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BILL ANALYSIS

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Senate Bill 698 (as introduced 8-30-07)
Sponsor: Senator Valde Garcia
Committee: Energy Policy and Public Utilities

Date Completed: 9-12-07

CONTENT

The bill would amend the Electric Transmission Line Certification Act to require a transmission line that was installed after the effective date of the bill and that extended for more than five miles in a township with a population of between 10,000 and 15,000 to be constructed underground within that township. The electric utility, affiliated transmission company, or independent transmission company constructing the transmission line would have to bear the cost of placing it underground.

Currently, if the Public Service Commission (PSC) grants a certificate under the Act, that certificate takes precedence over a conflicting local ordinance, law, rule, regulation, policy, or practice that prohibits or regulates the location or construction of a transmission line for which the PSC has issued a certificate. Under the bill, this would apply except as otherwise provided in the Act.

(The Act prescribes a process under which electric utilities with at least 50,000 residential customers, independent transmission companies, and affiliated transmission companies must submit a construction plan to, and obtain a certificate of public convenience from, the PSC before constructing a major transmission line. "Major transmission line" means a transmission line at least five miles long transferring at least 345 kilovolts of electricity. An electric utility, independent transmission company, or affiliated transmission company also may obtain a certificate for the construction of a transmission line. "Transmission line" means all structures, equipment, and real property necessary to transfer electricity at system bulk supply voltage of 100 kilovolts or more.)

MCL 460.570 et al.

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bill would increase the cost of the specified transmission line project by an unknown amount. Under the bill, this additional cost would be borne by the transmission company, which ultimately would tend to increase the cost of power to consumers. Transmission line rates are set by the Federal Energy Regulatory Commission.

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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.