

HOUSE BILL No. 6069

November 30, 2016, Introduced by Reps. Driskell, Darany and Schor and referred to the Committee on Energy Policy.

A bill to amend 2008 PA 295, entitled
"Clean, renewable, and efficient energy act,"
(MCL 460.1001 to 460.1195) by adding section 135.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 135. (1) AS USED IN THIS SECTION:

2 (A) "DEPARTMENT" MEANS THE DEPARTMENT OF LICENSING AND
3 REGULATORY AFFAIRS.

4 (B) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

5 (C) "FUND" MEANS THE WEATHERIZATION, HEATING, AND ENERGY
6 EFFICIENCY LOANS FOR SCHOOLS FUND CREATED IN SUBSECTION (2).

7 (D) "SCHOOL DISTRICT" MEANS ANY OF THE FOLLOWING:

8 (i) A SCHOOL DISTRICT AS DEFINED IN SECTION 6 OF THE REVISED
9 SCHOOL CODE, 1976 PA 451, MCL 380.6.

10 (ii) AN INTERMEDIATE SCHOOL DISTRICT AS DEFINED IN SECTION 4
11 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.4.

1 (iii) A PUBLIC SCHOOL ACADEMY AS DEFINED IN SECTION 5 OF THE
2 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.5.

3 (2) THE WEATHERIZATION, HEATING, AND ENERGY EFFICIENCY LOANS
4 FOR SCHOOLS FUND IS CREATED WITHIN THE STATE TREASURY. THE STATE
5 TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM ANY SOURCE FOR
6 DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL DIRECT THE
7 INVESTMENT OF THE FUND. SUBJECT TO APPROVAL BY THE DIRECTOR, A
8 LOCAL UNIT OF GOVERNMENT, PUBLIC UTILITY, OR OTHER LEGALLY
9 ORGANIZED ENTITY MAY PROVIDE MONEY FOR DEPOSIT IN THE FUND WITH A
10 RESTRICTION LIMITING THE CONTRIBUTION FOR USE WITHIN A LIMITED
11 GEOGRAPHICAL AREA OF THIS STATE. THE STATE TREASURER SHALL CREDIT
12 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS. MONEY IN
13 THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL REMAIN IN THE FUND
14 AND SHALL NOT LAPSE TO THE GENERAL FUND. THE DEPARTMENT SHALL BE
15 THE ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.

16 (3) THE DEPARTMENT SHALL EXPEND MONEY FROM THE FUND, UPON
17 APPROPRIATION, ONLY FOR THE FOLLOWING PROJECTS:

18 (A) GRANTS OR LOANS TO SCHOOL DISTRICTS FOR WEATHERIZING,
19 UPGRADING, AND RETROFITTING OF ELEMENTARY AND SECONDARY SCHOOLS TO
20 IMPROVE ENERGY EFFICIENCY, DECREASE FUEL COSTS, INCREASE USE OF
21 ALTERNATIVE FUELS, OR DECREASE EMISSIONS OF AIR POLLUTANTS.

22 (B) GRANTS OR LOANS TO SCHOOL DISTRICTS FOR RETROFITTING
23 SCHOOL BUSES TO OPERATE ON COMPRESSED NATURAL GAS OR OTHER
24 ALTERNATIVE FUELS OR TO OPERATE WITH HIGH-EFFICIENCY TYPES OF
25 ENGINES SUCH AS HYBRID ELECTRIC ENGINES.

26 (C) GRANTS OR LOANS TO SCHOOL DISTRICTS FOR REPLACING SCHOOL
27 BUSES WITH SCHOOL BUSES THAT OPERATE ON COMPRESSED NATURAL GAS OR

1 OTHER ALTERNATIVE FUELS OR THAT OPERATE WITH HIGH-EFFICIENCY
2 ENGINES SUCH AS HYBRID ELECTRIC ENGINES.

3 (D) REDUCING THE LOAN REPAYMENT BURDEN OF A SCHOOL DISTRICT
4 WITH AN OUTSTANDING LOAN ON THE EFFECTIVE DATE OF THE AMENDATORY
5 ACT THAT ADDED THIS SECTION THAT WAS OBTAINED FOR 1 OR MORE OF THE
6 PURPOSES DESCRIBED IN SUBDIVISIONS (A) TO (C).

7 (E) REDUCING THE LOAN REPAYMENT BURDEN OF A SCHOOL DISTRICT
8 FINANCING A PROJECT USING THE FUND.

