

HOUSE BILL No. 5864

April 24, 2018, Introduced by Reps. Barrett, Rabhi and Glenn and referred to the Committee on Energy Policy.

A bill to amend 2008 PA 295, entitled "Clean and renewable energy and energy waste reduction act," by amending section 173 (MCL 460.1173), as amended by 2016 PA 342.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 173. (1) The commission shall establish a distributed
2 generation program by order issued ~~not later than 90 days after the~~
3 ~~effective date of the 2016 act that amended this section.~~ **BY JULY**
4 **19, 2017.** The commission may promulgate rules the commission
5 considers necessary to implement this program. Any rules adopted
6 regarding time limits for approval of parallel operation shall
7 recognize reliability and safety complications including those
8 arising from equipment saturation, use of multiple technologies,

1 and proximity to synchronous motor loads. The program shall apply
2 to all electric utilities whose rates are regulated by the
3 commission and alternative electric suppliers in this state.

4 (2) Except as otherwise provided under this part, an electric
5 customer of any class is eligible to interconnect an eligible
6 electric generator with the customer's local electric utility and
7 operate the eligible electric generator in parallel with the
8 distribution system. The program shall be designed for a period of
9 not less than ~~10~~ 20 years and limit each customer to generation
10 capacity designed to meet up to 100% of the customer's electricity
11 consumption for the previous 12 months. The commission may waive
12 the application, interconnection, and installation requirements of
13 this part for customers participating in the net metering program
14 under the commission's March 29, 2005 order in case no. U-14346.

15 ~~—— (3) An electric utility or alternative electric supplier is~~
16 ~~not required to allow for a distributed generation program that is~~
17 ~~greater than 1% of its average in-state peak load for the preceding~~
18 ~~5 calendar years. The electric utility or alternative electric~~
19 ~~supplier shall notify the commission if its distributed generation~~
20 ~~program reaches the 1% limit under this subsection. The 1% limit~~
21 ~~under this subsection shall be allocated as follows:~~

22 ~~—— (a) No more than 0.5% for customers with an eligible electric~~
23 ~~generator capable of generating 20 kilowatts or less.~~

24 ~~—— (b) No more than 0.25% for customers with an eligible electric~~
25 ~~generator capable of generating more than 20 kilowatts but not more~~
26 ~~than 150 kilowatts.~~

27 ~~—— (c) No more than 0.25% for customers with a methane digester~~

1 ~~capable of generating more than 150 kilowatts.~~

2 (3) ~~(4)~~ Selection of customers **WHO HAVE SUBMITTED A COMPLETE**
3 **APPLICATION** for participation in the distributed generation program
4 shall be based ~~on the order in which the applications for~~
5 ~~participation in the program are received by the electric utility~~
6 ~~or alternative electric supplier.~~ **SOLELY ON MEETING THE**
7 **INTERCONNECTION AND EQUIPMENT REQUIREMENTS FOR PARTICIPATION. AN**
8 **ELECTRIC UTILITY OR ALTERNATIVE ELECTRIC SUPPLIER SHALL NOT**
9 **RESTRICT THE NUMBER OF PARTICIPANTS IN THE NET METERING PROGRAM**
10 **UNLESS IT DEMONSTRATES TO THE SATISFACTION OF THE COMMISSION THAT**
11 **THE RESTRICTION IS NECESSARY TO PROTECT THE PUBLIC HEALTH AND**
12 **SAFETY OR THE INTEGRITY OF THE DISTRIBUTION SYSTEM IN A HEARING**
13 **BEFORE THE COMMISSION.**

14 (4) ~~(5)~~ An electric utility or alternative electric supplier
15 shall not discontinue or refuse to provide electric service to a
16 customer solely because the customer participates in the
17 distributed generation program.

18 (5) ~~(6)~~ The distributed generation program created under
19 subsection (1) shall include all of the following:

20 (a) Statewide uniform interconnection requirements for all
21 eligible electric generators. The interconnection requirements
22 shall be designed to protect electric utility workers and equipment
23 and the general public.

24 (b) ~~Distributed~~ **REQUIREMENTS THAT DISTRIBUTED** generation
25 equipment and its installation ~~shall~~ meet all current local and
26 state electric and construction code requirements. Any equipment
27 that is certified by a nationally recognized testing laboratory to

1 IEEE 1547.1 testing standards and in compliance with UL 1741 scope
2 1.1A, effective May 7, 2007, and installed in compliance with this
3 part is considered to be compliant. Within the time provided by the
4 ~~commission in rules promulgated under~~ **PURSUANT TO** subsection (1)
5 and consistent with good utility practice, and the protection of
6 electric utility workers, electric utility equipment, and the
7 general public, an electric utility may study, confirm, and ensure
8 that an eligible electric generator installation at the customer's
9 site meets the IEEE 1547 anti-islanding requirements or any
10 applicable successor anti-islanding requirements determined by the
11 commission to be reasonable and consistent with the purposes of
12 this subdivision. If necessary to promote reliability or safety,
13 the commission may promulgate rules that require the use of
14 inverters that perform specific automated grid-balancing functions
15 to integrate distributed generation onto the electric grid.
16 Inverters that interconnect distributed generation resources may be
17 owned and operated by electric utilities. Both of the following
18 must be completed before the equipment is operated in parallel with
19 the distribution system of the utility:

- 20 (i) Utility testing and approval of the interconnection,
21 including all metering.
- 22 (ii) Execution of a parallel operating agreement.
- 23 (c) A uniform application form and process to be used by all
24 electric utilities and alternative electric suppliers in this
25 state. Customers who are served by an alternative electric supplier
26 shall submit a copy of the application to the electric utility for
27 the customer's service area.

1 ~~—— (d) Distributed generation customers with a system capable of~~
2 ~~generating 20 kilowatts or less qualify for true net metering.~~

3 ~~—— (e) Distributed generation customers with a system capable of~~
4 ~~generating more than 20 kilowatts qualify for modified net~~
5 ~~metering.~~

6 **(6)** ~~(7)~~—Each electric utility and alternative electric
7 supplier shall maintain records of all applications and up-to-date
8 records of all active eligible electric generators located within
9 ~~their~~ **ITS** service area.

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