVANCED METERS IT COMMUNICATES WITH IN A GIVEN AREA.

(C) "TRADITIONAL METER" MEANS AN ANALOG OR SIMILAR METER THAT IS UNABLE TO TRANSMIT USAGE INFORMATION AND IS ONLY INTENDED TO BE READ BY AN INDIVIDUAL THROUGH A VISUAL DISPLAY. A TRADITIONAL METER IS NOT DESIGNED TO BE AND IS NOT CAPABLE OF TRANSMITTING USAGE DATA BY USING RADIO WAVES OR BROADBAND OVER POWER LINES, ALLOWING 2-WAY COMMUNICATION BETWEEN THE METER AND THE UTILITY OR ITS AGENTS, OR ALLOWING A UTILITY OR ITS AGENTS TO CONTROL A CUSTOMER'S THERMOSTAT, APPLIANCE, OR SERVICE. A TRADITIONAL METER DOES NOT INCLUDE AN ADVANCED METER THAT HAS CERTAIN FUNCTIONALITY TURNED OFF OR DEACTIVATED.

(D) "UTILITY" MEANS A PERSON THAT SELLS NATURAL GAS, ELECTRICITY, OR WATER TO RETAIL CUSTOMERS IN THIS STATE AND THAT EITHER SELLS THE NATURAL GAS, ELECTRICITY, OR WATER AT RATES REGULATED BY THE COMMISSION OR IS OWNED BY A MUNICIPALITY."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, Hughes, Barrett, Cole, Lucido, Dianda, Garrett. (7/25)

Nays: Representatives Nesbitt, Jacobsen, LaFontaine, Outman, Pettalia, Maturen, B. Roberts, Sheppard, Brunner, Byrd, D. Miller, Plawecki. (12/25)

Pass: Representatives McBroom, Webber, LaVoy, Lane, Kivela, Kosowski. (6/25) (7/12/6)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Barrett made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 40, line 18, by striking out the balance of the subdivision and inserting:

"(i) IF THERE IS AT LEAST THE AMOUNT OF LOAD REPRESENTED ON THE LIST OF CUSTOMERS AWAITING RETAIL OPEN ACCESS SERVICE AS THE AMOUNT OF LOAD REPRESENTED BY THE CUSTOMER RETURNING TO FULL SERVICE FROM THE ELECTRIC UTILITY THAT PROVIDES THE CUSTOMER WITH DISTRIBUTION SERVICES, THE CUSTOMER IS SUBJECT TO THE PROCEDURES IN PLACE FOR EACH ELECTRIC UTILITY ON THE EFFECTIVE

DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6T THAT SET FORTH THE TERMS PURSUANT TO WHICH A CUSTOMER RECEIVING SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER MAY RETURN TO FULL SERVICE FROM AN ELECTRIC UTILITY.

(ii) IF THERE IS AT LEAST THE AMOUNT OF LOAD REPRESENTED ON THE LIST OF CUSTOMERS AWAITING RETAIL OPEN ACCESS SERVICE BUT THE COMMISSION DETERMINES THERE IS ADEQUATE CAPACITY AVAILABLE TO SERVE THAT CUSTOMER, THE CUSTOMER IS SUBJECT TO THE PROCEDURES IN PLACE FOR EACH ELECTRIC UTILITY ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6T THAT SET FORTH THE TERMS PURSUANT TO WHICH A CUSTOMER RECEIVING SERVICE FROM AN ALTERNATIVE ELECTRIC SUPPLIER MAY RETURN TO FULL SERVICE FROM AN ELECTRIC UTILITY.

(iii) IF THERE IS NOT AT LEAST THE AMOUNT OF LOAD REPRESENTED ON THE LIST OF CUSTOMERS AWAITING RETAIL OPEN ACCESS SERVICE AND THE COMMISSION DETERMINES THERE IS NOT ADEQUATE CAPACITY AVAILABLE TO SERVE THAT CUSTOMER, THE CUSTOMER SHALL BE ABLE TO RETURN TO FULL SERVICE FROM THE ELECTRIC UTILITY ACCORDING TO THE FOLLOWING:

(A) THE CUSTOMER PROVIDES THE UTILITY 3 YEARS' ADVANCE WRITTEN NOTICE OF THE INTENT TO RETURN TO STANDARD TARIFF SERVICE.

(B) THE CUSTOMER MAY RETURN TO STANDARD TARIFF SERVICE IF THE CUSTOMER COMPLIES WITH 1 OR BOTH OF THE FOLLOWING FOR A PERIOD NOT TO EXCEED 3 YEARS:

(I) THE CUSTOMER HAS PARTICIPATED IN INTERRUPTIBLE TARIFF SERVICE AFTER PROVIDING THE UTILITY 180 DAYS' NOTICE.

(II) THE CUSTOMER HAS PARTICIPATED IN ANOTHER TARIFF EQUAL TO THE NET VALUE OF ANY INCREMENTAL COSTS, INCLUDING, BUT NOT LIMITED TO, CAPACITY, ENERGY, ANCILLARY SERVICES, DISTRIBUTION SERVICE, AND TRANSMISSION SERVICE INCLUDING COSTS RECOVERED IN FERC-APPROVED REGIONAL TRANSMISSION ORGANIZATION TARIFFS, NECESSARY TO SERVE THE CUSTOMER MINUS ANY INCREMENTAL SAVINGS AND INCREMENTAL REVENUE ASSOCIATED WITH SERVING THE CUSTOMER AS DETERMINED BY AN ORDER OF THE COMMISSION FOLLOWING A CONTESTED CASE HEARING PURSUANT TO CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287. A CUSTOMER MUST WITHDRAW OR VERIFY ITS NOTICE OF INTENT TO RETURN TO STANDARD TARIFF SERVICE WITHIN 10 DAYS AFTER THE COMMISSION ISSUES ITS ORDER. A NOTICE OF INTENT TO RETURN TO STANDARD TARIFF SERVICE IS IRREVOCABLE WHEN THE CUSTOMER VERIFIES ITS NOTICE OF INTENT TO RETURN TO STANDARD TARIFF SERVICE UNDER THIS SUB-SUBPARAGRAPH."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, LaFontaine, McBroom, Outman, Pettalia, Hughes,

Barrett, Cole, Lucido. (9/25)

Nays: Representatives Nesbitt, Jacobsen, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner. (8/25)

Pass: Representatives Lane, Dianda, Kivela, Kosowski, Byrd, Garrett, D. Miller, Plawecki. (8/25) (9/8/8)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Chair Nesbitt stated that the Committee would stand at ease, the time being 5:18 p.m.

The Chair reconvened the meeting at 5:20 p.m.

Representative Outman made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 21, line 23, by striking out all of section **6T** and inserting:

"SEC. 6T. (1) THE COMMISSION SHALL, WITHIN 270 DAYS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION AND EVERY 4 YEARS THEREAFTER, ESTABLISH MODELING SCENARIOS AND ASSUMPTIONS AND STATEWIDE PARAMETERS FOR INTEGRATED RESOURCE PLANS REQUIRED UNDER SUBSECTION (2). THE PURPOSE OF AN INTEGRATED RESOURCE PLAN IS TO ESTABLISH THE ANTICIPATED CAPACITY NEED OF AN ELECTRIC UTILITY WHOSE RATES ARE REGULATED BY THE COMMISSION OVER 5-YEAR, 10-YEAR, AND 15-YEAR PERIODS AND TO IDENTIFY SUPPLY-SIDE AND DEMAND-SIDE RESOURCES THAT COULD MEET THE UTILITY'S CAPACITY NEEDS. THE COMMISSION SHALL, IN CONSULTATION WITH THE MICHIGAN AGENCY FOR ENERGY AND THE DEPARTMENT OF ENVIRONMENTAL QUALITY, DO ALL OF THE FOLLOWING:

(A) CONDUCT AN ASSESSMENT OF THE POTENTIAL FOR REDUCTION IN ENERGY WASTE IN THIS STATE, BASED ON WHAT IS ECONOMICALLY FEASIBLE AS WELL AS TECHNOLOGICALLY FEASIBLE.

(B) IDENTIFY ANY NEW STATE OR FEDERAL ENVIRONMENTAL STANDARD, LAW, OR RULE AND HOW THAT STANDARD, LAW, OR RULE MAY AFFECT ELECTRIC UTILITIES IN THIS STATE.

