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BILL ANALYSIS



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Senate Bill 864 (as introduced 12-1-11)  
Sponsor: Senator Howard C. Walker  
Committee: Energy and Technology

Date Completed: 12-5-11

## **CONTENT**

**The bill would amend Public Act 3 of 1939, the Public Service Commission (PSC) law, to require certain reports pertaining to electricity providers to be posted on the PSC's website; and to require a municipally owned utility to post on its website its payment plan policy for customers who cannot pay in full.**

### Reports

PSC Competition Report. The Act requires the PSC to file with the Governor and the Legislature by February 1 of each year a report on the status of competition for supplying electricity in Michigan. The report must include recommendations for legislation, if any. In addition, the report must include the following:

- Actions taken by the PSC to implement measures necessary to protect consumers from unfair or deceptive business practices by utilities, alternative electric suppliers (AESs), and other market participants.
- Information regarding consumer education programs, approved by the PSC, to inform consumers of all relevant information regarding the purchase of electricity and related services from AESs.

Under the bill, the report also would have to be posted on the PSC's website and disseminated by any other means that the Commission determined would properly notify Michigan citizens.

Renewable Resource Power Production Facilities. The Act required the standing committees of the Legislature responsible for energy issues to undertake a review and evaluation of the impact of Section 6d and report to the Legislature by March 25, 1983.

(Section 6d provides that the owner of a renewable resource power production facility is not subject to the regulation or control of the PSC, if the owner was not a public utility subject to the PSC's jurisdiction before the facility's construction, and the ownership of the facility is ancillary to its financing. "Renewable resource power production facility" means a facility having a rated power production capacity of 30 megawatts or less that produces electric energy by the use of biomass, waste, wood, hydroelectric, wind, and other renewable resources, or any combination of renewable resources, as the primary energy source.)

The legislative committees were required to hold a public hearing and submit their report to the Clerk of the House and the Secretary of the Senate and made it available to all members of the Legislature. The bill would require this report also to be posted on the PSC's internet website.

## Municipal Utility Payment Plan

The Act requires the governing body of a provider (i.e., a municipally owned electric or natural gas utility) to establish a policy to allow a customer the opportunity to enter into a payment plan for an amount owed to the provider that is not in dispute, if the customer claims an inability to pay in full. (The policy must meet the law's requirements regarding shut-offs to low-income and senior citizen customers and individuals with certain medical conditions.) Under the bill, a provider would have to post its policy on its website.

MCL 460.6e et al.

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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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.