

# HOUSE BILL NO. 5219

October 24, 2023, Introduced by Reps. Fitzgerald and Scott and referred to the Committee on Energy, Communications, and Technology.

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 powers and duties of certain state governmental officers and entities; 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 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 sections 10p and 10t (MCL 460.10p and 460.10t), as amended by 2016 PA 341.

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

1           Sec. 10p. (1) Each electric utility operating in this state  
2 shall establish an industry worker transition program that, in  
3 consultation with employees or applicable collective bargaining  
4 representatives, provides skills upgrades, apprenticeship and  
5 training programs, voluntary separation packages consistent with  
6 reasonable business practices, and job banks to coordinate and  
7 assist placement of employees into comparable employment at no less  
8 than the wage rates and substantially equivalent fringe benefits  
9 received before the transition.

10           (2) The costs resulting from subsection (1) include audited  
11 and verified employee-related restructuring costs that are incurred  
12 as a result of 2000 PA 141 or as a result of prior commission  
13 restructuring orders, including employee severance costs, employee  
14 retraining programs, early retirement programs, outplacement  
15 programs, and similar costs and programs, that have been approved  
16 and found to be prudently incurred by the commission.

17           (3) In the event of a sale, purchase, or any other transfer of  
18 ownership of 1 or more Michigan divisions or business units, or  
19 generating stations or generating units, of an electric utility, to  
20 either a third party or a utility subsidiary, the electric

1 utility's contract and agreements with the acquiring entity or  
2 persons ~~shall~~**must** require all of the following for a period of at  
3 least 30 months:

4 (a) That the acquiring entity or persons hire a sufficient  
5 number of nonsupervisory employees to safely and reliably operate  
6 and maintain the station, division, or unit by making offers of  
7 employment to the nonsupervisory workforce of the electric  
8 utility's division, business unit, generating station, or  
9 generating unit.

10 (b) That the acquiring entity or persons not employ  
11 nonsupervisory employees from outside the electric utility's  
12 workforce unless offers of employment have been made to all  
13 qualified nonsupervisory employees of the acquired business unit or  
14 facility.

15 (c) That the acquiring entity or persons have a dispute  
16 resolution mechanism culminating in a final and binding decision by  
17 a neutral third party for resolving employee complaints or disputes  
18 over wages, fringe benefits, and working conditions.

19 (d) That the acquiring entity or persons offer employment at  
20 no less than the wage rates and substantially equivalent fringe  
21 benefits and terms and conditions of employment that are in effect  
22 at the time of transfer of ownership of the division, business  
23 unit, generating station, or generating unit. The wage rates and  
24 substantially equivalent fringe benefits and terms and conditions  
25 of employment ~~shall~~**must** continue for at least 30 months from the  
26 time of the transfer of ownership unless the employees, or where  
27 applicable collective bargaining representative, and the new  
28 employer mutually agree to different terms and conditions of  
29 employment within that 30-month period.

1           (4) The electric utility shall offer a transition plan to  
 2 those employees who are not offered jobs by the entity because the  
 3 entity has a need for fewer workers. If there is litigation  
 4 concerning the sale, or other transfer of ownership of the electric  
 5 utility's divisions, business units, generating stations, or  
 6 generating units, the 30-month period under subsection (3) begins  
 7 on the date the acquiring entity or persons take control or  
 8 management of the divisions, business units, generating stations,  
 9 or generating units of the electric utility.

10           (5) The commission shall adopt generally applicable service  
 11 quality and reliability standards for the transmission, generation,  
 12 and distribution systems of electric utilities and other entities  
 13 subject to its jurisdiction. ~~including,~~ **In setting service**  
 14 **quality and reliability standards, the commission shall consider**  
 15 **safety, costs, local geography and weather, applicable codes,**  
 16 **national electric industry practices, sound engineering judgment,**  
 17 **and experience. The service quality and reliability standards**  
 18 **adopted under this section include, but are not limited to,**  
 19 ~~standards~~ **the following:**

- 20           (a) **Standards** for service outages. ~~distribution~~
- 21           (b) **Distribution** facility upgrades. ~~repairs~~
- 22           (c) **Repairs** and maintenance. ~~telephone service,~~
- 23           (d) **Telephone and** billing service. ~~operational~~
- 24           (e) **Operational** reliability. ~~and public~~
- 25           (f) **Public** and worker safety. ~~In setting service quality and~~  
 26 ~~reliability standards, the commission shall consider safety, costs,~~  
 27 ~~local geography and weather, applicable codes, national electric~~  
 28 ~~industry practices, sound engineering judgment, and experience. The~~  
 29 ~~commission shall also include provisions~~

1           **(g) Provisions** to upgrade the service quality of distribution  
2 circuits that historically have experienced significantly below-  
3 average performance in relationship to similar distribution  
4 circuits.