(C) IDENTIFY ANY PROPOSED STATE OR FEDERAL ENVIRONMENTAL STANDARD, LAW, OR RULE THAT HAS BEEN PUBLISHED IN THE MICHIGAN REGISTER OR THE FEDERAL REGISTER AND HOW THE PROPOSED STANDARD, LAW, OR RULE MAY AFFECT ELECTRIC UTILITIES IN THIS STATE.

(D) IDENTIFY ANY REQUIRED RELIABILITY STANDARDS IN AREAS OF THIS STATE.

(E) ESTABLISH MODELING SCENARIOS AND ASSUMPTIONS THAT EACH ELECTRIC UTILITY MUST USE IN DEVELOPING ITS INTEGRATED RESOURCE PLAN FILED UNDER SUBSECTION (2), INCLUDING ALL OF THE FOLLOWING:

(i) ANY REQUIRED RELIABILITY STANDARDS.

(ii) ALL NEW OR PROPOSED STATE AND FEDERAL ENVIRONMENTAL STANDARDS, LAWS, AND RULES IDENTIFIED IN THIS SUBSECTION.

(iii) POTENTIALLY NECESSARY INVESTMENTS IN GENERATION, TRANSMISSION, AND DISTRIBUTION INFRASTRUCTURE.

(iv) ANY SUPPLY-SIDE AND DEMAND-SIDE RESOURCES THAT COULD ADDRESS ANY NEED FOR ADDITIONAL OR DIFFERENT GENERATION CAPACITY, INCLUDING, BUT NOT LIMITED TO, THE TYPE OF GENERATION TECHNOLOGY FOR ANY PROPOSED GENERATION FACILITY, PROJECTED ENERGY EFFICIENCY SAVINGS, AND PROJECTED LOAD MANAGEMENT AND DEMAND RESPONSE SAVINGS.

(v) ANY REGIONAL INFRASTRUCTURE LIMITATIONS IN THIS STATE.

(vi) THE PROJECTED COSTS OF DIFFERENT TYPES OF FUEL USED FOR ELECTRIC GENERATION.

(F) ALLOW OTHER STATE AGENCIES TO PROVIDE INPUT REGARDING ANY OTHER REGULATORY REQUIREMENTS THAT MAY BE RELEVANT TO OR INCLUDED IN MODELING SCENARIOS OR ASSUMPTIONS.

(G) POST A COPY OF THE PROPOSED MODELING SCENARIOS AND ASSUMPTIONS TO BE USED IN INTEGRATED RESOURCE PLANS ON THE COMMISSION'S WEBSITE.

(H) AFTER POSTING PROPOSED MODELING SCENARIOS AND ASSUMPTIONS UNDER SUBDIVISION (G) AND BEFORE ISSUING THE FINAL MODELING SCENARIOS AND ASSUMPTIONS EACH ELECTRIC UTILITY MUST USE IN DEVELOPING ITS INTEGRATED RESOURCE PLAN, PROVIDE A REASONABLE OPPORTUNITY FOR THE PUBLIC TO PROVIDE WRITTEN COMMENTS AND HOLD 1 OR MORE HEARINGS TO SOLICIT PUBLIC INPUT REGARDING THE PROPOSED MODELING SCENARIOS AND ASSUMPTIONS.

(I) ISSUE FINAL MODELING SCENARIOS AND ASSUMPTIONS WITHIN 90 DAYS AFTER PROVIDING THE OPPORTUNITY FOR PUBLIC INPUT IN SUBDIVISION (H).

(J) WITHIN 60 DAYS AFTER ISSUING THE FINAL MODELING SCENARIOS AND ASSUMPTIONS UNDER SUBDIVISION (I), ISSUE AN ORDER ESTABLISHING FILING REQUIREMENTS, INCLUDING FORMS AND INSTRUCTIONS FOR AN INTEGRATED RESOURCE PLAN.

(2) NOT LATER THAN 2 YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, EACH ELECTRIC UTILITY WHOSE RATES ARE REGULATED BY THE COMMISSION SHALL FILE WITH THE COMMISSION AN INTEGRATED RESOURCE PLAN USING THE FINAL MODELING SCENARIOS AND ASSUMPTIONS APPROVED BY THE COMMISSION UNDER SUBSECTION (1). IN ADDITION TO USING THOSE MODELING SCENARIOS AND ASSUMPTIONS, THE ELECTRIC UTILITY MAY USE ALTERNATIVE MODELING SCENARIOS AND ASSUMPTIONS. AN INTEGRATED RESOURCE PLAN SHALL INCLUDE ALL OF THE FOLLOWING:

(A) A LONG-TERM FORECAST OF THE ELECTRIC UTILITY'S LOAD GROWTH UNDER VARIOUS REASONABLE SCENARIOS.

(B) DATA REGARDING THE ELECTRIC UTILITY'S CURRENT GENERATION PORTFOLIO, INCLUDING THE AGE, LICENSING STATUS, AND REMAINING ESTIMATED TIME OF OPERATION FOR EACH FACILITY IN THE PORTFOLIO.

(C) AN ANALYSIS OF THE AVAILABILITY AND VIABILITY OF ALL GENERATION OPTIONS AND ELECTRIC RESOURCES AVAILABLE TO MEET THE ELECTRIC UTILITY'S PROJECTED CAPACITY NEEDS.

(D) PROJECTED LOAD MANAGEMENT AND DEMAND RESPONSE SAVINGS FOR THE ELECTRIC UTILITY AND THE PROJECTED COSTS FOR THOSE PROGRAMS.

(E) PLANS FOR MEETING THE ELECTRIC UTILITY'S PROJECTED CAPACITY NEEDS, INCLUDING THE APPLICABLE PLANNING RESERVE MARGIN REQUIREMENTS, THAT WILL PROVIDE GENERATION RELIABILITY FOR A 5-YEAR, 10-YEAR, AND 15-YEAR PLANNING PERIOD.

(F) IF THE ELECTRIC UTILITY'S PLANS UNDER SUBDIVISION (E) INCLUDE CONSTRUCTION, MAKING INVESTMENTS, MAKING PURCHASES, OR ENTERING INTO POWER PURCHASE AGREEMENTS THAT REQUIRE THE ELECTRIC UTILITY TO SUBMIT AN APPLICATION UNDER SECTION 6S, COST ESTIMATES OF THE CONSTRUCTION, INVESTMENTS, OR PURCHASES SHALL NOT BE INCLUDED IN THE INTEGRATED RESOURCE PLAN EXCEPT AS SPECIFICALLY AUTHORIZED IN SECTION 6S.

(G) THE TYPE OF GENERATION TECHNOLOGY PROPOSED FOR A GENERATION FACILITY CONTAINED IN THE INTEGRATED RESOURCE PLAN AND THE PROPOSED CAPACITY OF THE GENERATION FACILITY, INCLUDING PROJECTED FUEL AND REGULATORY COSTS UNDER VARIOUS REASONABLE SCENARIOS.

(H) AN ANALYSIS OF THE AVAILABILITY AND COSTS, INCLUDING, BUT NOT LIMITED TO, TRANSMISSION AND DISTRIBUTION INVESTMENTS, OF OTHER ELECTRIC RESOURCES, INCLUDING ADDITIONAL RENEWABLE ENERGY, ENERGY EFFICIENCY PROGRAMS, LOAD MANAGEMENT, CUSTOMER SELF-GENERATION AND DISTRIBUTED GENERATION, COGENERATION, AND DEMAND RESPONSE, BEYOND THOSE AMOUNTS CONTAINED IN SUBDIVISIONS (J) TO (I), THAT COULD DEFER, DISPLACE, OR PARTIALLY DISPLACE THE PROPOSED NEED FOR A NEW GENERATION FACILITY OR PURCHASED POWER AGREEMENT.

(I) AN EXPLANATION OF HOW THE ELECTRIC UTILITY WILL MINIMIZE THE NET PRESENT VALUE OF FORWARD-LOOKING CAPITAL AND PRODUCTION COSTS.

