

# HOUSE BILL No. 4941

October 6, 2015, Introduced by Reps. Glenn, Barrett, Lucido, Hooker and Poleski and referred to the Committee on Energy Policy.

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,"

by amending the title and section 6s (MCL 460.6s), the title as amended by 2005 PA 190 and section 6s as added by 2008 PA 286.

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

## TITLE

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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 REQUIRE THE COMPETITIVE PROCUREMENT OF ELECTRIC CAPACITY AND ENERGY**; 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.

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**

1 AGREEMENT FOR THE PURCHASE OF ELECTRIC CAPACITY SHALL SUBMIT AN  
2 APPLICATION FOR A CERTIFICATE OF COMPLIANCE WITH THE COMPETITIVE  
3 BIDDING REQUIREMENTS OF SUBSECTION (5) (C) IF THE TOTAL INCREMENTAL  
4 COST OF THE PROJECT IS \$100,000,000.00 OR MORE.

5 (2) ~~(1)~~—An electric utility that proposes to ~~construct an~~  
6 **ACQUIRE NEW** electric generation facility, ~~CAPACITY~~, make a  
7 significant investment in an existing electric generation facility,  
8 purchase an existing electric generation facility, or enter into a  
9 power purchase agreement for the purchase of electric capacity ~~for~~  
10 ~~a period of 6 years or longer~~ may submit an application to the  
11 commission seeking a certificate of necessity for that  
12 ~~construction, ACQUISITION~~, investment, or purchase if that  
13 ~~construction, ACQUISITION~~, investment, or purchase costs  
14 \$500,000,000.00 or more and a portion of the costs would be  
15 allocable to retail customers in this state. A significant  
16 investment in an electric generation facility includes a group of  
17 investments reasonably planned to be made over a multiple year  
18 period not to exceed 6 years ~~for a singular purpose such as~~  
19 ~~increasing~~ **THAT WILL MATERIALLY INCREASE** the **NET** capacity of an  
20 existing electric generation plant. The commission shall not issue  
21 a certificate of necessity under this section for any environmental  
22 upgrades to existing electric generation facilities or for a  
23 renewable energy system.

24 (3) ~~(2)~~—The commission may implement separate review criteria  
25 and approval standards for electric utilities with less than  
26 ~~1,000,000~~ **120,000** retail customers who **ENGAGE IN COMPETITIVE**  
27 **BIDDING UNDER SUBSECTION (5) FOR PROJECTS THAT COST LESS THAN**

1 \$100,000,000.00 OR seek a certificate of necessity for projects  
2 costing less than \$500,000,000.00.

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

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

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

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

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

23 (5) ~~(4)~~—Within 270 days of the filing of an application under  
24 ~~this section~~, **SUBSECTION (1) OR (2)**, the commission shall issue an  
25 order granting or denying **A CERTIFICATE OF COMPLIANCE FILED UNDER**  
26 **SUBSECTION (1) OR** the requested certificate of necessity **FILED**  
27 **UNDER SUBSECTION (2)**. The commission shall hold a hearing on ~~the~~ **AN**

1 application. The hearing shall be conducted as a contested case  
2 pursuant to chapter 4 of the administrative procedures act of 1969,  
3 1969 PA 306, MCL 24.271 to 24.287. The commission shall allow  
4 intervention by interested persons **INCLUDING THE REGIONAL**  
5 **TRANSMISSION ORGANIZATION, ANY ELECTRIC CUSTOMER OR ASSOCIATION OF**  
6 **CUSTOMERS, ALTERNATIVE ELECTRIC SUPPLIERS, RESOURCE SUPPLIERS, OR**  
7 **OTHERS WITH INFORMATION POTENTIALLY RELEVANT TO THE PROCEEDING,**  
8 **INCLUDING, BUT NOT LIMITED TO, POTENTIALLY COMPETITIVE RESOURCE**  
9 **SUPPLIERS OF THE ELECTRIC UTILITY.** Reasonable discovery shall be  
10 permitted before and during the hearing in order to assist parties  
11 and interested persons in obtaining evidence concerning the  
12 application, including, but not limited to, the reasonableness and  
13 prudence of the ~~construction,~~ **ACQUISITION**, investment, or purchase  
14 for which ~~the certificate of necessity~~ **AN APPLICATION** has been  
15 requested. The commission shall grant the request if it determines  
16 all of the following:

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

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

26 (c) The estimated cost of power from the existing or proposed  
27 electric generation facility or the price of power specified in the

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

22 (i) **ESTABLISH A FORM OF REQUEST FOR PROPOSALS TO BE EMPLOYED**  
23 **BY THE UTILITY FOR THE PURPOSE OF PROCURING NEEDED RESOURCES THAT**  
24 **REQUESTS AN OFFER PRICE IN DOLLARS PER MEGAWATT HOUR, STATES THE**  
25 **TERM OF THE PROPOSED CONTRACT, STATES THE AMOUNT OF CAPACITY IN**  
26 **MEGAWATTS BEING SOUGHT, STATES WHETHER THE CAPACITY MUST BE**  
27 **DISPATCHABLE BY THE PURCHASING UTILITY, INCLUDES A UNIFORM FORCE**

1 MAJEURE CLAUSE, STATES WHETHER THE OBLIGATION TO SELL AND DELIVER  
2 MUST BE FIRM OR INTERRUPTIBLE, AND REQUESTS THE BIDDER TO SPECIFY  
3 ANY MINIMUM QUANTITY IN MEGAWATT HOURS THAT MUST BE PURCHASED ON AN  
4 ANNUAL BASIS.

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

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

10 (iv) PRESCRIBE BOTH OF THE FOLLOWING:

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

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

23 (v) PRESCRIBE THE CONDITIONS UNDER WHICH THE ELECTRIC UTILITY  
24 MAY SUBMIT A PROPOSAL IN RESPONSE TO ITS OWN REQUEST FOR PROPOSALS.  
25 THE CONDITIONS SHALL ENSURE THAT AN ELECTRIC UTILITY'S USE OF  
26 RATEPAYER-FUNDED ASSETS DOES NOT PLACE OTHER RESOURCE SUPPLIERS  
27 SUBMITTING PROPOSALS AT A COMPETITIVE DISADVANTAGE AND ENSURE THAT

1 THE ELECTRIC UTILITY'S PARTICIPATION IS CONSISTENT WITH THE  
2 ELECTRIC UTILITY'S CODE OF CONDUCT.

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

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

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

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

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

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

27 (xii) PROVIDE THAT, IN CONSIDERING THE RELATIVE COST OF NEW



1 GENERATING RESOURCES, ALL COSTS OF TRANSMITTING POWER TO THE  
2 ELECTRIC UTILITY, THE FUEL COST, THE EXPECTED USEFUL LIFE OF THE  
3 RESOURCE, AND THE NET PRESENT VALUE OF THE COST TO DECOMMISSION THE  
4 RESOURCE AT THE END OF ITS SERVICE LIFE ARE CONSIDERED A PART OF  
5 THE COST OF GENERATION.

6 (xiii) PROVIDE FOR ALL OF THE FOLLOWING:

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

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

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

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

26 (E) THAT THE UTILITY AND THE SUPPLIER SUBMITTING THE SELECTED  
27 PROPOSAL SHALL, NOT LATER THAN 5 DAYS AFTER THE COMMISSION'S ORDER

1 SELECTING A PROPOSAL, EXECUTE A CONTRACT SETTING FORTH ALL TERMS  
2 AND CONDITIONS OF THE REQUEST FOR PROPOSALS EXCEPT TO THE EXTENT  
3 THEY HAVE BEEN MODIFIED IN THE SELECTED PROPOSAL.

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

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

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

21 (6) ~~(5)~~ The commission may consider any other costs or  
22 information related to the costs associated with the power that  
23 would be supplied by the existing or proposed electric generation  
24 facility or pursuant to the proposed purchase agreement or  
25 alternatives to the proposal raised by intervening parties.

26 (7) ~~(6)~~ In a certificate of necessity under this section, the  
27 commission shall specify the costs approved for the ~~construction~~

1 **ACQUISITION** of or significant investment in the electric generation  
2 facility, the price approved for the purchase of the existing  
3 electric generation facility, or the price approved for the  
4 purchase of power pursuant to the terms of the power purchase  
5 agreement.

