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BILL ANALYSIS



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House Bill 4390 (Substitute H-2 as passed by the House)
Sponsor: Representative Jeff Mayes
House Committee: Energy and Technology
Senate Committee: Energy Policy and Public Utilities

Date Completed: 4-2-09

CONTENT

The bill would amend Public Act 3 of 1939, the Public Service Commission (PSC) law, to do the following:

- **Prohibit an electric provider from using an electric service limiter in Michigan until after the PSC established uniform standards.**
- **Require the PSC, by October 1, 2009, to issue a temporary order establishing uniform standards for the use of electric service limiters and advanced meters.**
- **Require the PSC, within one year after the bill's effective date, to promulgate rules establishing uniform standards.**
- **Prohibit a provider from using an electric limiter at a known senior citizen's household or a household in which a known medical emergency existed.**

("Electric provider" would mean an electric utility, municipally owned electric utility, cooperative electric utility, or alternative electric supplier. "Electric service limiter" would mean an electric meter or device used in conjunction with an electric meter that automatically interrupts all electric service to a customer without intervening direction from the provider when a utility-imposed peak usage limit is exceeded.)

By October 1, 2009, the PSC would have to issue a temporary order that established uniform standards for the use of electric service limiters and advanced meters to the extent they were used to perform the function of an electric service limiter by providers in Michigan. The prohibition against using electric service limiters would not apply on or after the effective date of the temporary order.

The prohibition also would not apply to advanced meters except to the extent an advanced meter was used to perform the function of an electric service limiter. ("Advanced meter" would mean an electric meter that meets one or more of the following criteria:

- Measures and records usage data in time differentiated registers, including hourly or other intervals.
- Allows electric consumers and providers to participate in price-based demand response programs, including remote service switch capability activated by intervening direction from the provider.
- Provides other data and functionality that address power quality and other electricity service issues.)

Within one year after the bill's effective date, the PSC would have to promulgate rules establishing uniform standards for the use of electric service limiters and advanced meters to the extent they were used to perform the function of an electric service limiter by providers in the State. Upon promulgation of the rules, the temporary order would be rescinded.

A provider could not use an electric service limiter at a known senior citizen customer's household or a household in which a known medical emergency existed in Michigan. ("Senior citizen customer" would mean a customer who is at least 65 years old. "Medical emergency" would mean an existing medical condition of the customer or a member of the customer's household, as defined and certified by a physician or public health official on official stationery or a company-provided form, that would be aggravated by the lack of utility service.)

Proposed MCL 460.6t

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would require the PSC to issue a temporary order and then to promulgate rules regarding electric services limiters. Any costs related to these administrative responsibilities would be covered with existing revenue to the PSC. The PSC is funded with assessments charged to utility providers.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.