(J) DETAILS REGARDING HOW THE ELECTRIC UTILITY WILL MEET ANY APPLICABLE RENEWABLE ENERGY STANDARDS AND ITS RENEWABLE ENERGY PLAN, PROJECTED ENERGY AND CAPACITY PURCHASED OR PRODUCED BY THE ELECTRIC UTILITY FROM A RENEWABLE ENERGY RESOURCE, THE ESTIMATED COSTS THAT THE ELECTRIC UTILITY WILL INCUR IN PURCHASING OR PRODUCING ELECTRICITY GENERATED USING A RENEWABLE ENERGY SYSTEM, AND THE PROJECTED IMPACT THAT PRODUCING ELECTRICITY GENERATED USING A RENEWABLE ENERGY SYSTEM WILL HAVE ON THE ELECTRIC UTILITY'S RATES AND TARIFFS COMPARED TO ENERGY GENERATED FROM OTHER SOURCES.

(K) DETAILS REGARDING THE UTILITY'S PLAN TO ELIMINATE ENERGY WASTE, INCLUDING THE TOTAL AMOUNT OF WASTE REDUCTION EXPECTED

TO BE ACHIEVED ANNUALLY, THE COST OF THE PLAN, AND THE EXPECTED SAVINGS FOR ITS RETAIL CUSTOMERS.

(I) AN ANALYSIS OF POTENTIAL NEW OR UPGRADED ELECTRIC TRANSMISSION OPTIONS FOR THE ELECTRIC UTILITY.

(M) PROJECTED ECONOMIC AND ENVIRONMENTAL THREATS THAT COULD IMPACT RATES AND THE DELIVERY OF SERVICE.

(N) HOW THE UTILITY WILL COMPLY WITH APPLICABLE STATE AND FEDERAL ENVIRONMENTAL STANDARDS, LAWS, AND RULES.

(O) A FORECAST OF THE UTILITY'S PEAK DEMAND AND DETAILS REGARDING HOW THE UTILITY PROPOSES TO REDUCE PEAK DEMAND.

(3) THE COMMISSION SHALL HOLD A HEARING ON THE INTEGRATED RESOURCE PLAN. THE HEARING SHALL BE CONDUCTED AS A CONTESTED CASE PURSUANT TO CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287. THE COMMISSION SHALL PERMIT REASONABLE DISCOVERY AFTER AN INTEGRATED RESOURCE PLAN IS FILED AND DURING THE HEARING IN ORDER TO ASSIST PARTIES AND INTERESTED PERSONS IN OBTAINING EVIDENCE CONCERNING THE INTEGRATED RESOURCE PLAN. WITHIN 270 DAYS AFTER AN ELECTRIC UTILITY FILES AN INTEGRATED RESOURCE PLAN UNDER THIS SECTION, THE COMMISSION SHALL ISSUE AN ORDER EITHER APPROVING OR DENYING THE INTEGRATED RESOURCE PLAN. THE COMMISSION SHALL APPROVE THE INTEGRATED RESOURCE PLAN IF IT DETERMINES THAT THE INTEGRATED RESOURCE PLAN CONTAINS THE INFORMATION REQUIRED IN SUBSECTION (2) AND THE COMMISSION AGREES WITH THE ANTICIPATED CAPACITY NEEDS OF THE ELECTRIC UTILITY DESCRIBED IN THE PLAN.

(4) AN ELECTRIC UTILITY SHALL PERIODICALLY FILE REPORTS AS REQUIRED BY THE COMMISSION REGARDING THE STATUS OF AN INTEGRATED RESOURCE PLAN THAT HAS BEEN APPROVED UNDER SUBSECTION (3).

(5) IF THE COMMISSION DENIES THE INTEGRATED RESOURCE PLAN, THE UTILITY MAY, WITHIN 90 DAYS AFTER THE COMMISSION'S ORDER IDENTIFYING THOSE DEFICIENCIES, SUBMIT A REVISED INTEGRATED RESOURCE PLAN TO THE COMMISSION FOR APPROVAL. THE COMMISSION SHALL COMMENCE A CONTESTED CASE HEARING UNDER CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287. NOT LATER THAN 90 DAYS AFTER THE DATE ON WHICH THE UTILITY SUBMITS THE REVISED INTEGRATED RESOURCE PLAN TO THE COMMISSION, THE COMMISSION SHALL ISSUE A FINAL ORDER APPROVING OR EXPLAINING DEFICIENCIES WITH THE REVISED INTEGRATED RESOURCE PLAN.

(6) AN ELECTRIC UTILITY MAY SEEK AMENDMENTS TO AN APPROVED INTEGRATED RESOURCE PLAN. THE COMMISSION SHALL CONSIDER THE AMENDMENTS UNDER THE SAME PROCESS AND STANDARDS THAT GOVERN THE REVIEW AND APPROVAL OF AN INTEGRATED RESOURCE PLAN, EXCEPT THAT THE COMMISSION SHALL APPROVE OR DENY AMENDMENTS WITHIN 90 DAYS AFTER THE UTILITY FILES A REQUEST FOR AMENDMENTS.

(7) AN ELECTRIC UTILITY SHALL FILE AN UPDATED INTEGRATED RESOURCE PLAN NOT LATER THAN 4 YEARS AFTER THE EFFECTIVE DATE OF THE MOST RECENT COMMISSION ORDER APPROVING AN INTEGRATED RESOURCE PLAN. THE COMMISSION SHALL CONSIDER AN UPDATED INTEGRATED RESOURCE PLAN UNDER THE SAME PROCESS AND STANDARDS ESTABLISHED IN THIS SECTION FOR REVIEW AND APPROVAL OF AN INTEGRATED RESOURCE PLAN.

(8) THE COMMISSION MAY ORDER AN ELECTRIC UTILITY TO FILE A PLAN REVIEW ANNUALLY. AN ELECTRIC UTILITY, ON ITS OWN ACCORD, MAY FILE AN UPDATED PLAN OR PLAN REVIEW AT ANY TIME. AN ELECTRIC UTILITY MUST FILE A PLAN REVIEW WITHIN 270 DAYS AFTER THE COMMISSION ORDERS THE UTILITY TO FILE A PLAN REVIEW.

(9) OTHER THAN ESTABLISHING AN ELECTRIC UTILITY'S CAPACITY NEED FOR PURPOSES OF SECTION 6S, AN INTEGRATED RESOURCE PLAN SHALL NOT BE BINDING IN ANY RATE-MAKING, POWER SUPPLY COST RECOVERY, OR OTHER PROCEEDING BEFORE THE COMMISSION. THE COMMISSION'S CONSIDERATION OF AN INTEGRATED RESOURCE PLAN SHALL NOT REPLACE ANY EXISTING RATE-MAKING OR OTHER PROCEEDING BEFORE THE COMMISSION.

(10) FOR AN ELECTRIC UTILITY WITH FEWER THAN 1,000,000 CUSTOMERS WHOSE RATES ARE REGULATED BY THE COMMISSION, THE COMMISSION MAY ISSUE AN ORDER IMPLEMENTING SEPARATE FILING REQUIREMENTS, REVIEW CRITERIA, AND APPROVAL STANDARDS THAT DIFFER FROM THOSE ESTABLISHED UNDER SUBSECTION (2). AN ELECTRIC UTILITY PROVIDING ELECTRIC TARIFF SERVICE TO CUSTOMERS BOTH IN THIS STATE AND IN AT LEAST 1 OTHER STATE MAY DESIGN ITS INTEGRATED RESOURCE PLAN TO COVER ALL ITS CUSTOMERS ON THAT MULTISTATE BASIS. IF AN ELECTRIC UTILITY HAS FILED A MULTISTATE INTEGRATED RESOURCE PLAN THAT INCLUDES ITS SERVICE AREA IN THIS STATE WITH THE RELEVANT UTILITY REGULATORY COMMISSION IN ANOTHER STATE IN WHICH IT PROVIDES TARIFF SERVICE TO RETAIL CUSTOMERS, THE COMMISSION SHALL ACCEPT THAT INTEGRATED RESOURCE PLAN FILING IN THIS STATE. HOWEVER, THE COMMISSION MAY REQUIRE SUPPLEMENTAL INFORMATION IF NECESSARY AS PART OF ITS EVALUATION AND DETERMINATION OF WHETHER TO APPROVE THE PLAN. UPON REQUEST OF AN ELECTRIC UTILITY, THE COMMISSION MAY ADJUST THE FILING DATES FOR A MULTISTATE INTEGRATED RESOURCE PLAN FILING IN THIS STATE TO PLACE ITS REVIEW ON THE SAME TIMELINE AS OTHER RELEVANT STATE REVIEWS."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, Outman, Hughes, Barrett, Lucido, Dianda. (6/25)

Nays: Representatives Nesbitt, Jacobsen, Pettalia, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Kivela, Byrd, Plawecki. (12/25)

Pass: Representatives LaFontaine, McBroom, Cole, Lane, Kosowski, Garrett, D. Miller. (7/25) (6/12/7)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Cole made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 42, line 15, by striking out all of subsections (3) through (6) and inserting:

"(3) ANNUALLY, THE COMMISSION IN CONSULTATION WITH THE MICHIGAN AGENCY FOR ENERGY AND THE APPROPRIATE INDEPENDENT SYSTEM OPERATORS SHALL CONDUCT A RESOURCE ADEQUACY FORECAST RELATED TO RESOURCE ADEQUACY IN THE STATE FOR THE SUBSEQUENT 5 YEARS. THE COMMISSION SHALL CONDUCT THE RESOURCE ADEQUACY FORECAST AS FOLLOWS:

(A) THE RESOURCE ADEQUACY FORECAST SHALL INCLUDE THE GEOGRAPHIC AREAS OF THE APPROPRIATE INDEPENDENT SYSTEM OPERATORS WITHIN THIS STATE.

