

HOUSE BILL No. 5980

December 2, 2014, Introduced by Rep. Nesbitt and referred to the Committee on Energy and Technology.

A bill to amend 2008 PA 295, entitled
"Clean, renewable, and efficient energy act,"
by amending sections 5 and 11 (MCL 460.1005 and 460.1011).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. As used in this act:

2 (a) "Electric provider", subject to sections 21(1), 23(1), and
3 25(1), means any of the following:

4 (i) Any person or entity that is regulated by the commission
5 for the purpose of selling electricity to retail customers in this
6 state.

7 (ii) A municipally-owned electric utility in this state.

8 (iii) A cooperative electric utility in this state.

9 (iv) Except as used in subpart B of part 2, an alternative
10 electric supplier licensed under section 10a of 1939 PA 3, MCL

1 460.10a.

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

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

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

10 (c) "Energy conservation" means the reduction of customer
11 energy use through the installation of measures or changes in
12 energy usage behavior. Energy conservation does not include the use
13 of advanced cleaner energy systems.

14 (d) "Energy efficiency" means ~~a~~ **ANY OF THE FOLLOWING:**

15 (i) **A** decrease in customer consumption of electricity or
16 natural gas achieved through measures or programs that target
17 customer behavior, equipment, devices, or materials without
18 reducing the quality of energy services.

19 (ii) **A DECREASE IN THE TOTAL AMOUNT OF ELECTRICITY OR**
20 **NONNATURAL GAS CONSUMED FOR AN END USE OR END USES ACHIEVED THROUGH**
21 **MEASURES SUCH AS GEOTHERMAL, INCLUDING GROUND SOURCE, RECLAIMED**
22 **WATER, OR GROUNDWATER.**

23 (e) "Energy optimization", subject to subdivision (f), means
24 all of the following:

25 (i) Energy efficiency.

26 (ii) Load management, to the extent that the load management
27 reduces overall energy usage.

1 (iii) Energy conservation, but only to the extent that the
2 decreases in the consumption of electricity produced by energy
3 conservation are objectively measurable and attributable to an
4 energy optimization plan.

5 (f) Energy optimization does not include electric provider
6 infrastructure projects that are approved for cost recovery by the
7 commission other than as provided in this act.

8 (g) "Energy optimization credit" means a credit certified
9 pursuant to section 87 that represents achieved energy
10 optimization.

11 (h) "Energy optimization plan" or "EO plan" means a plan
12 **APPROVED** under section ~~71-73~~.

13 (i) "Energy optimization standard" means the minimum energy
14 savings required to be achieved under section 77.

15 (j) "Energy star" means the voluntary partnership among the
16 United States department of energy, the United States environmental
17 protection agency, product manufacturers, local utilities, and
18 retailers to help promote energy efficient products by labeling
19 with the energy star logo, **TO** educate consumers about the benefits
20 of energy efficiency, and **TO** help promote energy efficiency in
21 buildings by benchmarking and rating energy performance.

22 (k) "Federal approval" means approval by the applicable
23 regional transmission organization or other federal energy
24 regulatory commission approved transmission planning process of a
25 transmission project that includes the transmission line. Federal
26 approval may be evidenced in any of the following manners:

27 (i) The proposed transmission line is part of a transmission

1 project included in the applicable regional transmission
2 organization's board-approved transmission expansion plan.

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

9 (iii) If, after ~~the effective date of this act,~~ **OCTOBER 6, 2008,**
10 the applicable regional transmission organization utilizes another
11 approval process for transmission projects proposed by an electric
12 utility, affiliated transmission company, or independent
13 transmission company, the proposed transmission line is included in
14 a transmission project approved by the applicable regional
15 transmission organization through the approval process developed
16 after ~~the effective date of this act.~~ **OCTOBER 6, 2008.**

17 (iv) Any other federal energy regulatory commission approved
18 transmission planning process for a transmission project.

