

HOUSE BILL No. 6065

April 22, 2010, Introduced by Reps. Constan, Robert Jones, Angerer, Lisa Brown, Kennedy, Scripps, Miller, Bauer, McDowell, Haugh, Warren, Meadows, Nathan and Byrnes 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 section 77 (MCL 460.1077).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 77. (1) Except as provided in section 81 and subject to
2 the sales revenue expenditure limits in section 89, an electric
3 provider's energy optimization programs under this subpart shall
4 collectively achieve the following minimum energy savings:

5 (a) Biennial incremental energy savings in 2008-2009
6 equivalent to ~~0.3%~~ **0.30%** of total annual retail electricity sales
7 in megawatt hours in 2007.

8 (b) Annual incremental energy savings in 2010 equivalent to
9 ~~0.5%~~ **0.50%** of total annual retail electricity sales in megawatt
10 hours in 2009.

11 (c) Annual incremental energy savings in 2011 equivalent to

1 0.75% of total annual retail electricity sales in megawatt hours in
2 2010.

3 (d) Annual incremental energy savings in 2012 ~~, 2013, 2014,~~
4 ~~and 2015 and, subject to section 97,~~ **EQUIVALENT TO 1.00% OF TOTAL**
5 **ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN 2011.**

6 (E) **ANNUAL INCREMENTAL ENERGY SAVINGS IN 2013 EQUIVALENT TO**
7 **1.25% OF THE TOTAL ANNUAL RETAIL ELECTRICITY SALES IN 2012.**

8 (F) **ANNUAL INCREMENTAL ENERGY SAVINGS IN 2014 EQUIVALENT TO**
9 **1.50% OF TOTAL ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN**
10 **2013.**

11 (G) **SUBJECT TO SECTION 97(8), ANNUAL INCREMENTAL ENERGY**
12 **SAVINGS IN 2015 AND** each year thereafter equivalent to ~~1.0%~~ **1.75%**
13 of total annual retail electricity sales in megawatt hours in the
14 preceding year.

15 (2) If an electric provider uses load management to achieve
16 energy savings under its energy optimization plan, the minimum
17 energy savings required under subsection (1) shall be adjusted by
18 an amount such that the ratio of the minimum energy savings to the
19 sum of maximum expenditures under section 89 and the load
20 management expenditures remains constant.

21 (3) A natural gas provider shall meet the following minimum
22 energy optimization standards using energy efficiency programs
23 under this subpart:

24 (a) Biennial incremental energy savings in 2008-2009
25 equivalent to ~~0.1%~~ **0.10%** of total annual retail natural gas sales
26 in decatherms or equivalent MCFs in 2007.

27 (b) Annual incremental energy savings in 2010 equivalent to

1 0.25% of total annual retail natural gas sales in decatherms or
2 equivalent MCFs in 2009.

3 (c) Annual incremental energy savings in 2011 equivalent to
4 ~~0.5%~~ 0.50% of total annual retail natural gas sales in decatherms
5 or equivalent MCFs in 2010.

6 (d) Annual incremental energy savings in 2012, 2013, 2014, and
7 2015 and, subject to section 97, each year thereafter equivalent to
8 0.75% of total annual retail natural gas sales in decatherms or
9 equivalent MCFs in the preceding year.

10 (4) Incremental energy savings under subsection (1) or (3) for
11 the 2008-2009 biennium or any year thereafter shall be determined
12 for a provider by adding the energy savings expected to be achieved
13 during a 1-year period by energy optimization measures implemented
14 during the 2008-2009 biennium or any year thereafter under any
15 energy efficiency programs consistent with the provider's energy
16 efficiency plan.

17 (5) For purposes of calculations under subsection (1) or (3),
18 total annual retail electricity or natural gas sales in a year
19 shall be based on 1 of the following at the option of the provider
20 as specified in its energy optimization plan:

21 (a) The number of weather-normalized megawatt hours or
22 decatherms or equivalent MCFs sold by the provider to retail
23 customers in this state during the year preceding the biennium or
24 year for which incremental energy savings are being calculated.

25 (b) The average number of megawatt hours or decatherms or
26 equivalent MCFs sold by the provider during the 3 years preceding
27 the biennium or year for which incremental energy savings are being

1 calculated.

2 (6) For any year after 2012, an electric provider may
3 substitute renewable energy credits associated with renewable
4 energy generated that year from a renewable energy system
5 constructed after ~~the effective date of this act,~~ **OCTOBER 6, 2008,**
6 advanced cleaner energy credits other than credits from industrial
7 cogeneration using industrial waste energy, load management that
8 reduces overall energy usage, or a combination thereof for energy
9 optimization credits otherwise required to meet the energy
10 optimization performance standard, if the substitution is approved
11 by the commission. The commission shall not approve a substitution
12 unless the commission determines that the substitution is cost-
13 effective and, if the substitution involves advanced cleaner energy
14 credits, that the advanced cleaner energy system provides carbon
15 dioxide emissions benefits. In determining whether the substitution
16 of advanced cleaner energy credits is cost-effective compared to
17 other available energy optimization measures, the commission shall
18 consider the environmental costs related to the advanced cleaner
19 energy system, including the costs of environmental control
20 equipment or greenhouse gas constraints or taxes. The commission's
21 determinations shall be made after a contested case hearing that
22 includes consultation with the department of ~~environmental quality~~
23 **NATURAL RESOURCES AND ENVIRONMENT** on the issue of carbon dioxide
24 emissions benefits, if relevant, and environmental costs.

25 (7) Renewable energy credits, advanced cleaner energy credits,
26 load management that reduces overall energy usage, or a combination
27 thereof shall not be used by a provider to meet more than 10% of

1 the energy optimization standard. Substitutions for energy
2 optimization credits shall be made at the following rates per
3 energy optimization credit:

4 (a) 1 renewable energy credit.

5 (b) 1 advanced cleaner energy credit from plasma arc
6 gasification.

7 (c) 4 advanced cleaner energy credits other than from plasma
8 arc gasification.