(B) THE COMMISSION SHALL CONDUCT THE RESOURCE ADEQUACY FORECAST AS A CONTESTED CASE PROCEEDING UNDER CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287. THE COMMISSION SHALL PERMIT REASONABLE DISCOVERY AFTER THE RESOURCE ADEQUACY FORECAST IS CONDUCTED AND DURING THE HEARING IN ORDER TO ASSIST PARTIES AND INTERESTED PERSONS IN OBTAINING EVIDENCE CONCERNING THE FORECAST, WHICH SHALL BE LIMITED TO AGGREGATE DATA USED TO DETERMINE THE FORECAST. ANY INFORMATION SUBMITTED BY AN INDIVIDUAL LOAD SERVING ENTITY SHALL NOT BE SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246, AND SHALL BE TREATED AS CONFIDENTIAL BY THE COMMISSION. THE COMMISSION SHALL ISSUE PROTECTIVE ORDERS AS ARE NECESSARY TO PROTECT THE INFORMATION AND MATERIALS SUBMITTED UNDER THIS SUBSECTION, BUT SHALL MAKE PUBLIC AGGREGATE DATA THAT DO NOT IDENTIFY INDIVIDUAL ENTITIES.

(C) THE RESOURCE ADEQUACY FORECAST SHALL TAKE INTO ACCOUNT ALL OF THE FOLLOWING:

(i) THE REASONABLY EXPECTED LOAD REQUIREMENTS FOR THE PORTIONS OF THE GEOGRAPHIC AREAS OF THE APPROPRIATE INDEPENDENT SYSTEM OPERATORS LOCATED WITHIN THIS STATE.

(ii) WHETHER THE LOCAL CLEARING REQUIREMENT IS REASONABLY EXPECTED TO BE MET.

(iii) THE REASONABLY ANTICIPATED AMOUNT OF CAPACITY THAT WILL BE ABLE TO BE IMPORTED.

(D) THE RESOURCE ADEQUACY FORECAST SHALL INCLUDE THE ESTIMATED AMOUNT OF INCREMENTAL CAPACITY IN MEGAWATTS NEEDED TO MEET ANY PROJECTED SHORTFALL. A PROJECTED SHORTFALL SHALL BE DEFINED AS A SHORTFALL THAT DEGRADES RELIABILITY BELOW THE INDEPENDENT SYSTEM OPERATOR STANDARD DUE TO A DEFICIENCY OF RESOURCES PRESENT IN THE ZONE TO MEET THE LOCAL CLEARING REQUIREMENT, OR EQUIVALENT STANDARD IN THE RESPECTIVE

INDEPENDENT SYSTEM OPERATOR TERRITORY.

(4) IF A RESOURCE ADEQUACY FORECAST UNDER SUBSECTION (3) PROJECTS A CAPACITY SHORTFALL WITHIN THE GEOGRAPHIC AREAS OF THE APPROPRIATE INDEPENDENT SYSTEM OPERATORS AFFECTING THIS STATE WITHIN THE SUBSEQUENT 3 YEARS, THE COMMISSION SHALL DO THE FOLLOWING:

(A) REQUEST FROM EACH LOAD SERVING ENTITY A PLAN THAT DEMONSTRATES IT WILL BE ABLE TO SUPPLY ADEQUATE CAPACITY TO SERVE ITS RETAIL ELECTRIC CUSTOMERS' REASONABLY ANTICIPATED LOAD REQUIREMENTS, PLUS THE APPLICABLE PLANNING RESERVE MARGIN REQUIREMENTS, FOR THE YEAR IN WHICH THE SHORTFALL IS PROJECTED. A LOAD SERVING ENTITY MAY DEMONSTRATE ADEQUATE CAPACITY UNDER THIS SUBSECTION IF THE LOAD SERVING ENTITY DEMONSTRATES THAT IT HAS COMPLIED WITH THE RELIABILITY REQUIREMENTS OF THE RELEVANT INDEPENDENT SYSTEM OPERATOR FOR THE YEAR IN WHICH THE SHORTFALL IS PROJECTED.

(B) IF THE INFORMATION RECEIVED BY THE COMMISSION UNDER SUBSECTION (3) CONFIRMS THE PROJECTED SHORTFALL, IT SHALL ISSUE A REQUEST FOR QUOTES TO PROVIDE THE CAPACITY NEEDED TO MEET THE PROJECTED SHORTFALL. POTENTIAL RESOURCE SUPPLIERS SHALL SUBMIT RESPONSES WITHIN 90 DAYS AFTER THE COMMISSION ISSUES THE REQUEST FOR QUOTES. THE COMMISSION SHALL DEVELOP A FORM REQUEST FOR QUOTES THAT INCLUDES THE AMOUNT OF INCREMENTAL CAPACITY NEEDED, THE YEAR IN WHICH THE CAPACITY WILL BE NEEDED, AND ANY OTHER RELEVANT CRITERIA.

(5) THE COMMISSION SHALL SEND THE RESPONSES TO REQUEST FOR QUOTES TO EACH LOAD SERVING ENTITY THAT THE COMMISSION DETERMINES DID NOT DEMONSTRATE IT WILL BE ABLE TO PROVIDE ADEQUATE CAPACITY TO SERVE ITS RETAIL ELECTRIC CUSTOMERS' REASONABLY ANTICIPATED LOAD REQUIREMENTS, PLUS THE APPLICABLE PLANNING RESERVE MARGIN REQUIREMENTS, FOR THE YEAR IN WHICH THE SHORTFALL IS PROJECTED. IF 1 OR MORE OF THESE LOAD SERVING ENTITIES DO NOT PROVIDE, WITHIN 180 DAYS AFTER RECEIVING THE RESPONSES UNDER THIS SUBSECTION, THE COMMISSION WITH A PLAN TO ADD THE NECESSARY CAPACITY, IN THE YEAR OF THE PROJECTED SHORTFALL THE LOAD SERVING ENTITY'S LICENSE SHALL BE CAPPED AT THE LEVEL AT WHICH IT HAS DEMONSTRATED IT WILL BE ABLE TO PROVIDE ADEQUATE CAPACITY.

(6) THE COMMISSION SHALL ANNUALLY REVIEW THE PORTION OF A LOAD SERVING ENTITY'S LOAD REQUIREMENTS FOR WHICH THE LOAD SERVING ENTITY HAD DEMONSTRATED IT WOULD BE ABLE TO PROVIDE ADEQUATE CAPACITY AND ADJUST EACH LOAD SERVING ENTITY'S LICENSE ACCORDINGLY."

2. Amend page 47, following line 19, by inserting:

"(8) THE PLANNING RESERVE MARGIN REQUIREMENTS FOR PURPOSES OF THIS SECTION SHALL BE THE PLANNING RESERVE MARGIN

REQUIREMENTS SET BY THE APPROPRIATE INDEPENDENT SYSTEM OPERATOR. IF THE INDEPENDENT SYSTEM OPERATOR HAS NOT DETERMINED THE APPLICABLE PLANNING RESERVE MARGIN FOR THE TIME PERIOD UNDER CONSIDERATION, THEN THE COMMISSION WILL SET THE APPROPRIATE PLANNING RESERVE IN CONSULTATION WITH THE APPROPRIATE INDEPENDENT SYSTEM OPERATOR IN A CONTESTED CASE PROCEEDING UNDER CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.271 TO 24.287.