19 Sec. 11. As used in this act:

20 (a) "Renewable energy" means electricity generated using a
21 renewable energy system.

22 (b) "Renewable energy capacity portfolio" means the number of
23 megawatts calculated under section 27(2) for a particular year.

24 (c) "Renewable energy contract" means a contract to acquire
25 renewable energy and the associated renewable energy credits from 1
26 or more renewable energy systems.

27 (d) "Renewable energy credit" means a credit granted pursuant

1 to section 41 that represents generated renewable energy.

2 (e) "Renewable energy credit portfolio" means the sum of the
3 renewable energy credits achieved by a provider for a particular
4 year.

5 (f) "Renewable energy credit standard" means a minimum
6 renewable energy portfolio required under section ~~27-27(3)~~.

7 (g) "Renewable energy generator" means a person that, together
8 with its affiliates, has constructed or has owned and operated 1 or
9 more renewable energy systems with combined gross generating
10 capacity of at least 10 megawatts.

11 (h) "Renewable energy plan" or "plan", means a plan approved
12 under section 21 or 23 or found to comply with this act under
13 section 25, with any amendments adopted under this act.

14 (i) "Renewable energy resource" means a resource that
15 naturally replenishes over a human, not a geological, time frame
16 and that is ultimately derived from solar power, water power, or
17 wind power. Renewable energy resource does not include petroleum,
18 nuclear, natural gas, or coal. A renewable energy resource comes
19 from the sun or from thermal inertia of the earth and minimizes the
20 output of toxic material in the conversion of the energy and
21 includes, but is not limited to, all of the following:

22 (i) Biomass.

23 (ii) Solar and solar thermal energy.

24 (iii) Wind energy.

25 (iv) Kinetic energy of moving water, including all of the
26 following:

27 (A) Waves, tides, or currents.

1 (B) Water released through a dam.

2 (v) Geothermal energy.

3 **(vi) THERMAL ENERGY PRODUCED BY A GEOTHERMAL HEAT PUMP.**

4 **(vii)** ~~(vi)~~ Municipal solid waste.

5 **(viii)** ~~(vii)~~ Landfill gas produced by municipal solid waste.

6 (j) "Renewable energy standard" means the minimum renewable
7 energy capacity portfolio, if applicable, and the renewable energy
8 credit portfolio required to be achieved under section 27.

9 (k) "Renewable energy system" means a facility, electricity
10 generation system, or set of electricity generation systems that
11 use 1 or more renewable energy resources to generate electricity.
12 Renewable energy system does not include any of the following:

13 (i) A hydroelectric pumped storage facility.

14 (ii) A hydroelectric facility that uses a dam constructed after
15 ~~the effective date of this act~~ **OCTOBER 6, 2008** unless the dam is a
16 repair or replacement of a dam in existence on ~~the effective date~~
17 ~~of this act~~ **OCTOBER 6, 2008** or an upgrade of a dam in existence on
18 ~~the effective date of this act~~ **OCTOBER 6, 2008** that increases its
19 energy efficiency.

20 (iii) An incinerator unless the incinerator is a municipal solid
21 waste incinerator as defined in section 11504 of the natural
22 resources and environmental protection act, 1994 PA 451, MCL
23 324.11504, that was brought into service before ~~the effective date~~
24 ~~of this act,~~ **OCTOBER 6, 2008**, including any of the following:

25 (A) Any upgrade of such an incinerator that increases energy
26 efficiency.

27 (B) Any expansion of such an incinerator before ~~the effective~~

1 ~~date of this act.~~**OCTOBER 6, 2008.**

2 (C) Any expansion of such an incinerator on or after ~~the~~
3 ~~effective date of this act~~**OCTOBER 6, 2008** to an approximate design
4 rated capacity of not more than 950 tons per day pursuant to the
5 terms of a final request for proposals issued on or before October
6 1, 1986.

7 (l) "Revenue recovery mechanism" means the mechanism for
8 recovery of incremental costs of compliance established under
9 section 21.