5           **(h) An incremental outage support program.** The commission  
6 shall commence a proceeding for each electric utility to establish  
7 an incremental outage support program for that electric utility.  
8 Each electric utility shall propose a bill credit amount for the  
9 commission's consideration in this proceeding. The commission shall  
10 issue an order in a proceeding commenced under this section  
11 establishing an amount for a bill credit for each electric utility  
12 under the electric utility's incremental outage support program.  
13 The bill credit must be a single, uniform amount applicable to all  
14 eligible electric customers. After the commission issues an order  
15 establishing an incremental outage support program for an electric  
16 utility, the electric utility shall provide a bill credit to each  
17 eligible electric customer who experiences an eligible  
18 interruption. An electric utility shall apply the bill credit to  
19 the eligible electric customer's bill after the eligible  
20 interruption without the need for the eligible customer to apply  
21 for or otherwise request a bill credit. An eligible customer is  
22 entitled to only 1 bill credit for each eligible interruption. As  
23 used in this subdivision:

24           **(i) "Eligible interruption"** means an electric utility  
25 distribution service interruption lasting 48 consecutive hours or  
26 longer.

27           **(ii) "Eligible low-income customer"** means a customer who, at  
28 the time of the eligible interruption, is identified in the  
29 electric utility's billing system as receiving energy assistance

1 from any of the following programs:

2 (A) State emergency relief.

3 (B) Home heating credit.

4 (C) Michigan energy assistance program.

5 (6) Annually, each jurisdictional utility or entity shall file  
6 its report with the commission detailing actions to be taken to  
7 comply with the service quality and reliability standards during  
8 the next calendar year and its performance in relation to the  
9 service quality and reliability standards during the prior calendar  
10 year. The annual reports ~~shall~~**must** contain ~~that~~ data ~~as~~ required  
11 by the commission, including the estimated cost of achieving  
12 improvements in the jurisdictional utility's or entity's  
13 performance with respect to the service quality and reliability  
14 standards.

15 (7) The commission shall analyze the data to determine whether  
16 the jurisdictional entities are properly operating and maintaining  
17 their systems and take corrective action if needed.

18 (8) By ~~December 31, 2009,~~**January 1, 2025,** the commission  
19 shall review its existing rules under this section and amend the  
20 rules, if needed, under the administrative procedures act of 1969,  
21 1969 PA 306, MCL 24.201 to 24.328, to implement performance  
22 standards for generation facilities and for distribution facilities  
23 to protect end-use customers from power quality disturbances.

24 (9) Any standards or rules developed under this section ~~shall~~  
25 **must** be designed to do the following, as applicable:

26 (a) Establish different requirements for each customer class,  
27 whenever those different requirements are appropriate to carry out  
28 the provisions of this section, and to reflect different load and  
29 service characteristics of each customer class.

1 (b) Consider the availability and associated cost of necessary  
2 equipment and labor required to maintain or upgrade distribution  
3 and generating facilities.

4 (c) Ensure that the most cost-effective means of addressing  
5 power quality disturbances are promoted for each utility, including  
6 consideration of the installation of equipment or adoption of  
7 operating practices at the end-user's location.

8 (d) Take into account the extent to which the benefits  
9 associated with achieving a specified standard or improvement are  
10 offset by the incremental capital, fuel, and operation and  
11 maintenance expenses associated with meeting the specified standard  
12 or improvement.

13 (e) Carefully consider the time frame for achieving a  
14 specified standard, taking into account the time required to  
15 implement needed investments or modify operating practices.

16 (10) The commission shall also create benchmarks for  
17 individual jurisdictional entities within their rate-making process  
18 in order to accomplish the goals of this section to alleviate end-  
19 use customer power quality disturbances and promote power plant  
20 generating cost efficiency.

21 (11) The commission shall establish a method for gathering  
22 data from the industrial customer class to assist in monitoring  
23 power quality and reliability standards related to service  
24 characteristics of the industrial customer class.

25 (12) The commission may levy financial incentives and  
26 penalties ~~upon~~**on** any jurisdictional entity which exceeds or fails  
27 to meet the service quality and reliability standards.

28 (13) As used in this section, "jurisdictional utility" or  
29 "jurisdictional entity" means a jurisdictional regulated utility as

1 that term is defined in section 6q.

2       Sec. 10t. (1) An electric utility or alternative electric  
3 supplier shall not shut off service to an eligible customer during  
4 the heating season for nonpayment of a delinquent account if the  
5 customer is an eligible senior citizen customer or if the customer  
6 pays to the utility or supplier a monthly amount equal to 7% of the  
7 estimated annual bill for the eligible customer and the eligible  
8 customer demonstrates, within 14 days ~~of~~**after** requesting shutoff  
9 protection, that ~~he or she~~**customer** has applied for state or  
10 federal heating assistance. If an arrearage exists at the time an  
11 eligible customer applies for protection from shutoff of service  
12 during the heating season, the utility or supplier shall permit the  
13 customer to pay the arrearage in equal monthly installments between  
14 the date of application and the start of the subsequent heating  
15 season.

