

**SUBSTITUTE FOR
SENATE BILL NO. 881**

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 and certain providers of electric vehicle charging services; 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 section 9t (MCL 460.9t), as added by 2013 PA 95.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9t. (1) The low-income energy assistance fund is created
2 ~~within~~**in** the state treasury.

3 (2) The state treasurer may receive money or other assets from
4 any source for deposit into the fund. The state treasurer shall
5 direct the investment of the fund ~~. The state treasurer shall and~~
6 credit to the fund interest and earnings from fund investments.
7 **Beginning December 1, 2025, and by each December 1 thereafter, the**
8 **state treasurer shall report to the commission the total amount of**
9 **money that was collected by the fund and the remaining balance of**
10 **the fund from the immediately preceding fiscal year.**

11 (3) Money in the fund at the close of the fiscal year ~~shall~~
12 ~~remain~~**remains** in the fund and ~~shall~~**does** not lapse to the general
13 fund.

14 (4) The department of licensing and regulatory affairs ~~shall~~
15 ~~be~~**is** the administrator of the fund for auditing purposes.

16 (5) Subject to the limitations imposed in this section, the
17 department of **health and** human services shall expend money from the
18 fund, ~~upon~~**on** appropriation, as provided in the Michigan energy
19 assistance act, 2012 PA 615, MCL 400.1231 to ~~400.1236.~~**400.1235.**
20 The department of **health and** human services, in consultation with
21 the ~~public service~~ commission, shall ensure that all money
22 collected for the fund from a geographic area is returned, to the
23 extent possible, to that geographic area ~~and~~ **ensure the fund is**
24 **administered to promote all of the following:**

1 (a) Statewide access to the Michigan energy assistance program
2 established in section 3 of the Michigan energy assistance act,
3 2012 PA 615, MCL 400.1233, and ensuring that funds collected from a
4 specific geographic area are, to the extent possible, returned to
5 eligible low-income customers in that specific geographic area.

6 (b) Collaboration between the department of health and human
7 services, the commission, energy providers, and entities that
8 administer assistance programs to ensure that eligible low-income
9 customers in a geographic area are receiving funds proportional to
10 what customers in that geographic area are being assessed.

11 (c) For energy providers and entities that administer
12 assistance programs, education and outreach on availability of the
13 assistance programs and funding.

14 (6) Beginning March 1, 2027, and by each March 1 thereafter,
15 the department of health and human services shall provide to the
16 house and senate appropriations subcommittee for the department of
17 health and human services budget and the house and senate standing
18 committees on energy a report that contains all of following
19 information:

20 (a) The distribution of money from the fund across this state.

21 (b) A summary of the total funds received and assistance
22 awarded for each county in this state.

23 (c) A summary of the education, marketing, and outreach to
24 improve the distribution of funds.

25 (7) The department of health and human services may combine
26 the report required under subsection (6) with the report required
27 under section 3 of the Michigan energy assistance act, 2012 PA 615,
28 MCL 400.1233.

29 (8) ~~(6)~~—Subject to the limitations imposed in this subsection,

1 the ~~public service~~ commission may, after an opportunity to comment,
 2 annually approve a low-income energy assistance funding factor no
 3 later than ~~July 31~~ **May 1** of each year for the subsequent fiscal
 4 year. The low-income energy assistance funding factor ~~shall~~ **must** be
 5 the same across all customer classes and ~~shall~~ **must** not exceed
 6 \$1.00. ~~The amount used by the public service commission to~~
 7 ~~calculate a low-income energy assistance funding factor during each~~
 8 ~~fiscal year shall not exceed \$50,000,000.00 minus both the amount~~
 9 ~~appropriated from the general fund in that fiscal year for home~~
 10 ~~energy assistance and the amount remaining in the fund from the~~
 11 ~~prior fiscal year.~~ **If the remaining balance reported under**
 12 **subsection (2) is greater than 10% of the funds collected by the**
 13 **low-income energy assistance funding factor in the fiscal year for**
 14 **which the remaining balance was reported, the commission shall set**
 15 **the low-income energy assistance funding factor at a rate at which**
 16 **the total funds collected would not exceed the total amount of**
 17 **funds collected by the low-income energy assistance funding factor**
 18 **minus the remaining balance reported under subsection (2).** An
 19 electric utility, municipally owned electric utility, or
 20 cooperative electric utility that collects money under this
 21 subsection shall remit that money to the state treasurer for
 22 deposit in the fund on a monthly basis no later than 30 days after
 23 the last day in each calendar month. The electric utility,
 24 municipally owned electric utility, or cooperative electric utility
 25 shall list the low-income energy assistance funding factor as a
 26 separate line item on each customer's bill.

27 **(9)** ~~(7)~~ An electric utility, municipally owned electric
 28 utility, or cooperative electric utility may elect to ~~not collect~~
 29 **opt out of** a low-income energy assistance funding factor under this

1 section by annually filing a notice with the ~~public service~~
 2 commission by ~~July 1.~~ **April 1.** Notwithstanding any other provision
 3 of this act, an electric utility, municipally owned electric
 4 utility, or cooperative electric utility that elects to ~~not collect~~
 5 **opt out of** a low-income energy assistance funding factor under this
 6 section shall not shut off service to any residential customer from
 7 November 1 to April 15 for nonpayment of a delinquent account.

8 **(10)** ~~(8)~~—An electric utility, municipally owned electric
 9 utility, or cooperative electric utility that does not opt out
 10 under subsection ~~(7),~~ **(9)**, or an association representing a
 11 municipally owned electric utility or cooperative electric utility
 12 that does not opt out under subsection ~~(7),~~ **(9)**, shall annually
 13 provide to the ~~public service~~ commission by ~~July 1~~ **April 1** the
 14 number of retail billing meters it serves in this state that are
 15 subject to the low-income energy assistance funding factor. **The**
 16 **utility shall provide the number of retail billing meters to the**
 17 **commission as both a total of retail billing meters in the**
 18 **utility's service territory and a total of billing meters by**
 19 **county.**

20 **(11)** ~~(9)~~ ~~Nothing in this~~ **This** act ~~gives~~ **does not give** the
 21 ~~public service~~ commission the power to regulate a municipally owned
 22 electric utility.

23 **(12)** ~~(10)~~—As used in this section:

24 (a) "Fund" means the low-income energy assistance fund created
 25 in subsection (1).

26 (b) "Low-income energy assistance funding factor" means a
 27 nonbypassable surcharge on each retail billing meter payable
 28 monthly by every customer receiving a retail distribution service
 29 from an electric utility, municipally owned electric utility, or

1 cooperative electric utility that does not opt out under subsection
2 ~~(7)~~, **(9)**, regardless of the identity of the customer's electric
3 generation supplier. The low-income energy assistance funding
4 factor ~~shall~~**must** not be charged on more than 1 residential meter
5 per residential site.

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

9 (a) Senate Bill No. 353.

10 (b) Senate Bill No. 880.