

# SENATE BILL NO. 153

March 08, 2023, Introduced by Senators IRWIN, MCBROOM, GEISS, MCMORROW, CHANG, SANTANA, BAYER, POLEHANKI, SHINK, CAVANAGH, CAMILLERI, SINGH and DALEY and referred to the Committee on Energy and Environment.

A bill to amend 2008 PA 295, entitled "Clean and renewable energy and energy waste reduction act," by amending section 5 (MCL 460.1005), as amended by 2016 PA 342, and by adding part 8.

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

- 1       Sec. 5. As used in this act:
- 2       (a) "Electric provider" means any of the following:
- 3       (i) Any person or entity that is regulated by the commission
- 4 for the purpose of selling electricity to retail customers in this

1 state.

2 (ii) ~~A~~**Except as used in part 8, a** municipally owned electric  
3 utility in this state.

4 (iii) ~~A~~**Except as used in part 8, a** cooperative electric utility  
5 in this state.

6 (iv) Except as used in subpart C of part 2 **and in part 8,** an  
7 alternative electric supplier licensed under section 10a of 1939 PA  
8 3, MCL 460.10a.

9 (b) "Eligible electric generator" means a methane digester or  
10 renewable energy system with a generation capacity limited to the  
11 customer's electric need and that does not exceed the following:

12 (i) For a renewable energy system, 150 kilowatts of aggregate  
13 generation at a single site.

14 (ii) For a methane digester, 550 kilowatts of aggregate  
15 generation at a single site.

16 (c) "Energy conservation" means the reduction of customer  
17 energy use through the installation of measures or changes in  
18 energy usage behavior.

19 (d) "Energy efficiency" means a decrease in customer  
20 consumption of electricity or natural gas achieved through measures  
21 or programs that target customer behavior, equipment, devices, or  
22 materials without reducing the quality of energy services.

23 (e) "Energy star" means the voluntary partnership among the  
24 United States Department of Energy, the United States Environmental  
25 Protection Agency, product manufacturers, local utilities, and  
26 retailers to help promote energy efficient products by labeling  
27 with the energy star logo, **to** educate consumers about the benefits  
28 of energy efficiency, and **to** help promote energy efficiency in  
29 buildings by benchmarking and rating energy performance.

1 (f) "Energy waste reduction", subject to subdivision (g),  
2 means all of the following:

3 (i) Energy efficiency.

4 (ii) Load management, to the extent that the load management  
5 reduces provider costs.

6 (iii) Energy conservation, but only to the extent that the  
7 decreases in the consumption of electricity produced by energy  
8 conservation are objectively measurable and attributable to an  
9 energy waste reduction plan.

10 (g) Energy waste reduction does not include electric provider  
11 infrastructure projects that are approved for cost recovery by the  
12 commission other than as provided in this act.

13 (h) "Energy waste reduction credit" means a credit certified  
14 pursuant to section 87 that represents achieved energy waste  
15 reduction.

16 (i) "Energy waste reduction plan" means a plan under section  
17 71.

18 (j) "Energy waste reduction standard" means the minimum energy  
19 savings required to be achieved under section 77 or 78(1), as  
20 applicable.

21 (k) "Federal approval" means approval by the applicable  
22 regional transmission organization or other Federal Energy  
23 Regulatory Commission-approved transmission planning process of a  
24 transmission project that includes the transmission line. Federal  
25 approval may be evidenced in any of the following manners:

26 (i) The proposed transmission line is part of a transmission  
27 project included in the applicable regional transmission  
28 organization's board-approved transmission expansion plan.

29 (ii) The applicable regional transmission organization has

1 informed the electric utility, affiliated transmission company, or  
 2 independent transmission company that a transmission project  
 3 submitted for an out-of-cycle project review has been approved by  
 4 the applicable regional transmission organization, and the approved  
 5 transmission project includes the proposed transmission line.

6 (iii) If, after October 6, 2008, the applicable regional  
 7 transmission organization utilizes another approval process for  
 8 transmission projects proposed by an electric utility, affiliated  
 9 transmission company, or independent transmission company, the  
 10 proposed transmission line is included in a transmission project  
 11 approved by the applicable regional transmission organization  
 12 through the approval process developed after October 6, 2008.

13 (iv) Any other Federal Energy Regulatory Commission-approved  
 14 transmission planning process for a transmission project.

#### 15 **PART 8.**

#### 16 **COMMUNITY SOLAR FACILITIES**

17 **Sec. 231. As used in this part:**

18 (a) "Applicable bill credit rate" means the dollar-per-  
 19 kilowatt-hour rate established by the commission under section  
 20 235(2) to calculate a subscriber's bill credit.

21 (b) "Bill credit" means the monetary value of the electricity  
 22 in kilowatt-hours generated by the community solar facility  
 23 allocated to a subscriber to offset that subscriber's electricity  
 24 bill.

25 (c) "Community solar facility" means a facility, which may be  
 26 located on 1 or more parcels of land, that meets all of the  
 27 following requirements:

28 (i) Generates electricity by means of a solar photovoltaic  
 29 device.

1           (ii) Produces for each subscriber a bill credit for the  
2 electricity generated in proportion to the size of the subscriber's  
3 subscription.

