

# SENATE BILL NO. 880

May 22, 2024, Introduced by Senator SINGH and referred to the Committee on Energy and Environment.

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

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

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

20          (6) Subject to the limitations imposed in this subsection, the  
21 ~~public service~~ commission may, after an opportunity to comment,

1 annually approve a low-income energy assistance funding factor no  
 2 later than July 31 of each year for the subsequent fiscal year. The  
 3 low-income energy assistance funding factor ~~shall~~**must** be the same  
 4 across all customer classes. ~~and shall~~**Before the effective date of**  
 5 **the 2024 amendatory act that amended this section, the low-income**  
 6 **energy assistance funding factor must** not exceed \$1.00. ~~The amount~~  
 7 ~~used by the public service commission to calculate a low-income~~  
 8 ~~energy assistance funding factor during each fiscal year shall not~~  
 9 ~~exceed \$50,000,000.00 minus both the amount appropriated from the~~  
 10 ~~general fund in that fiscal year for home energy assistance and the~~  
 11 ~~amount remaining in the fund from the prior fiscal year.~~**Beginning**  
 12 **on the effective date of the 2024 amendatory act that amended this**  
 13 **section, the commission shall not increase the low-income energy**  
 14 **assistance funding factor by more than \$0.25 each year and the low-**  
 15 **income energy assistance funding factor must not exceed \$2.00.** An  
 16 electric utility, municipally owned electric utility, or  
 17 cooperative electric utility that collects money under this  
 18 subsection shall remit that money to the state treasurer for  
 19 deposit in the fund on a monthly basis no later than 30 days after  
 20 the last day in each calendar month. The electric utility,  
 21 municipally owned electric utility, or cooperative electric utility  
 22 shall list the low-income energy assistance funding factor as a  
 23 separate line item on each customer's bill.

24 ~~(7) An electric utility, municipally owned electric utility,~~  
 25 ~~or cooperative electric utility may elect to not collect a low-~~  
 26 ~~income energy assistance funding factor under this section by~~  
 27 ~~annually filing a notice with the public service commission by July~~  
 28 ~~1. Notwithstanding any other provision of this act, an electric~~  
 29 ~~utility, municipally owned electric utility, or cooperative~~

1 ~~electric utility that elects to not collect a low-income energy~~  
 2 ~~assistance funding factor under this section shall not shut off~~  
 3 ~~service to any residential customer from November 1 to April 15 for~~  
 4 ~~nonpayment of a delinquent account.~~

5 (7) ~~(8)~~—An electric utility, municipally owned electric  
 6 utility, ~~or~~ cooperative electric utility, ~~that does not opt out~~  
 7 ~~under subsection (7), or an association representing a municipally~~  
 8 ~~owned electric utility or cooperative electric utility that does~~  
 9 ~~not opt out under subsection (7),~~ shall annually provide to the  
 10 ~~public service~~ commission by July 1 the number of retail billing  
 11 meters it serves in this state that are subject to the low-income  
 12 energy assistance funding factor.

13 (8) ~~(9) Nothing in this~~ **This** act gives ~~does not give~~ the  
 14 ~~public service~~ commission the power to regulate a municipally owned  
 15 electric utility.

16 (9) ~~(10)~~—As used in this section:

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

19 (b) "Low-income energy assistance funding factor" means a  
 20 nonbypassable surcharge on each retail billing meter payable  
 21 monthly by every customer receiving a retail distribution service  
 22 from an electric utility, municipally owned electric utility, or  
 23 cooperative electric utility, ~~that does not opt out under~~  
 24 ~~subsection (7),~~ regardless of the identity of the customer's  
 25 electric generation supplier. The low-income energy assistance  
 26 funding factor ~~shall~~ **must** not be charged on more than 1 residential  
 27 meter per residential site.