(9) THE PROCESS OUTLINED IN SUBSECTIONS (4) TO (7) IS NOT APPLICABLE TO ANY AREA OF THIS STATE COVERED BY AN INDEPENDENT SYSTEM OPERATOR THAT HAS ESTABLISHED A MULTIYEAR RESOURCE ADEQUACY CONSTRUCT INTENDED TO ADDRESS RESTRUCTURED COMPETITIVE MARKETS." and renumbering the remaining subsections.

3. Amend page 47, line 27, after "between" by striking out "AN ELECTRIC" and inserting "a".

4. Amend page 56, line 18, after "MEANS" by striking out the balance of the line through "MEAN" on line 19.

5. Amend page 56, line 21, after "OWNING" by inserting a comma and "LEASING,".

6. Amend page 56, line 23, by striking out all of subdivision (E) and relettering the remaining subdivisions.

7. Amend page 57, line 10, by striking out all of subdivision (G) and inserting:

"(G) "LOCAL CLEARING REQUIREMENT" MEANS THE AMOUNT OF CAPACITY RESOURCES IN A PARTICULAR GEOGRAPHIC AREA THAT MUST BE PRESENT TO ENSURE RELIABILITY AS DEFINED BY THE INDEPENDENT SYSTEM OPERATOR OPERATING IN THE TERRITORY WHERE THE ELECTRIC PROVIDER'S LOAD IS SERVED. IF THE INDEPENDENT SYSTEM OPERATOR HAS NOT ESTABLISHED A LOCAL CLEARING REQUIREMENT FOR A FUTURE PLANNING YEAR, THE COMMISSION SHALL APPLY THE LATEST LOCAL CLEARING REQUIREMENT DETERMINED BY THE INDEPENDENT SYSTEM OPERATOR TO THAT FUTURE PLANNING YEAR."

8. Amend page 57, line 20, by striking out all of line 20 through "REQUIREMENT." on line 4 of page 58 and relettering the remaining subdivisions.

UNFAVORABLE ROLL CALL:

Yeas: Representatives Glenn, LaFontaine, McBroom, Outman, Hughes, Barrett, Cole, Lucido, Kosowski. (9/25)

Nays: Representatives Nesbitt, Jacobsen, Pettalia, Maturen, B. Roberts, Sheppard, Webber, Dianda. (8/25)

Pass: Representatives LaVoy, Brunner, Lane, Kivela, Byrd, Garrett, D. Miller, Plawecki. (8/25) (9/8/8)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Chair Nesbitt made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 35, line 27, after "SOURCE." by inserting "A COVERED

UTILITY DOES NOT HAVE TO FILE AN ABANDONMENT APPLICATION UNDER THIS SECTION IF UTILITY SERVICE IS BEING DISCONTINUED TO A SPECIFIC PARCEL OR PARCELS TO ENABLE ANOTHER COVERED UTILITY TO PROVIDE SERVICE THAT THE OTHER COVERED UTILITY IS LEGALLY PERMITTED TO PROVIDE."

2. Amend page 44, line 23, after "**PROVIDER**" by inserting a comma and "**OTHER THAN A MUNICIPALLY OWNED UTILITY,**".

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Kivela, Byrd, Garrett, Plawecki. (21/25)

Nays: None. (0/25)

Pass: Representatives Lane, Dianda, Kosowski, D. Miller. (4/25) (21/0/4)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Hughes made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 65, line 4, after "subsection." by inserting "**NOTWITHSTANDING ANY LAW, REGULATION, OR COMMISSION ORDER TO THE CONTRARY, THE COMMISSION MAY, UPON THE REQUEST OF AN ELECTRIC UTILITY, DEVELOP AND IMPLEMENT REASONABLE ENERGY OPTIMIZATION PROGRAMS OR COST-BASED RATES FOR PUBLIC AND PRIVATE SCHOOLS, UNIVERSITIES, AND COMMUNITY COLLEGES THAT ARE DESIGNED TO ACHIEVE REASONABLE ELECTRICITY COST SAVINGS FOR THOSE SCHOOLS, UNIVERSITIES, AND COMMUNITY COLLEGES. THE COMMISSION SHALL APPROVE ALL ELECTRIC UTILITY ENERGY OPTIMIZATION PROGRAM EXPENSES FOR THOSE SCHOOLS, UNIVERSITIES, AND COMMUNITY COLLEGES FOR FULL RECOVERY THROUGH, AT AN ELECTRIC UTILITY'S SOLE DISCRETION, THE ELECTRIC UTILITY'S GENERAL RATES, TARIFFS, OR SURCHARGES. AS USED IN THIS SUBSECTION, "ENERGY OPTIMIZATION PROGRAMS" INCLUDES, BUT IS NOT LIMITED TO, DEMAND SIDE MANAGEMENT PROGRAMS."**

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Glenn, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, Sheppard, Webber, LaVoy, Brunner, Dianda, Kivela, Byrd, Garrett, D. Miller, Plawecki. (21/25)

Nays: Representatives Jacobsen, B. Roberts. (2/25)

Pass: Representatives Lane, Kosowski. (2/25) (21/2/2)

A sufficient number of members voting in the affirmative, the motion prevailed.

Chair Nesbitt stated that the Committee would stand at ease, the time being 5:34 p.m.

The Chair reconvened the meeting at 5:35 p.m.

Representative LaVoy made a motion to amend HB 4298 (H-3) as follows.

1. Amend page 33, line 1, after "**PROGRAMS.**" by striking out the balance of the subsection and inserting "**THE TOTAL AMOUNT OF A FINANCIAL INCENTIVE FOR AN ELECTRIC UTILITY THAT ACHIEVES ANNUAL INCREMENTAL ENERGY WASTE REDUCTION OF MORE THAN 1.5% BUT NOT MORE THAN 3% OF ITS TOTAL ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN THE PRECEDING YEAR SHALL NOT EXCEED THE LESSER OF 30% OF THE NET PRESENT VALUE OF LIFE-CYCLE COST REDUCTIONS EXPERIENCED BY THE PROVIDER'S CUSTOMERS AS A RESULT OF IMPLEMENTATION OF THE ENERGY WASTE REDUCTION PROGRAM OR 20% OF THE UTILITY'S ACTUAL ENERGY WASTE REDUCTION PROGRAM EXPENDITURES FOR THE YEAR. THE TOTAL AMOUNT OF A FINANCIAL INCENTIVE FOR AN ELECTRIC UTILITY THAT ACHIEVES ANNUAL INCREMENTAL ENERGY WASTE REDUCTION OF AT LEAST 1% BUT NOT MORE THAN 1.5% OF ITS TOTAL ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN THE PRECEDING YEAR SHALL NOT EXCEED THE LESSER OF 25% OF THE NET PRESENT VALUE OF LIFE-CYCLE COST REDUCTIONS EXPERIENCED BY THE UTILITY'S CUSTOMERS AS A RESULT OF IMPLEMENTATION OF THE ENERGY WASTE REDUCTION PROGRAM OR 15% OF THE UTILITY'S ACTUAL ENERGY WASTE REDUCTION PROGRAM EXPENDITURES FOR THE YEAR. A FINANCIAL INCENTIVE IS NOT AUTHORIZED FOR AN ELECTRIC UTILITY THAT ACHIEVES ANNUAL INCREMENTAL ENERGY WASTE REDUCTION OF LESS THAN 1% OF ITS TOTAL ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN THE PRECEDING YEAR. THE COMMISSION SHALL APPROVE HIGHER FINANCIAL INCENTIVES FOR ACHIEVING HIGHER LIFE-CYCLE BENEFITS.**"

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, Garrett, D. Miller, Plawecki. (25/25)

Nays: None. (0/25)

Pass: None. (0/25) (25/0/0)

A sufficient number of members voting in the affirmative, the motion prevailed.

Chair Nesbitt stated that the Committee would stand at ease, the time being 5:40 p.m.

The Chair reconvened the meeting at 6:11 p.m.

Representative Plawecki offered the following amendment to HB 4298 (H-3).

