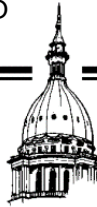




Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

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Senate Bill 284 (as reported without amendment)
Sponsor: Senator Mike Nofs
Committee: Energy and Technology

CONTENT

The bill would amend Public Act 3 of 1939, the Public Service Commission (PSC) law, to do the following:

- Create the "Low-Income Energy Assistance Fund" and require the Department of Human Services to spend money from the Fund, upon appropriation, only as provided in the Michigan Energy Assistance Act.
- Require the PSC to approve an annual low-income energy assistance funding factor (a surcharge) to be included on an electric customer's bill.
- Require an electric utility or municipally owned or cooperative electric utility that collected the factor to remit the money for deposit into the Fund on a monthly basis.
- Limit the amount of the factor collected each fiscal year to \$60.0 million, minus the amount appropriated from the General Fund for home energy assistance and the amount remaining in the Fund from the previous fiscal year.
- Require each utility or association representing a municipally owned or cooperative utility annually to give the PSC the number of retail billing meters it served in Michigan that were subject to the funding factor, if requested by the PSC.

Proposed MCL 460.9t

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would create a restricted fund, the Low-Income Energy Assistance Fund, which would allow the State to appropriate up to \$60.0 million to the Michigan Energy Assistance Program as defined in the Michigan Energy Assistance Act (Public Act 615 of 2012). The amount appropriated to the Fund each year would be subject to variation, however. While the State would be permitted to appropriate other funding – including GF/GP and Federal sources – to the Low-Income Energy Assistance Fund, the primary revenue source would be the consumer fees described above. The Department of Human Services has not yet identified any potential administrative costs that would result from the creation of the Michigan Energy Assistance Program.

Date Completed: 5-1-13

Fiscal Analyst: Frances Carley
Josh Sefton