

# SENATE BILL NO. 881

May 22, 2024, Introduced by Senators OUTMAN and 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 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. **On**  
7 **September 30 of each year, the state treasurer shall determine the**  
8 **amount of money in the fund that was not appropriated for**  
9 **expenditure during the fiscal year.**

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

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

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

1 extent possible, to that geographic area.

2 (6) Subject to the limitations imposed in this subsection, the  
3 ~~public service~~ commission may, after an opportunity to comment,  
4 annually approve a low-income energy assistance funding factor no  
5 later than July 31 of each year for the subsequent fiscal year. The  
6 low-income energy assistance funding factor ~~shall~~**must** be the same  
7 across all customer classes and ~~shall~~**must** not exceed \$1.00. The  
8 amount used by the ~~public service~~ commission to calculate a low-  
9 income energy assistance funding factor during each fiscal year  
10 ~~shall~~**must** not exceed \$50,000,000.00 minus ~~both~~ the **designated**  
11 amount. ~~appropriated from the general fund in that fiscal year for~~  
12 ~~home energy assistance and the amount remaining in the fund from~~  
13 ~~the prior fiscal year.~~ An electric utility, municipally owned  
14 electric utility, or cooperative electric utility that collects  
15 money under this subsection shall remit that money to the state  
16 treasurer for deposit in the fund on a monthly basis no later than  
17 30 days after the last day in each calendar month. The electric  
18 utility, municipally owned electric utility, or cooperative  
19 electric utility shall list the low-income energy assistance  
20 funding factor as a separate line item on each customer's bill. **As**  
21 **used in this subsection, "designated amount" means an amount equal**  
22 **to the sum of both of the following:**

23 (a) **The amount appropriated from the general fund in the**  
24 **current fiscal year for home energy assistance.**

25 (b) **The amount determined under subsection (2) for the**  
26 **immediately preceding fiscal year.**

27 (7) An electric utility, municipally owned electric utility,  
28 or cooperative electric utility may elect to not collect a low-  
29 income energy assistance funding factor under this section by

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

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

16 (9) ~~Nothing in this~~ **This** act ~~gives~~ **does not give** the ~~public~~  
17 ~~service~~ commission the power to regulate a municipally owned  
18 electric utility.

19 (10) As used in this section:

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

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

1 per residential site.