

SENATE RESOLUTION NO.142

Senator Lauwers offered the following resolution:

1 A resolution to encourage the Michigan Public Service
2 Commission to undertake a study into alternative and innovative
3 rate design options for Michigan's electric customers.

4 Whereas, Energy customers are adopting new and evolving
5 technologies including customer-owned generation, energy storage,
6 electric vehicles, and customer energy management capabilities; and

7 Whereas, The adoption of these technologies changes the way an
8 energy customer utilizes the grid; and

9 Whereas, The increasing adoption of these technologies can be
10 expected to result in widespread changes to the use of the grid by
11 utility customers; and

12 Whereas, Changes in customer utilization of the grid may
13 result in cost shifts relative to a customer's use of the grid

1 which are not fully accounted for in traditional cost of service
2 ratemaking models; and

3 Whereas, The traditional ratemaking process, which requires a
4 contested case proceeding that must be concluded within ten months
5 from the date of filing, is not conducive to fully investigating
6 these issues in a collaborative way; and

7 Whereas, Consideration of these issues can best be done
8 through collaborative discussions and review outside of time-
9 limited rate case proceedings; and

10 Whereas, The development of policies governing the adoption,
11 implementation, use, and regulation of these technologies will
12 benefit from currently unavailable information regarding the costs
13 and benefits to utilities and their customers of the widespread
14 adoption of these technologies; now, therefore, be it

15 Resolved by the Senate, That we encourage the Michigan Public
16 Service Commission to undertake a study on rate designs and
17 options, including fixed system access and demand charges and rate
18 design options that will account for the changing customer use of
19 the grid due to the adoption of new energy technologies; and be it
20 further

21 Resolved, That the study should evaluate options based on
22 factors including, but not limited to, customer charges, fixed
23 charges, demand charges, time of use rates, standby charges, system
24 access charges, and other regulatory mechanisms to provide
25 equitable recovery of utility revenue requirements from customers
26 adopting new energy technologies and address concerns regarding
27 cross-subsidy issues; and be it further

28 Resolved, That electric utilities and other stakeholders are
29 encouraged to engage in this study; and be it further

1 Resolved, That we request the results of the study be
2 available by October 31, 2021.

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