

# HOUSE BILL NO. 6039

November 07, 2024, Introduced by Rep. Phil Green and referred to the Committee on Energy, Communications, and Technology.

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; 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 10p (MCL 460.10p), as amended by 2016 PA 341.

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

1       Sec. 10p. (1) Each electric utility operating in this state  
2 shall establish an industry worker transition program that, in  
3 consultation with employees or applicable collective bargaining  
4 representatives, provides skills upgrades, apprenticeship and  
5 training programs, voluntary separation packages consistent with  
6 reasonable business practices, and job banks to coordinate and  
7 assist placement of employees into comparable employment at no less  
8 than the wage rates and substantially equivalent fringe benefits  
9 received before the transition.

10       (2) The costs resulting from subsection (1) include audited  
11 and verified employee-related restructuring costs that are incurred  
12 as a result of 2000 PA 141 or as a result of prior commission  
13 restructuring orders, including employee severance costs, employee  
14 retraining programs, early retirement programs, outplacement  
15 programs, and similar costs and programs, that have been approved  
16 and found to be prudently incurred by the commission.

17       (3) In the event of a sale, purchase, or any other transfer of  
18 ownership of 1 or more Michigan divisions or business units, or  
19 generating stations or generating units, of an electric utility, to  
20 either a third party or a utility subsidiary, the electric  
21 utility's contract and agreements with the acquiring entity or

persons shall require all of the following for a period of at least 30 months:

(a) That the acquiring entity or persons hire a sufficient number of nonsupervisory employees to safely and reliably operate and maintain the station, division, or unit by making offers of employment to the nonsupervisory workforce of the electric utility's division, business unit, generating station, or generating unit.

(b) That the acquiring entity or persons not employ nonsupervisory employees from outside the electric utility's workforce unless offers of employment have been made to all qualified nonsupervisory employees of the acquired business unit or facility.

(c) That the acquiring entity or persons have a dispute resolution mechanism culminating in a final and binding decision by a neutral third party for resolving employee complaints or disputes over wages, fringe benefits, and working conditions.

(d) That the acquiring entity or persons offer employment at no less than the wage rates and substantially equivalent fringe benefits and terms and conditions of employment that are in effect at the time of transfer of ownership of the division, business unit, generating station, or generating unit. The wage rates and substantially equivalent fringe benefits and terms and conditions of employment ~~shall~~**must** continue for at least 30 months ~~from~~**after** the time of the transfer of ownership unless the employees, or where applicable collective bargaining representative, and the new employer mutually agree to different terms and conditions of employment within that 30-month period.

(4) The electric utility shall offer a transition plan to

1 those employees who are not offered jobs by the entity because the  
2 entity has a need for fewer workers. If there is litigation  
3 concerning the sale, or other transfer of ownership of the electric  
4 utility's divisions, business units, generating stations, or  
5 generating units, the 30-month period under subsection (3) begins  
6 on the date the acquiring entity or persons take control or  
7 management of the divisions, business units, generating stations,  
8 or generating units of the electric utility.

9 (5) The commission shall adopt generally applicable service  
10 quality and reliability standards for the transmission, generation,  
11 and distribution systems of electric utilities and other entities  
12 subject to its jurisdiction, including, but not limited to,  
13 standards for service outages, distribution facility upgrades,  
14 repairs and maintenance, telephone service, billing service,  
15 operational reliability, and public and worker safety. In setting  
16 service quality and reliability standards, the commission shall  
17 consider safety, costs, local geography and weather, applicable  
18 codes, national electric industry practices, sound engineering  
19 judgment, and experience. The commission shall also include  
20 provisions to upgrade the service quality of distribution circuits  
21 that historically have experienced significantly below-average  
22 performance in relationship to similar distribution circuits.

23 (6) Annually, each jurisdictional utility or entity shall file  
24 its report with the commission detailing actions to be taken to  
25 comply with the service quality and reliability standards during  
26 the next calendar year and its performance in relation to the  
27 service quality and reliability standards during the prior calendar  
28 year. The annual reports ~~shall~~**must** contain that data as required  
29 by the commission, including the estimated cost of achieving

1 improvements in the jurisdictional utility's or entity's  
2 performance with respect to the service quality and reliability  
3 standards.

4 (7) The commission shall analyze the data to determine whether  
5 the jurisdictional entities are properly operating and maintaining  
6 their systems and take corrective action if needed.

7 (8) By December 31, 2009, the commission shall review its  
8 existing rules under this section and amend the rules, if needed,  
9 under the administrative procedures act of 1969, 1969 PA 306, MCL  
10 24.201 to 24.328, to implement performance standards for generation  
11 facilities and for distribution facilities to protect end-use  
12 customers from power quality disturbances.

13 (9) Any standards or rules developed under this section ~~shall~~  
14 **must** be designed to do the following, as applicable:

15 (a) Establish different requirements for each customer class,  
16 whenever those different requirements are appropriate to carry out  
17 the provisions of this section, and to reflect different load and  
18 service characteristics of each customer class.

19 (b) Consider the availability and associated cost of necessary  
20 equipment and labor required to maintain or upgrade distribution  
21 and generating facilities.

22 (c) Ensure that the most cost-effective means of addressing  
23 power quality disturbances are promoted for each utility, including  
24 consideration of the installation of equipment or adoption of  
25 operating practices at the end-user's location.

26 (d) Take into account the extent to which the benefits  
27 associated with achieving a specified standard or improvement are  
28 offset by the incremental capital, fuel, and operation and  
29 maintenance expenses associated with meeting the specified standard

1 or improvement.

2 (e) Carefully consider the time frame for achieving a  
3 specified standard, taking into account the time required to  
4 implement needed investments or modify operating practices.

5 **(f) Allow utilities to do any of the following:**

6 **(i) Trim trees from the ground to the sky to save costs and**  
7 **ensure transmission or distribution line reliability.**

8 **(ii) Maintain all vegetation for up to 15 feet from the**  
9 **outermost portion of the wire that conducts electricity.**

10 (10) The commission shall also create benchmarks for  
11 individual jurisdictional entities within their rate-making process  
12 in order to accomplish the goals of this section to alleviate end-  
13 use customer power quality disturbances and promote power plant  
14 generating cost efficiency.

15 (11) The commission shall establish a method for gathering  
16 data from the industrial customer class to assist in monitoring  
17 power quality and reliability standards related to service  
18 characteristics of the industrial customer class.

19 (12) The commission may levy financial incentives and  
20 penalties ~~upon~~**on** any jurisdictional entity ~~which~~**that** exceeds or  
21 fails to meet the service quality and reliability standards.

22 (13) As used in this section, "jurisdictional utility" or  
23 "jurisdictional entity" means a jurisdictional regulated utility as  
24 that term is defined in section 6q.