1. Amend page 30, following line 12, by inserting:

"(F) PROVIDING REASONABLE PROGRESS TOWARD MAINTAINING RENEWABLE ENERGY RESOURCES IN THIS STATE. AS A GOAL UNDER THIS SUBDIVISION, NOT LESS THAN 30% OF ELECTRIC ENERGY NEEDS WOULD BE MET THROUGH A COMBINATION OF ENERGY WASTE REDUCTION AND RENEWABLE ENERGY BY 2025. RENEWABLE ENERGY MEANS THAT TERM IS DEFINED IN SECTION 11 OF THE CLEAN, RENEWABLE, AND EFFICIENT ENERGY ACT, 2008 PA 295, MCL 460.1011."

Chair Nesbitt made a motion to adopt the amendment to HB 4298 (H-3).

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Maturen, B. Roberts, Sheppard, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, Garrett, D. Miller, Plawecki. (14/25)

Nays: Representatives Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Webber. (11/25)

Pass: None. (0/25) (14/11/0)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative LaFontaine withdrew a proposed amendment to HB 4298 (H-3).

The Committee began to work on HB 4297 (H-1).

HB 4297 (H-1) was adopted by the Committee on September 16, 2015.

Representative Barrett withdrew a proposed amendment to HB 4297 (H-1).

Chair Nesbitt made a motion to amend HB 4297 (H-1) as follows.

1. Amend page 15, line 8, after "dam" by striking out the balance of the sub-paragraph and inserting a period.
2. Amend page 15, line 13, after "waste" by striking out the balance of the sub-paragraph and inserting a period.
3. Amend page 16, line 6, after "include" by inserting "any of the following:
(i) A hydroelectric pumped storage facility."
4. Amend page 16, line 14, by striking out "AN" and inserting:
"(ii) AN".
5. Amend page 28, line 16, after "technology" by striking out the comma and inserting "or a hydroelectric pumped storage facility,".
6. Amend page 28, line 20, after "technology" by striking out the comma and inserting "or fill the pumped storage facility,".
7. Amend page 28, line 22, after "discharged" by inserting "or generated by discharge".
8. Amend page 28, line 23, after "TECHNOLOGY" by inserting "OR PUMPED STORAGE FACILITY".

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, D. Miller, Plawecki. (23/25)

Nays: Representative Glenn. (1/25)

Pass: Representative Garrett. (1/25) (23/1/1)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Garrett made a motion to amend HB 4297 (H-1) as follows.

1. Amend page 1, following "**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**" by inserting:
"TITLE

An act to require certain providers of electric service to establish renewable energy programs; to require certain providers of electric or natural gas service to establish energy optimization programs; to authorize the use of certain energy systems to meet the requirements of those programs; to provide for the approval of energy optimization service companies; to provide for certain charges on electric and natural gas bills; to promote energy conservation by state agencies and the public; to create a wind energy resource zone board and provide for its power and duties; to authorize the creation and implementation of wind energy resource zones; to provide for expedited transmission line siting certificates; to provide for a net metering program and the responsibilities of certain providers of electric service and customers with respect to net metering; to provide for fees; to prescribe the powers and duties of certain state agencies and officials; to require the promulgation of rules and the issuance of orders; **TO AUTHORIZE THE ESTABLISHMENT OF ENERGY IMPROVEMENT PROGRAMS BY PROVIDERS OF ELECTRIC OR NATURAL GAS SERVICE FOR ENERGY CUSTOMERS;** and to provide for civil sanctions, remedies, and penalties."

2. Amend page 50, line 10, by striking out the balance of the bill and inserting:

"PART 7.

CUSTOMER ENERGY IMPROVEMENTS

SEC. 201. AS USED IN THIS PART:

(A) **"CLEAN ENERGY RESOURCE" MEANS AN ELECTRIC GENERATION TECHNOLOGY THAT MEETS ALL CURRENT STATE AND FEDERAL AIR EMISSIONS REGULATIONS OR QUALIFIES UNDER UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AS BEING CARBON NEUTRAL. CLEAN ENERGY RESOURCE INCLUDES, BUT IS NOT LIMITED TO, A FOSSIL FUEL GENERATION TECHNOLOGY IN WHICH AT LEAST 85% OF THE CARBON DIOXIDE EMISSIONS ARE CAPTURED AND PERMANENTLY SEQUESTERED OR USED FOR OTHER COMMERCIAL OR INDUSTRIAL PURPOSES THAT DO NOT RESULT IN THE RELEASE OF CARBON DIOXIDE INTO THE ATMOSPHERE.**

(B) **"CLEAN ENERGY SYSTEM" MEANS A FACILITY, ELECTRICITY GENERATION SYSTEM, OR SET OF ELECTRICITY GENERATION SYSTEMS THAT USE 1 OR MORE CLEAN ENERGY RESOURCES TO GENERATE ELECTRICITY.**

(C) **"CUSTOMER ENERGY PROJECTS PROGRAM" OR "PROGRAM" MEANS A PROGRAM AS DESCRIBED IN SECTION 203.**

(D) **"ENERGY AUDIT" MEANS AN EVALUATION OF THE ENERGY PERFORMANCE OF A STRUCTURE THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:**

(i) **IS PERFORMED BY A QUALIFIED PERSON USING BUILDING-PERFORMANCE DIAGNOSTIC EQUIPMENT.**

(ii) **COMPLIES WITH 1 OF THE FOLLOWING:**

(A) **FOR RESIDENTIAL PROPERTY, THE ANSI/BPI-1100-T-2014 HOME ENERGY AUDITING STANDARD PROMULGATED BY THE AMERICAN NATIONAL STANDARDS INSTITUTE AND THE BUILDING PERFORMANCE INSTITUTE, INC., UPDATES OF THAT STANDARD APPROVED AS BEING REASONABLE AND CONSISTENT WITH THE PURPOSES OF THIS PART BY ORDER OF THE COMMISSION, OR OTHER INDUSTRY STANDARDS SO APPROVED BY THE COMMISSION.**

(B) **FOR COMMERCIAL OR INDUSTRIAL PROPERTY, THE U.S. GREEN BUILDING COUNCIL'S LEED GREEN BUILDING CERTIFICATION PROGRAM STANDARDS IN EFFECT ON THE EFFECTIVE DATE OF THIS SECTION, UPDATES OF THOSE STANDARDS APPROVED AS BEING REASONABLE AND CONSISTENT WITH THE PURPOSES OF THIS PART BY ORDER OF THE COMMISSION, OR OTHER INDUSTRY STANDARDS SO APPROVED BY THE COMMISSION.**

(iii) **DETERMINES HOW BEST TO OPTIMIZE ENERGY PERFORMANCE WHILE MAINTAINING OR IMPROVING HUMAN COMFORT AND SAFETY.**

(iv) **INCLUDES A BASELINE ENERGY MODEL AND COST-BENEFIT ANALYSIS FOR RECOMMENDED ENERGY WASTE REDUCTION IMPROVEMENTS.**

(E) "ENERGY PROJECT" MEANS THE INSTALLATION OR MODIFICATION OF AN ENERGY WASTE REDUCTION IMPROVEMENT OR THE ACQUISITION, INSTALLATION, OR IMPROVEMENT OF A CLEAN ENERGY SYSTEM.

(F) "ENERGY WASTE REDUCTION IMPROVEMENT" MEANS EQUIPMENT, DEVICES, OR MATERIALS INTENDED TO DECREASE ENERGY CONSUMPTION, INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

(i) INSULATION IN WALLS, ROOFS, FLOORS, FOUNDATIONS, OR HEATING AND COOLING DISTRIBUTION SYSTEMS.

(ii) STORM WINDOWS AND DOORS; MULTI-GLAZED WINDOWS AND DOORS; HEAT-ABSORBING OR HEAT-REFLECTIVE GLAZED AND COATED WINDOW AND DOOR SYSTEMS; AND ADDITIONAL GLAZING, REDUCTIONS IN GLASS AREA, AND OTHER WINDOW AND DOOR MODIFICATIONS THAT REDUCE ENERGY CONSUMPTION.

(iii) AUTOMATED ENERGY CONTROL SYSTEMS.

(iv) HEATING, VENTILATING, OR AIR-CONDITIONING AND DISTRIBUTION SYSTEM MODIFICATIONS OR REPLACEMENTS.

(v) AIR SEALING, CAULKING, AND WEATHER-STRIPPING.

(vi) LIGHTING FIXTURES THAT REDUCE THE ENERGY USE OF THE LIGHTING SYSTEM.

