

HOUSE BILL No. 6068

April 22, 2010, Introduced by Reps. Bauer, Angerer, Kennedy, Constan, Robert Jones, Lisa Brown, Scripps, Miller, Haugh, Warren, Meadows, McDowell, 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.

1 (c) Annual incremental energy savings in 2011 equivalent to
2 0.75% of total annual retail electricity sales in megawatt hours in
3 2010.

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

7 **(E) ANNUAL INCREMENTAL ENERGY SAVINGS IN 2013 EQUIVALENT TO**
8 **1.25% OF TOTAL ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN**
9 **2012.**

10 **(F) ANNUAL INCREMENTAL ENERGY SAVINGS IN 2014 EQUIVALENT TO**
11 **1.50% OF TOTAL ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN**
12 **2013.**

13 **(G) ANNUAL INCREMENTAL ENERGY SAVINGS IN 2015 EQUIVALENT TO**
14 **1.75% OF TOTAL ANNUAL RETAIL ELECTRICITY SALES IN MEGAWATT HOURS IN**
15 **2014.**

16 **(H) SUBJECT TO SECTION 97(8), ANNUAL INCREMENTAL ENERGY**
17 **SAVINGS IN 2016 AND** each year thereafter equivalent to ~~1.0%~~ **2.00%**
18 of total annual retail electricity sales in megawatt hours in the
19 preceding year.

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

26 (3) A natural gas provider shall meet the following minimum
27 energy optimization standards using energy efficiency programs

1 under this subpart:

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

5 (b) Annual incremental energy savings in 2010 equivalent to
6 0.25% of total annual retail natural gas sales in decatherms or
7 equivalent MCFs in 2009.

8 (c) Annual incremental energy savings in 2011 equivalent to
9 ~~0.5%~~**0.50%** of total annual retail natural gas sales in decatherms
10 or equivalent MCFs in 2010.

11 (d) Annual incremental energy savings in 2012 ~~, 2013, 2014,~~
12 ~~and 2015 and, subject to section 97, EQUIVALENT TO 0.75% OF TOTAL~~
13 **ANNUAL RETAIL NATURAL GAS SALES IN DECATHERMS OR EQUIVALENT MCFS IN**
14 **2011.**

15 **(E) ANNUAL INCREMENTAL ENERGY SAVINGS IN 2013 EQUIVALENT TO**
16 **1.00% OF TOTAL ANNUAL RETAIL NATURAL GAS SALES IN DECATHERMS OR**
17 **EQUIVALENT MCFS IN 2012.**

18 **(F) SUBJECT TO SECTION 97(8), ANNUAL INCREMENTAL ENERGY**
19 **SAVINGS IN 2014 AND** each year thereafter equivalent to ~~0.75%~~**1.25%**
20 of total annual retail natural gas sales in decatherms or
21 equivalent MCFs in the preceding year.

22 (4) Incremental energy savings under subsection (1) or (3) for
23 the 2008-2009 biennium or any year thereafter shall be determined
24 for a provider by adding the energy savings expected to be achieved
25 during a 1-year period by energy optimization measures implemented
26 during the 2008-2009 biennium or any year thereafter under any
27 energy efficiency programs consistent with the provider's energy

1 efficiency plan.

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

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

10 (b) The average number of megawatt hours or decatherms or
11 equivalent MCFs sold by the provider during the 3 years preceding
12 the biennium or year for which incremental energy savings are being
13 calculated.

14 (6) For any year after 2012, an electric provider may
15 substitute renewable energy credits associated with renewable
16 energy generated that year from a renewable energy system
17 constructed after the effective date of this act, advanced cleaner
18 energy credits other than credits from industrial cogeneration
19 using industrial waste energy, load management that reduces overall
20 energy usage, or a combination thereof for energy optimization
21 credits otherwise required to meet the energy optimization
22 performance standard, if the substitution is approved by the
23 commission. The commission shall not approve a substitution unless
24 the commission determines that the substitution is cost-effective
25 and, if the substitution involves advanced cleaner energy credits,
26 that the advanced cleaner energy system provides carbon dioxide
27 emissions benefits. In determining whether the substitution of

1 advanced cleaner energy credits is cost-effective compared to other
2 available energy optimization measures, the commission shall
3 consider the environmental costs related to the advanced cleaner
4 energy system, including the costs of environmental control
5 equipment or greenhouse gas constraints or taxes. The commission's
6 determinations shall be made after a contested case hearing that
7 includes consultation with the department of ~~environmental quality~~
8 **NATURAL RESOURCES AND ENVIRONMENT** on the issue of carbon dioxide
9 emissions benefits, if relevant, and environmental costs.

10 (7) Renewable energy credits, advanced cleaner energy credits,
11 load management that reduces overall energy usage, or a combination
12 thereof shall not be used by a provider to meet more than 10% of
13 the energy optimization standard. Substitutions for energy
14 optimization credits shall be made at the following rates per
15 energy optimization credit:

16 (a) 1 renewable energy credit.

17 (b) 1 advanced cleaner energy credit from plasma arc
18 gasification.

19 (c) 4 advanced cleaner energy credits other than from plasma
20 arc gasification.