6 (8) ~~(7)~~—The utility shall annually file, or more frequent if  
7 required by the commission, reports to the commission regarding the  
8 status of any project for which a certificate of necessity has been  
9 granted under subsection ~~(4)~~, **(5)**, including an update concerning  
10 the cost and schedule of that project.

11 (9) ~~(8)~~—If the commission denies any of the relief requested  
12 by an electric utility, the electric utility may withdraw its  
13 application or proceed with the proposed ~~construction~~, **ACQUISITION**,  
14 purchase, investment, or power purchase agreement without a  
15 certificate **OF NECESSITY** and the assurances granted under this  
16 section.

17 (10) ~~(9)~~—Once the electric generation facility or power  
18 purchase agreement is considered used and useful or as otherwise  
19 provided in subsection ~~(12)~~, **(13)**, the commission shall include in  
20 an electric utility's retail rates all reasonable and prudent costs  
21 for an electric generation facility or power purchase agreement for  
22 which a certificate of necessity has been granted. The commission  
23 shall not disallow recovery of costs an electric utility incurs in  
24 ~~constructing~~, **ACQUIRING**, investing in, or purchasing an electric  
25 generation facility or in purchasing power pursuant to a power  
26 purchase agreement for which a certificate of necessity has been  
27 granted, if the costs do not exceed the costs approved by the

1 commission in the certificate. Once the electric generation  
2 facility or power purchase agreement is considered used and useful  
3 or as otherwise provided in subsection ~~(12)~~, **(13)**, the commission  
4 shall include in the electric utility's retail rates costs actually  
5 incurred by the electric utility that exceed the costs approved by  
6 the commission only if the commission finds that the additional  
7 costs are reasonable and prudent. If the actual costs incurred by  
8 the electric utility exceed the costs approved by the commission,  
9 the electric utility has the burden of proving by a preponderance  
10 of the evidence that the costs are reasonable and prudent. The  
11 portion of the cost of a plant, facility, or power purchase  
12 agreement which exceeds 110% of the cost approved by the commission  
13 is presumed to have been incurred due to a lack of prudence. The  
14 commission may include any or all of the portion of the cost in  
15 excess of 110% of the cost approved by the commission if the  
16 commission finds by a preponderance of the evidence that the costs  
17 were prudently incurred.

18 **(11)** ~~(10) Within 90 days of the effective date of the~~  
19 ~~amendatory act that added this section, the~~ **THE** commission shall  
20 adopt standard application filing forms and instructions for use in  
21 all requests for a certificate of necessity under this section. The  
22 commission may, in its discretion, modify the standard application  
23 filing forms and instructions adopted under this section.

24 **(12)** ~~(11) The commission shall establish standards for an~~  
25 integrated resource plan that shall be filed by an electric utility  
26 ~~requesting a certificate of necessity under this section.~~ **AND**  
27 **APPROVED BY THE COMMISSION AFTER A CONTESTED CASE HEARING PURSUANT**

1 TO CHAPTER 4 OF THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA  
2 306, MCL 24.271 TO 24.287. An integrated resource plan **AND**  
3 **PROCEEDING** shall include all of the following:

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

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

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

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

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

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

23 (g) Electric transmission options for the electric utility.

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

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

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

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

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

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

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

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

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

26 (Q) THE RELATIVE COST TO THE ELECTRIC UTILITY'S FULL-SERVICE  
27 CUSTOMERS OF MAINTAINING A 1-DAY INTERRUPTION IN 10 YEARS

1 RELIABILITY STANDARD AND MORE OR LESS STRINGENT STANDARDS OF  
2 RELIABILITY.

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

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

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

18 (13) ~~(12)~~—The commission shall allow financing interest cost  
19 recovery in an electric utility's base rates on construction work  
20 in progress for capital improvements approved under this section  
21 prior to the assets being considered used and useful. Regardless of  
22 whether or not the commission authorizes base rate treatment for  
23 construction work in progress financing interest expense, an  
24 electric utility shall be allowed to recognize, accrue, and defer  
25 the allowance for funds used during construction related to equity  
26 capital.

27 (14) ~~(13)~~—As used in this section, "renewable energy system"

1 means that term as defined in **SECTION 11 OF** the clean, renewable,  
2 and efficient energy act, **2008 PA 295, MCL 460.1011.**

3 Enacting section 1. This amendatory act takes effect 90 days  
4 after the date it is enacted into law.