(vii) ENERGY RECOVERY SYSTEMS.

(viii) DAY LIGHTING SYSTEMS.

(ix) ELECTRICAL WIRING OR OUTLETS TO CHARGE A MOTOR VEHICLE THAT IS FULLY OR PARTIALLY POWERED BY ELECTRICITY.

(x) MEASURES TO REDUCE THE USAGE OF WATER OR INCREASE THE EFFICIENCY OF WATER USAGE.

(xi) ANY OTHER INSTALLATION OR MODIFICATION OF EQUIPMENT, DEVICES, OR MATERIALS APPROVED AS A UTILITY COST-SAVINGS MEASURE BY THE GOVERNING BODY.

(G) "PROPERTY" MEANS REAL PROPERTY.

(H) "RECORD OWNER" MEANS THE PERSON OR PERSONS WITH THE MOST RECENT FEE TITLE OR LAND CONTRACT VENDEE'S INTEREST IN PROPERTY AS SHOWN BY THE RECORDS OF THE COUNTY REGISTER OF DEEDS.

SEC. 203. PURSUANT TO SECTION 205, A PROVIDER MAY ESTABLISH A PROGRAM UNDER WHICH A RECORD OWNER OF PROPERTY IN THE PROVIDER'S SERVICE TERRITORY MAY OBTAIN FINANCING OR REFINANCING OF AN ENERGY PROJECT ON THE PROPERTY FROM A COMMERCIAL LENDER OR OTHER LEGAL ENTITY, INCLUDING AN INDEPENDENT SUBSIDIARY OF THE PROVIDER, AND THE LOAN WILL BE REPAID THROUGH ITEMIZED CHARGES ON THE PROVIDER'S UTILITY BILL FOR THAT PROPERTY. THE ITEMIZED CHARGES MAY COVER THE COST OF MATERIALS AND LABOR NECESSARY FOR INSTALLATION, ENERGY AUDIT COSTS, PERMIT FEES, INSPECTION FEES, APPLICATION AND ADMINISTRATIVE FEES, BANK FEES, AND ALL OTHER FEES THAT MAY BE INCURRED BY THE RECORD OWNER FOR THE INSTALLATION ON A SPECIFIC OR PRO RATA BASIS, AS DETERMINED BY THE PROVIDER.

SEC. 205. (1) A CUSTOMER ENERGY PROJECTS PROGRAM SHALL BE ESTABLISHED AND IMPLEMENTED PURSUANT TO A PLAN APPROVED BY THE COMMISSION. A PROVIDER SEEKING TO ESTABLISH A CUSTOMER ENERGY PROJECTS PROGRAM SHALL FILE A PROPOSED PLAN WITH THE COMMISSION.

(2) A PLAN UNDER SUBSECTION (1) SHALL INCLUDE ALL OF THE FOLLOWING:

(A) THE ESTIMATED COSTS OF ADMINISTRATION OF THE CUSTOMER ENERGY PROJECTS PROGRAM.

(B) WHETHER THE CUSTOMER ENERGY PROJECTS PROGRAM WILL BE ADMINISTERED BY A THIRD PARTY.

(C) AN APPLICATION PROCESS AND ELIGIBILITY REQUIREMENTS FOR A RECORD OWNER TO PARTICIPATE IN THE CUSTOMER ENERGY PROJECTS PROGRAM.

(D) AN APPLICATION FORM GOVERNING THE TERMS AND CONDITIONS FOR A RECORD OWNER'S PARTICIPATION IN THE PROGRAM, INCLUDING AN EXPLANATION OF BILLING UNDER SUBDIVISION (F) OF SECTION 207.

(E) A DESCRIPTION OF ANY FEES TO COVER APPLICATION, ADMINISTRATION, OR OTHER PROGRAM COSTS TO BE CHARGED TO A RECORD OWNER PARTICIPATING IN THE PROGRAM, INCLUDING THE AMOUNT OF EACH FEE, IF KNOWN, OR PROCEDURES TO DETERMINE THE AMOUNT. A FEE SHALL NOT EXCEED THE COSTS INCURRED BY THE PROVIDER FOR THE ACTIVITY FOR WHICH THE FEES ARE CHARGED.

(F) PROVISIONS FOR BILLING THE CUSTOMER OF THE PROVIDER ANY FEES OWED BY THE CUSTOMER UNDER SUBDIVISION (E) AND THE CUSTOMER'S MONTHLY INSTALLMENT PAYMENTS AS A PER-METER CHARGE ON THE BILL FOR ELECTRIC OR NATURAL GAS SERVICES.

(G) PROVISIONS FOR MARKETING AND PARTICIPANT EDUCATION.

(3) THE COMMISSION SHALL NOT APPROVE A PROVIDER'S PROPOSED CUSTOMER ENERGY PROJECTS PLAN UNLESS THE COMMISSION DETERMINES THAT THE PLAN IS REASONABLE AND PRUDENT.

(4) IF THE COMMISSION REJECTS A PROPOSED PLAN OR AMENDMENT UNDER THIS SECTION, THE COMMISSION SHALL EXPLAIN IN WRITING THE REASONS FOR ITS DETERMINATION.

(5) EVERY 4 YEARS AFTER INITIAL APPROVAL OF A PLAN UNDER SUBSECTION (1), THE COMMISSION SHALL REVIEW THE PLAN.

SEC. 207. (1) A BASELINE ENERGY AUDIT SHALL BE CONDUCTED BEFORE AN ENERGY PROJECT TO BE REPAID THROUGH CHARGES ON THE UTILITY BILL UNDER THIS PART IS UNDERTAKEN. AFTER THE ENERGY PROJECT IS COMPLETED, THE PROVIDER SHALL OBTAIN VERIFICATION THAT THE ENERGY PROJECT WAS PROPERLY INSTALLED AND IS OPERATING AS INTENDED.

(2) ELECTRIC OR NATURAL GAS SERVICE MAY BE SHUT OFF FOR NONPAYMENT OF THE PER-METER CHARGE DESCRIBED UNDER SECTION 205 IN THE SAME MANNER AND PURSUANT TO THE SAME PROCEDURES AS USED TO ENFORCE NONPAYMENT OF OTHER CHARGES FOR THE PROVIDER'S ELECTRIC OR NATURAL GAS SERVICE. IF NOTICE OF A LOAN UNDER THE PROGRAM IS RECORDED WITH THE REGISTER OF DEEDS FOR THE COUNTY IN WHICH THE PROPERTY IS LOCATED, THE OBLIGATION TO PAY THE PER-METER CHARGE SHALL RUN WITH THE LAND AND BE BINDING ON FUTURE CUSTOMERS CONTRACTING FOR ELECTRIC SERVICE OR NATURAL GAS SERVICE, AS APPLICABLE, TO THE PROPERTY.

SEC. 209. (1) THE TERM OF A LOAN PAID THROUGH A CUSTOMER ENERGY PROJECTS PROGRAM SHALL NOT EXCEED THE ANTICIPATED USEFUL LIFE OF THE ENERGY PROJECT FINANCED BY THE LOAN OR 180 MONTHS, WHICHEVER IS LESS. THE LOAN SHALL BE REPAID IN MONTHLY INSTALLMENTS.

(2) THE LENDER SHALL COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO THE EXTENSION OF CREDIT FOR THE IMPROVEMENTS.

(3) IF A NONPROFIT CORPORATION MAKES LOANS TO OWNERS OF PROPERTY TO BE REPAID UNDER A CUSTOMER ENERGY PROJECTS PROGRAM, INTEREST SHALL BE CHARGED ON THE UNPAID BALANCE AT A RATE OF NOT MORE THAN THE ADJUSTED PRIME RATE AS DETERMINED UNDER SECTION 23 OF 1941 PA 122, MCL 205.23, PLUS 4%.

SEC. 211. (1) PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, THE COMMISSION SHALL PROMULGATE RULES TO IMPLEMENT THIS PART WITHIN 1 YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION.

(2) EVERY 5 YEARS AFTER THE PROMULGATION OF RULES UNDER

SUBSECTION (1), THE COMMISSION SHALL SUBMIT TO THE STANDING COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES WITH PRIMARY RESPONSIBILITY FOR ENERGY ISSUES A REPORT ON THE IMPLEMENTATION OF THIS PART AND ANY RECOMMENDATIONS FOR LEGISLATION TO AMEND THIS PART. THE REPORT MAY BE COMBINED WITH THE ANNUAL REPORT UNDER SECTION 5A OF 1939 PA 3, MCL 460.5A.

