

CLEAN AND RENEWABLE ENERGY AND ENERGY WASTE REDUCTION ACT (EXCERPT)
Act 295 of 2008

460.1029 Renewable energy system location; applicability; use of renewable energy credits.

Sec. 29.

(1) Subject to subsections (2) to (4), a renewable energy system that is the source of renewable energy credits used to satisfy the renewable energy standards shall be located as described in either of the following:

(a) Anywhere in this state.

(b) Outside of this state, but only if the electric provider includes the capacity from the renewable energy system toward meeting its resource adequacy obligations to the applicable regional transmission organization.

(2) Subsection (1) does not require an electric provider to procure firm transmission rights to ensure deliverability to the resource adequacy zone where the load is served.

(3) Subsection (1) does not apply if electricity generated from the renewable energy system is sold by a not-for-profit entity located in Indiana, Ohio, or Wisconsin to a municipally owned electric utility in this state or cooperative electric utility in this state, and the electricity is not being used to meet another state's standard for renewable energy.

(4) Renewable energy credits produced in the continental United States and owned by a customer of an electric provider may be utilized by the electric provider to meet the renewable energy credit standard if the electric customer chooses to report renewable energy credits to its electric provider as attributable to the customer's electric load. Any renewable energy credits reported by an electric customer for use by its electric provider shall be applied to the electric customer's proportional share of a renewable energy credit portfolio requirement for the year in which renewable energy credits are used to comply with the renewable energy credit standard. On an annual basis, not later than December 1, the electric customer shall provide the electric provider with an update on its 5-year forecast and notify the electric provider of the expected amount of renewable energy credits to be used toward compliance in the coming year. If the projected amount of renewable energy credits available for compliance will be less than what the electric customer projected in its 5-year forecast, then the electric customer shall notify the electric provider at least 5 years before the compliance year in which a projected reduction in renewable energy credits will occur. If the electric provider's rates are regulated by the commission and the electric provider uses the reported renewable energy credits to comply with the renewable energy credit portfolio standard, the electric provider shall grant the customer an appropriate cost-based rate credit against the cost of compliance under section 47. As used in this subsection, "customer of an electric provider" or "customer" means any of the following:

(a) A customer taking service under a rate approved by the commission under section 10gg of 1939 PA 3, MCL 460.10gg.

(b) A customer whose manufacturing complex is described in section 10a(4)(c) of 1939 PA 3, MCL 460.10a, and that takes service for a portion of its load from an alternative electric supplier licensed under section 10a of 1939 PA 3, MCL 460.10a, on the effective date of the amendatory act that added section 51.

(c) A customer of a municipally owned electric utility on the effective date of the amendatory act that added this subsection if the customer represents at least 25% of the municipally owned electric utility's peak load.

(5) Renewable energy credits that qualify under subsection (1) and are owned by members of a public body corporate established under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, on or before December 1, 2022, if those members are part of Michigan's educational community and take service from an alternative electric supplier licensed under section 10a of 1939 PA 3, MCL 460.10a, may be utilized by the members' electric provider to meet the renewable energy credit standards if the members choose to report renewable energy credits to the electric provider as attributable to the electric load of members of the cooperative. Any renewable energy credits reported by a member of the cooperative for use by a provider to the members of the cooperative shall be applied to the member's proportional share of a renewable energy credit portfolio requirement for the year in which renewable energy credits are used to comply with the renewable energy credit standard.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008 ;-- Am. 2016, Act 342, Eff. Apr. 20, 2017 ;-- Am. 2023, Act 235, Eff. Feb. 27, 2024

Compiler's Notes: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."