

# SENATE BILL No. 1672

December 4, 2008, Introduced by Senator BIRKHOLZ and referred to the Committee on Energy Policy and Public Utilities.

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 460.11) by adding section 6t.

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

1        SEC. 6T. (1) THE COMMISSION SHALL IMPLEMENT A PROGRAM OF LOANS  
2 TO SCHOOL DISTRICTS FOR CONSTRUCTION OF A WIND, SOLAR, OR OTHER  
3 RENEWABLE ENERGY PRODUCTION SYSTEM AND THAT WILL BE REPAID THROUGH  
4 PROCEEDS OF A NET METERING ARRANGEMENT WITH AN ELECTRIC UTILITY AS  
5 PROVIDED IN THIS SECTION OR BY ANOTHER METHOD AT THE OPTION OF THE  
6 SCHOOL DISTRICT.

7        (2) THE ALTERNATE ENERGY REVOLVING LOAN FUND IS CREATED WITHIN  
8 THE STATE TREASURY. THE STATE TREASURER MAY RECEIVE MONEY OR OTHER  
9 ASSETS FROM ANY SOURCE FOR DEPOSIT INTO THE ALTERNATE ENERGY  
10 REVOLVING LOAN FUND. THE STATE TREASURER SHALL DIRECT THE  
11 INVESTMENT OF THE ALTERNATE ENERGY REVOLVING LOAN FUND AND SHALL  
12 CREDIT TO THE FUND THE INTEREST AND EARNINGS FROM FUND INVESTMENTS.  
13 MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN  
14 THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND. THE COMMISSION  
15 SHALL BE THE ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES AND  
16 SHALL MAKE LOANS AS PROVIDED IN SUBSECTION (3).

17        (3) THE COMMISSION SHALL GRANT LOANS AT NO INTEREST FROM MONEY  
18 IN THE ALTERNATE ENERGY REVOLVING LOAN FUND ON A FIRST-COME, FIRST-  
19 SERVED BASIS TO EACH APPLICANT SCHOOL DISTRICT THAT, IN THE  
20 JUDGMENT OF THE COMMISSION, PRESENTS A VIABLE PLAN FOR COST-  
21 EFFECTIVE ENERGY EFFICIENCY IMPROVEMENTS IN TANDEM WITH  
22 CONSTRUCTION OF A RENEWABLE ENERGY PRODUCTION SYSTEM THAT CAN  
23 GENERATE ENERGY FOR REDISTRIBUTION THROUGH A NET METERING  
24 ARRANGEMENT WITH AN ELECTRIC UTILITY. THE SCHOOL DISTRICT'S  
25 APPLICATION SHALL IDENTIFY THE SOURCE OF FUNDS THAT WILL BE USED TO  
26 REPAY THE LOAN AND SPECIFY A REPAYMENT PERIOD OF NOT MORE THAN 20  
27 YEARS.

1           (4) THE COMMISSION MAY BEGIN ACCEPTING APPLICATIONS FOR LOANS  
2 AFTER THE FUND FIRST ATTAINS A BALANCE OF \$10,000,000.00. HOWEVER,  
3 IF MONEY IS AVAILABLE THROUGH A TRANSFER FROM DISCRETIONARY FUNDS  
4 THAT THE COMMISSION ADMINISTERS, THE COMMISSION MAY ACCEPT LOAN  
5 APPLICATIONS WITHOUT REGARD TO THE BALANCE IN THE ALTERNATE ENERGY  
6 REVOLVING LOAN FUND.

7           (5) IF A SCHOOL DISTRICT NET-METERING PROJECT OTHERWISE MEETS  
8 THE REQUIREMENTS FOR FUNDING, THE COMMISSION MAY AWARD A GRANT  
9 UNDER THIS SECTION FROM MONEY IN THE LOW-INCOME AND ENERGY  
10 EFFICIENCY FUND. THE COMMISSION MAY REQUEST THAT THE STATE  
11 TREASURER TRANSFER MONEY FOR THE PROJECT TO THE ALTERNATE ENERGY  
12 REVOLVING LOAN FUND, AND THE COMMISSION SHALL ADMINISTER THE LOAN  
13 OF TRANSFERRED FUNDS UNDER THIS SECTION.

14           (6) A SCHOOL DISTRICT THAT RECEIVES A LOAN SHALL REPAY THE  
15 LOAN AT NO INTEREST WITHIN 20 YEARS AS PROVIDED IN THE LOAN  
16 APPLICATION.