9 (F) CREATING FINANCIAL INCENTIVES FOR SCHOOL DISTRICTS TO
10 UNDERTAKE ENERGY EFFICIENCY, RENEWABLE ENERGY, AND ENERGY
11 CONSERVATION PROJECTS THAT MAY NOT RESULT IN SIGNIFICANT ENERGY
12 COST SAVINGS.

13 (G) PAYING THE EXPENSES OF ADMINISTERING THE FUND OR THE
14 PROGRAM UNDER THIS SECTION THAT ARE INCURRED BY ANY STATE
15 DEPARTMENT OR AGENCY.

16 (4) A LOAN UNDER SUBSECTION (3) (A) TO (C) SHALL BE REPAYED IN
17 AMOUNTS THAT ANNUALLY DO NOT EXCEED THE ANNUAL ENERGY OR OTHER COST
18 SAVINGS REALIZED BY A SCHOOL DISTRICT AS A RESULT OF THE PROJECT
19 FINANCED BY THE LOAN.

20 (5) BY JUNE 1, 2017, THE DEPARTMENT SHALL DEVELOP AN
21 APPLICATION PROCESS FOR A SCHOOL DISTRICT TO FOLLOW WHEN REQUESTING
22 FINANCING FROM THE FUND, INCLUDING SUBMISSION OF AN APPLICATION
23 FORM AND A PLAN TO MONITOR AND VERIFY ENERGY COST SAVINGS RESULTING
24 FROM THE PROJECT.

25 (6) THE DIRECTOR SHALL MAKE A DECISION ON AN APPLICATION AFTER
26 CONSIDERING AT LEAST ALL OF THE FOLLOWING FACTORS:

27 (A) THE COMPREHENSIVENESS OF THE PROJECT AND WHETHER IT IS

1 DESIGNED TO ATTAIN COMPLIANCE WITH STATE FIRE OR SAFETY CODES.

2 (B) THE USE OF MATCHING FUNDS FROM OTHER GOVERNMENTAL OR
3 PRIVATE SOURCES.

4 (C) THE NEED FOR THE PROJECT, INCLUDING THE NEED OF THE
5 APPLICANT TO REDUCE ENERGY COSTS.

6 (D) THE COST SAVINGS EXPECTED TO BE REALIZED FROM THE PROJECT.

7 (E) THE APPLICANT'S PLAN TO MONITOR AND VERIFY ENERGY COST
8 SAVINGS FROM THE PROJECT.

9 (F) THE EXPECTED REPAYMENT PERIOD OF ANY FINANCING REQUIRED
10 FOR THE PROJECT.

11 (G) THE SOLVENCY OF THE APPLICANT AND, IF THE APPLICANT HAS
12 APPLIED FOR A LOAN FROM THE FUND, THE APPLICANT'S ABILITY TO REPAY
13 THE LOAN.

14 (H) THE APPLICANT'S PREVIOUS SUCCESS COMPLETING PROJECTS
15 FINANCED BY THE FUND AND REPAYING LOANS FROM THE FUND.

16 (I) THE NUMBER AND DURATION OF JOBS LIKELY TO BE CREATED AS A
17 RESULT OF THE PROJECT.

18 (J) WHETHER MONEY SUBJECT TO GEOGRAPHICAL USE RESTRICTIONS
19 UNDER SUBSECTION (2) IS AVAILABLE FROM THE FUND FOR THE PROJECT.

20 (7) BY DECEMBER 1, 2017 AND EACH YEAR THEREAFTER, THE DIRECTOR
21 SHALL SUBMIT TO THE LEGISLATURE A REPORT ON ALL OF THE FOLLOWING:

22 (A) FOR EACH PROJECT FINANCED WITH AN EXPENDITURE FROM THE
23 FUND IN THE PRIOR STATE FISCAL YEAR, A DESCRIPTION OF THE PROJECT,
24 THE AMOUNT EXPENDED, WHETHER THE EXPENDITURE WAS A GRANT OR A LOAN,
25 AND THE RECIPIENT OF THE EXPENDITURES.

26 (B) THE TOTAL AMOUNT EXPENDED FROM THE FUND IN THE PRIOR STATE
27 FISCAL YEAR AND SINCE THE CREATION OF THE FUND.

1 (C) FOR EACH PROJECT FINANCED WITH A LOAN FROM THE FUND BEFORE
2 THE PRIOR STATE FISCAL YEAR AND FOR WHICH THE LOAN HAS NOT YET BEEN
3 FULLY REPAID, A DESCRIPTION OF THE PROJECT, THE AMOUNT DUE ON THE
4 LOAN, AND THE RECIPIENT OF THE LOAN.

5 Enacting section 1. This amendatory act takes effect 90 days
6 after the date it is enacted into law.