4           (iii) Is connected to the electric distribution grid serving  
5 this state.

6           (iv) Has at least 3 subscribers.

7           (v) For the purpose of initial program qualifications, does  
8 not have a point of interconnection located within 1 mile of the  
9 point of interconnection of a solar facility under the control of  
10 the same entity.

11           (vi) Has no subscriber that holds more than a 40% proportional  
12 interest in the output of the system.

13           (vii) Beginning 1 year after commencing operation, has not less  
14 than 60% of its capacity subscribed by subscriptions of 40  
15 kilowatts or less.

16           (viii) Has a capacity of not greater than 5 megawatts  
17 alternating current.

18           (d) "Control" means the possession, directly or indirectly, of  
19 the power to direct the management and policies of an entity,  
20 whether through the ownership of voting securities, by contract, or  
21 otherwise. Control exists when affiliates have shared sales or  
22 revenue-sharing arrangements or common debt and equity financing  
23 arrangements, but control is not limited to such situations.

24           (e) "Low-income household" means a household that meets any of  
25 the following conditions:

26           (i) Has a household income of not more than 80% of the area  
27 median household income, as published by the United States  
28 Department of Housing and Urban Development.

29           (ii) Has a household income of not more than 200% of the

1 poverty line as defined in section 2110 of the Social Security Act,  
2 42 USC 1397jj.

3 (iii) Is enrolled in a low-income program facilitated by this  
4 state or overseen by the electric utility.

5 (iv) Other low-income criteria as determined by the commission.

6 (f) "Low-income service organization" means an organization  
7 that provides services, assistance, or housing to individuals in  
8 low-income households and may include a central tribal government,  
9 or a tribally designated housing authority.

10 (g) "Nonministerial permits" means governmental permits and  
11 approvals to construct the project, other than ministerial permits  
12 such as a building permit.

13 (h) "Subscriber" means a retail electric customer of an  
14 electric provider that meets all of the following requirements:

15 (i) The subscriber owns 1 or more subscriptions to a community  
16 solar facility interconnected with and located in the service  
17 territory of the electric provider.

18 (ii) The subscriber's property to the electric bill of which  
19 the bill credits are applied is located in the same service  
20 territory described in subparagraph (i).

21 (i) "Subscriber organization" means a for-profit or nonprofit  
22 entity that owns or operates 1 or more community solar facilities.

23 (j) "Subscription" means a contract between a subscriber and  
24 the owner of a community solar facility under which the estimated  
25 bill credits of the subscriber do not exceed the average annual  
26 bill for the customer account to which the subscription is  
27 attributed.

28 Sec. 233. (1) An electric provider shall apply a bill credit  
29 to a subscriber's monthly electric bill for the output of a

1 community solar facility during the immediately preceding month  
2 attributable to that subscriber. The value of the bill credit shall  
3 be calculated by multiplying the subscriber's portion of the  
4 kilowatt-hour electricity production from the community solar  
5 facility by the applicable bill credit rate for the subscriber. Any  
6 amount of the bill credit that exceeds the subscriber's monthly  
7 bill shall be carried over and applied to the next monthly bill as  
8 many times as necessary until the entire credit has been applied.

9 (2) An electric provider shall provide bill credits to each of  
10 a community solar facility's subscribers for electricity generated  
11 by the community solar facility for not less than 25 years from the  
12 date the community solar facility begins commercial operation. When  
13 an electric provider files tariffs with the commission, the  
14 electric provider shall include options in the tariffs that allow a  
15 subscriber to receive bill credits for the subscriber's electricity  
16 bills.

17 (3) A subscriber organization shall provide a subscriber list  
18 to the electric provider in whose service territory the subscriber  
19 organization's community solar facility is located. The subscriber  
20 list shall be in a standardized electronic format and specify the  
21 percentage of the community solar facility's generation  
22 attributable to each subscriber. The subscriber organization shall  
23 update the subscriber list by removing subscribers that cancel  
24 their subscriptions and adding new subscribers.

25 (4) An electric provider shall, on a monthly basis and in a  
26 standardized electronic format, provide to a subscriber  
27 organization that has a community solar facility within the  
28 electric provider's service territory a report that specifies both  
29 of the following:

1           (a) The total value of bill credits generated by the  
2 subscriber organization's community solar facility in the prior  
3 month.

4           (b) The amount of the bill credit applied under subsection (1)  
5 to each subscriber.

6           (5) A subscriber organization may accumulate bill credits if  
7 all of the electricity generated by a community solar facility is  
8 not allocated to subscribers in a given month. On an annual basis,  
9 the subscriber organization shall provide to the electric provider  
10 whose service territory includes the location of the subscriber  
11 organization's community solar facility instructions for  
12 distributing excess bill credits to subscribers.

13           (6) Any renewable energy credits for electricity generated by  
14 a community solar facility are the property of the subscriber  
15 organization that owns or operates the community solar facility.  
16 The subscriber organization may sell, accumulate, retire, or  
17 distribute to subscribers the subscriber organization's renewable  
18 energy credits.

19           Enacting section 1. This amendatory act does not take effect  
20 unless Senate Bill No. 152 of the 102nd Legislature is enacted into  
21 law.