Enacting section 1. (1) The title and sections 1, 3, 5, 7, 9, 11, 39, 77, 89, 91, 93, and 95 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1001, 460.1003, 460.1005, 460.1007, 460.1009, 460.1011, 460.1039, 460.1077, 460.1089, 460.1091, 460.1093, and 460.1095, as amended by this amendatory act, and part 7 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1201 to 460.1211, as added by this amendatory act, take effect 90 days after the date this amendatory act is enacted into law. Section 29 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1029, is repealed effective 90 days after the date this amendatory act is enacted into law.

(2) Sections 21, 27, and 43 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1021, 460.1027, and 460.1043, as amended by this amendatory act, take effect January 1, 2019. Sections 71 to 83 and 93 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1071 to 460.1083 and 460.1093, are repealed effective January 1, 2019.

(3) Section 5a of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1005a, as added by this amendatory act, and sections 13 and 45 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1013 and 460.1045, as amended by this amendatory act, take effect January 1, 2020. Sections 5, 85 to 91, and 97 of the clean, renewable, and efficient energy act, 2008 PA 295, MCL 460.1005, 460.1085 to 460.1091, and 460.1097, are repealed effective January 1, 2020."

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, Garrett, D. Miller, Plawecki. (25/25)

Nays: None. (0/25)

Pass: None. (0/25) (25/0/0)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative LaVoy made a motion to amend HB 4297 (H-1) as follows.

1. Amend page 14, line 27, after "all" by striking out "ANY" and inserting "a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all".

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Jacobsen, McBroom, Hughes, Barrett, Maturen, B. Roberts, Sheppard, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, D. Miller, Plawecki. (17/25)

Nays: Representatives Glenn, LaFontaine, Outman, Pettalia, Cole, Lucido, Webber. (7/25)

Pass: Representative Garrett. (1/25) (17/7/1)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Hughes offered the following amendments to HB 4297 (H-1).

1. Amend page 13, line 14, after "**FEEDSTOCKS**" by striking out the balance of the line through "**COKE.**" on line 18 and inserting "**INCLUDING, BUT NOT LIMITED TO, COAL, WOOD, BIOMASS, INDUSTRIAL WASTE, OR SOLID WASTE, BUT NOT INCLUDING PET COKE, HAZARDOUS WASTE, COAL WASTE, OR SCRAP TIRES.**".
2. Amend page 14, line 20, after "resource"" by striking out the balance of the line.
3. Amend page 15, line 18, after the first "**WASTE**" by striking out the balance of the line through "**324.11514**" on line 19.
4. Amend page 15, line 20, after "**THIS**" by striking out "**SUBPARAGRAPH**" and inserting "**SUB-SUBPARAGRAPH**".
5. Amend page 15, line 24, after "**241.3(C).**" by inserting "**PET COKE, HAZARDOUS WASTE, COAL WASTE, OR SCRAP TIRES ARE NOT FUEL THAT MEETS THE REQUIREMENTS OF THIS SUB-SUBPARAGRAPH.**".
6. Amend page 15, line 25, by striking out all of subdivision (**J**) and relettering the remaining subdivisions.

Representative LaVoy made a motion to adopt the amendments to HB 4297 (H-1).

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Jacobsen, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Dianda, Kivela, Kosowski, Byrd, D. Miller, Plawecki. (21/25)

Nays: None. (0/25)

Pass: Representatives Glenn, LaFontaine, Lucido, Garrett. (4/25) (21/0/4)

A sufficient number of members voting in the affirmative, the motion prevailed.

The Committee began work on HB 4575 (H-3).

HB 4575 (H-3) was adopted on November 4, 2015.

Representative Dianda made a motion to amend HB 4575 (H-3) as follows.

1. Amend page 1, line 4, by striking out all of subdivision (a) and relettering the remaining subdivisions.
2. Amend page 2, line 11, by striking out all of line 11 through "state." on line 15 of page 3 and relettering the remaining subdivisions.
3. Amend page 3, line 17, by striking out all of line 17 through "more." on line 20 of page 4 and relettering the remaining subdivisions.
4. Amend page 4, line 24, by striking out all of subdivision (p).
5. Amend page 5, line 22, by striking out all of subsection (4) and renumbering the remaining subsection.
6. Amend page 7, line 7, after "board" by striking out the balance of the line through "domain." on line 12 of page 16 and inserting "recommends that a transmission line should be constructed in those areas identified in subsection (1).".

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brunner, Lane, Dianda, D. Miller, Plawecki. (5/25)

Nays: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, Kivela. (16/25)

Pass: Representatives LaVoy, Kosowski, Byrd, Garrett. (4/25) (5/16/4)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Dianda made a motion to amend HB 4575 (H-3) as follows.

1. Amend page 15, line 11, after the second "to" by striking out the balance of the subsection and inserting "each retail electric customer located in the Midcontinent Independent System Operator footprint within this state based on the amount of electricity used by that customer."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brunner, Lane, Dianda, Garrett, D. Miller, Plawecki. (6/25)

Nays: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, Kivela. (16/25)

Pass: Representatives LaVoy, Kosowski, Byrd. (3/25) (6/16/3)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Dianda made a motion to amend HB 4575 (H-3) as follows.

1. Amend page 16, following line 14, by inserting:
"Enacting section 2. This act does not take effect unless House Bill No. 4683 of the 98th Legislature is enacted into law."

UNFAVORABLE ROLL CALL:

Yeas: Representatives Brunner, Lane, Dianda, D. Miller, Plawecki. (5/25)

Nays: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, Kivela. (16/25)

Pass: Representatives LaVoy, Kosowski, Byrd, Garrett. (4/25) (5/16/4)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Chair Nesbitt stated that the Committee would stand at ease, the time being 6:38 p.m.

The Chair reconvened the meeting at 7:27 p.m.

Representative Sheppard made a motion to report HB 4298 (H-9) with recommendation.

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Jacobsen, McBroom, Outman, Pettalia, Cole, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Kivela, Kosowski, Byrd, Garrett, Plawecki. (18/25)

Nays: Representatives Glenn, LaFontaine, Hughes, Barrett, Lucido, Dianda, D. Miller. (7/25)

Pass: None. (0/25) (18/7/0)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Sheppard made a motion to report HB 4297 (H-3) with recommendation.

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Barrett, Cole, Lucido, Maturen, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Lane, Kivela, Kosowski, Byrd, Garrett. (21/25)

Nays: Representatives Hughes, Dianda, D. Miller. (3/25)

Pass: Representative Plawecki. (1/25) (21/3/1)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Cole made a motion to report HB 4575 (H-3) with recommendation.

FAVORABLE ROLL CALL:

Yeas: Representatives Nesbitt, Glenn, Jacobsen, LaFontaine, McBroom, Outman, Pettalia, Hughes, Barrett, Cole, Lucido, B. Roberts, Sheppard, Webber, LaVoy, Brunner, Kivela, Kosowski, Byrd. (19/25)

Nays: Representatives Maturen, Lane, Dianda, D. Miller. (4/25)

Pass: Representatives Garrett, Plawecki. (2/25) (19/4/2)

A sufficient number of members voting in the affirmative, the motion prevailed.

Cards for HB 4298 were submitted by:

Thomas Ihrig, representing Legacy Energy, in opposition
Jim Weeks, representing the Michigan Municipal Electric Association, in support
Robert Bernardi, representing Executive Energy Services, Inc., in opposition (H-3)
Pam Carrier, representing Executive Energy Services, in opposition
Edward Bernardi, representing Executive Energy, in opposition (H-3)
Jim Kirsch, representing AT&T

Cards for HB 4297, HB 4298 and HB 4575 were submitted by:

Renze Hoeksema, representing DTE Energy, in support
Cathy Wilson, representing Consumers Energy, in support
Randy Gross, representing ITC, in support

Cards were submitted by the following individuals with no bill numbers listed:

W. Edward, representing Energy & Images in His Perspective, in opposition
Pete Lund, representing Americans for Prosperity, in opposition

There being no additional business before the Committee, Chair Nesbitt declared the meeting adjourned, the time being 7:42 p.m.

Representative Aric Nesbitt, Chair

Catherine Petroskey, Committee Clerk (517) 373-8538