

HOUSE BILL No. 6683

November 19, 2008, Introduced by Rep. Melton and referred to the Committee on Energy and Technology.

A bill to amend 2008 PA 295, entitled
"Clean, renewable, and efficient energy act,"
by amending sections 71 and 143 (MCL 460.1071 and 460.1143).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 71. (1) A provider shall file a proposed energy
2 optimization plan with the commission within the following time
3 period:

4 (a) For a provider whose rates are regulated by the
5 commission, 90 days after the commission enters a temporary order
6 under section ~~171~~191.

7 (b) For a cooperative electric utility that has elected to
8 become member-regulated under the electric cooperative member
9 regulation act, 2008 PA 167, MCL 460.31 to 460.39, or a

1 municipally-owned electric utility, 120 days after the commission
2 enters a temporary order under section ~~171-191~~.

3 (2) The overall goal of ~~an~~-**A PROPOSED** energy optimization plan
4 shall be to reduce the future costs of provider service to
5 customers. In particular, ~~an~~-**A PROPOSED** EO plan shall be designed
6 to delay the need for constructing new electric generating
7 facilities and thereby protect consumers from incurring the costs
8 of such construction. ~~The proposed energy optimization plan shall~~
9 ~~be subject to approval in the same manner as an electric provider's~~
10 ~~renewable energy plan under subpart A.~~ A provider may combine its
11 energy optimization plan with its renewable energy plan.

12 (3) ~~An~~-**A PROPOSED** energy optimization plan shall do all of the
13 following:

14 (a) ~~Propose~~-**PROVIDE FOR** a set of energy optimization programs
15 that include offerings for each customer class, including low
16 income residential. The commission shall allow providers
17 flexibility to tailor the relative amount of effort devoted to each
18 customer class based on the specific characteristics of their
19 service territory.

20 (b) Specify necessary funding levels.

21 (c) Describe how energy optimization program costs will be
22 recovered as provided in section 89(2).

23 (d) Ensure, to the extent feasible, that charges collected
24 from a particular customer rate class are spent on energy
25 optimization programs for that rate class.

26 (e) Demonstrate that the proposed energy optimization programs
27 and funding are sufficient to ensure the achievement of applicable

1 energy optimization standards.

2 (f) Specify whether the number of megawatt hours of
3 electricity or decatherms or MCFs of natural gas used in the
4 calculation of incremental energy savings under section 77 will be
5 weather-normalized or based on the average number of megawatt hours
6 of electricity or decatherms or MCFs of natural gas sold by the
7 provider annually during the previous 3 years to retail customers
8 in this state. Once the plan is approved by the commission, this
9 option shall not be changed.

10 (g) Demonstrate that the provider's energy optimization
11 programs, excluding program offerings to low income residential
12 customers, will collectively be cost-effective.

13 (h) Provide for the practical and effective administration of
14 the proposed energy optimization programs. The commission shall
15 allow providers flexibility in designing their energy optimization
16 programs and administrative approach. A provider's energy
17 optimization programs or any part thereof, may be administered, at
18 the provider's option, by the provider, alone or jointly with other
19 providers, by a state agency, or by an appropriate experienced
20 nonprofit organization selected after a competitive bid process.

21 (i) Include a process for obtaining an independent expert
22 evaluation of the actual energy optimization programs to verify the
23 incremental energy savings from each energy optimization program
24 for purposes of section 77. All such evaluations shall be subject
25 to public review and commission oversight.

26 (4) Subject to subsection (5), ~~an~~ **A PROPOSED** energy
27 optimization plan may do 1 or more of the following:

1 (a) Utilize educational programs designed to alter consumer
2 behavior or any other measures that can reasonably be used to meet
3 the goals set forth in subsection (2).

4 (b) Propose to the commission measures that are designed to
5 meet the goals set forth in subsection ~~(1)~~-(2) and that provide
6 additional customer benefits.

7 (5) Expenditures **FOR PROGRAMS AND MEASURES AUTHORIZED** under
8 subsection (4) shall not exceed 3% of the costs of implementing the
9 energy optimization plan.

10 Sec. 143. ~~Within 60 days after the effective date of this act~~
11 **BY DECEMBER 5, 2008**, the commission shall create the wind energy
12 resource zone board. The board shall consist of ~~9-11~~ members, as
13 follows:

14 (a) 1 member representing the commission.

15 (b) 2 members representing the electric utility industry.

16 (c) 1 member representing alternative electric suppliers.

17 (d) 1 member representing the attorney general.

18 (e) 1 member representing the renewable energy industry.

19 (f) 1 member representing cities and villages.

20 (g) 1 member representing townships.

21 (h) 1 member representing independent transmission companies.

22 (i) 1 member representing a statewide environmental
23 organization.

24 (j) 1 member representing the public at large.