16       (2) An electric utility or alternative electric supplier may  
17 shut off service to a customer as provided in part 7 of the clean  
18 and renewable energy and energy waste reduction act, 2008 PA 295,  
19 MCL 460.1201 to 460.1211, or to an eligible low-income customer who  
20 does not pay the monthly amounts required under subsection (1)  
21 after giving notice in the manner required by rules. The utility or  
22 supplier is not required to offer a settlement agreement to an  
23 eligible low-income customer who fails to make the monthly payments  
24 required under subsection (1).

25       (3) If a customer fails to comply with the terms and  
26 conditions of this section, an electric utility may shut off  
27 service on its own behalf or on behalf of an alternative electric  
28 supplier after giving the customer a notice, by personal service or  
29 first-class mail, that contains all of the following information:



1 (a) That the customer has not paid the per-meter charge  
2 described in section 205 of the clean and renewable energy and  
3 energy waste reduction act, 2008 PA 295, MCL 460.1205, or the  
4 customer has defaulted on the winter protection plan.

5 (b) The nature of the default.

6 (c) That unless the customer makes the payments that are past  
7 due within 10 days of the date of mailing, the utility or supplier  
8 may shut off service.

9 (d) The date on or after which the utility or supplier may  
10 shut off service, unless the customer takes appropriate action.

11 (e) That the customer has the right to file a complaint  
12 disputing the claim of the utility or supplier before the date of  
13 the proposed shutoff of service.

14 (f) That the customer has the right to request a hearing  
15 before a hearing officer if the complaint cannot be otherwise  
16 resolved and that the customer shall pay to the utility or supplier  
17 that portion of the bill that is not in dispute within 3 days of  
18 the date that the customer requests a hearing.

19 (g) That the customer has the right to represent himself or  
20 herself, to be represented by an attorney, or to be assisted by any  
21 other person of ~~his or her~~ **the customer's** choice in the complaint  
22 process.

23 (h) That the utility or supplier will not shut off service  
24 pending the resolution of a complaint that is filed with the  
25 utility in accordance with this section.

26 (i) The telephone number and address of the utility or  
27 supplier where the customer may make inquiry, enter into a  
28 settlement agreement, or file a complaint.

29 (j) That the customer should contact a social services agency

1 immediately if the customer believes he or she might be eligible  
2 for emergency economic assistance.

3 (k) That the utility or supplier will postpone shutoff of  
4 service if a medical emergency exists at the customer's residence.

5 (l) That the utility or supplier may require a deposit ~~and or~~  
6 restoration charge if the **utility or** supplier shuts off service for  
7 nonpayment of a delinquent account. **A restoration charge under this**  
8 **subdivision must not be more than \$25.00, unless the customer has**  
9 **provided the required deposit, in which case the utility or**  
10 **supplier shall not require a restoration charge.**

11 (4) An electric utility is not required to shut off service  
12 under this section to an eligible customer for nonpayment to an  
13 alternative electric supplier.

14 (5) The commission shall establish an educational program to  
15 ensure that eligible customers are informed of the requirements and  
16 benefits of this section.

17 (6) As used in this section:

18 (a) "Eligible customer" means either an eligible low-income  
19 customer or an eligible senior citizen customer.

20 (b) "Eligible low-income customer" means a customer whose  
21 household income does not exceed 150% of the poverty level, as  
22 published by the United States Department of Health and Human  
23 Services, or who receives any of the following:

24 (i) Assistance from a state emergency relief program.

25 (ii) Food stamps.

26 (iii) Medicaid.

27 (c) "Eligible senior citizen customer" means a utility or  
28 supplier customer who is 65 years of age or older and ~~who~~ advises  
29 the utility of ~~his or her~~ **the customer's** eligibility.

1 Enacting section 1. This amendatory act does not take effect  
2 unless all of the following bills of the 102nd Legislature are  
3 enacted into law:

4 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 5216 (request no.  
5 04427'23 \*).

6 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 5222 (request no.  
7 04428'23 \*).

8 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 5220 (request no.  
9 04429'23 \*).

10 (d) Senate Bill No. \_\_\_\_\_ or House Bill No. 5221 (request no.  
11 04430'23 \*).

12 (e) Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request no.  
13 04646'23 \*).

14 (f) Senate Bill No. \_\_\_\_\_ or House Bill No. 5217 (request no.  
15 04647'23 \*).