

# HOUSE BILL No. 5530

December 4, 2007, Introduced by Reps. Mayes and Accavitti and referred to the Committee on Energy and Technology.

A bill to amend 1939 PA 3, entitled

"An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts,"

(MCL 460.1 to 460.10cc) by adding section 11.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 11. (1) THE COMMISSION SHALL ESTABLISH A PERMANENT ENERGY  
2 FORECASTING GROUP TO BE LOCATED AT MICHIGAN STATE UNIVERSITY,  
3 WITHIN ITS INSTITUTE OF PUBLIC UTILITIES. IPU, MICHIGAN STATE  
4 UNIVERSITY'S CENTER FOR ECONOMIC ANALYSIS, AND THE UNIVERSITY OF  
5 MICHIGAN'S RESEARCH SEMINAR IN QUANTITATIVE ECONOMICS SHALL  
6 PARTICIPATE IN THE FORECASTING GROUP. THE COMMISSION AND IPU SHALL  
7 MUTUALLY APPOINT A DIRECTOR AND STAFF FOR THE FORECASTING GROUP.  
8 THE FORECASTING GROUP MAY USE COMMISSION STAFF IF THE COMMISSION  
9 FINDS IT APPROPRIATE AND ECONOMICAL.

10           (2) THE FORECASTING GROUP SHALL BE FINANCIALLY SUPPORTED FROM  
11 FUNDS APPROPRIATED TO THE COMMISSION FOR THAT PURPOSE.

12           (3) THE FORECASTING GROUP SHALL DEVELOP AND KEEP CURRENT A  
13 METHODOLOGY OR METHODOLOGIES FOR BOTH OF THE FOLLOWING:

14           (A) FORECASTING AGGREGATE CONSUMPTION, SUPPLIES, AND PRICES OF  
15 ELECTRICITY AND ALTERNATIVE ENERGY RESOURCES THAT PRODUCE  
16 ELECTRICITY WITHIN THIS STATE AND WITHIN THIS REGION OF THE UNITED  
17 STATES.

18           (B) MEASURING THE EFFECT OF ENVIRONMENTAL COMPLIANCE  
19 STANDARDS, ALTERNATIVE ENERGY RESOURCES THAT PRODUCE ELECTRICITY,  
20 AND ENERGY EFFICIENCY PROGRAMS ON AGGREGATE CONSUMPTION, SUPPLIES,  
21 AND PRICES OF ELECTRICITY WITHIN THIS STATE AND WITHIN THIS REGION  
22 OF THE UNITED STATES.

23           (4) IN FULFILLING ITS DUTIES UNDER SUBSECTION (3), THE  
24 FORECASTING GROUP MAY CONTRACT WITH PARTIES TO ACQUIRE THEIR  
25 SERVICES.

26           (5) IN FULFILLING ITS DUTIES UNDER SUBSECTION (3), THE  
27 FORECASTING GROUP SHALL SOLICIT THE INPUT OF THE ELECTRICITY

1 INDUSTRY, INCLUDING GENERATORS, INDEPENDENT TRANSMISSION COMPANIES,  
2 AND PUBLIC UTILITIES, AND RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL  
3 CONSUMERS OF ELECTRICITY AND ALTERNATIVE ENERGY. THE FORECASTING  
4 GROUP MAY ALSO SEEK INPUT FROM RELEVANT REGIONAL TRANSMISSION  
5 ORGANIZATIONS AND OTHER RELEVANT PARTIES.

6 (6) THE COMMISSION SHALL DEVELOP AND KEEP CURRENT, PRIMARILY  
7 USING THE METHODOLOGY OR METHODOLOGIES DEVELOPED BY THE FORECASTING  
8 GROUP, AN ANALYSIS OF THE LONG-RANGE NEEDS FOR EXPANSION OF  
9 FACILITIES FOR THE GENERATION, TRANSPORTATION, OR TRANSMISSION OF  
10 ELECTRICITY OR ALTERNATIVE ENERGY THAT PRODUCES ELECTRICITY.

11 (7) AS USED IN THIS SECTION:

12 (A) "ALTERNATIVE ENERGY" MEANS ENERGY GENERATED OR RELEASED  
13 FROM AN ALTERNATIVE ENERGY SYSTEM, AS DEFINED IN SECTION 2 OF THE  
14 MICHIGAN NEXT ENERGY AUTHORITY ACT, 2002 PA 593, MCL 207.822.

15 (B) "COMMISSION" MEANS THE MICHIGAN PUBLIC SERVICE COMMISSION  
16 CREATED IN SECTION 1.

17 (C) "FORECASTING GROUP" MEANS THE ENERGY FORECASTING GROUP  
18 ESTABLISHED BY THE COMMISSION UNDER SUBSECTION (1).

19 (D) "IPU" MEANS MICHIGAN STATE UNIVERSITY'S INSTITUTE OF  
20 PUBLIC UTILITIES.