

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

***** 460.1101.added THIS ADDED SECTION IS EFFECTIVE FEBRUARY 27, 2024 *****

460.1101.added Statewide energy storage target; compliance; contracts; review and approval; long-term energy storage systems and multiday energy storage systems study; placed in service; definitions.

Sec. 101. (1) By December 31, 2029, each electric provider whose rates are regulated by the commission shall petition the commission for any necessary approvals, and each alternative electric supplier shall submit a plan to the commission, to construct or acquire eligible energy storage systems or enter into eligible energy storage contracts to meet its share of a statewide energy storage target of a combined capacity of at least 2,500 megawatts. An electric provider's share of the statewide energy storage target shall be apportioned based on the electric provider's annual average contribution to in-state retail electric peak load for the 5-year period immediately preceding the filing of the electric provider's plan under this subsection.

(2) An electric provider whose rates are regulated by the commission shall demonstrate compliance with its plan under subsection (1) as part of the electric provider's integrated resource plan filed under section 6t of 1939 PA 3, MCL 460.6t. An alternative electric supplier shall demonstrate compliance with its plan under subsection (1) in the demonstration required under section 6w(8)(b) of 1939 PA 3, MCL 460.6w.

(3) An alternative electric supplier may contract with an electric provider whose rates are regulated by the commission to construct the eligible energy storage systems necessary to fulfil the alternative electric supplier's portion of the statewide energy storage target that is attributable to the alternative electric supplier's load within the service territory of the electric provider whose rates are regulated by the commission. An eligible energy storage contract under this subsection shall be filed with the commission. The contract prices may not exceed the cost plus the applicable rate of return for the electric provider whose rates are regulated by the commission.

(4) An electric provider whose rates are regulated by the commission shall submit to the commission for review and approval eligible energy storage contracts entered into to meet its share of the statewide storage target under subsection (1). If the commission approves an eligible energy storage contract, the commission shall authorize the electric provider to recover the costs of the contract in the electric provider's base rates. An electric provider whose rates are regulated by the commission shall conduct a competitive bidding process before entering an eligible energy storage contract to meet its share of the statewide target under subsection (1).

(5) An electric provider whose rates are regulated by the commission qualifies for a financial incentive under section 28(8) for an eligible energy storage contract.

(6) This act does not limit the amount of energy storage capacity an electric provider may procure.

(7) Within 1 year after the effective date of the amendatory act that added this section, the commission shall complete a study on long-term energy storage systems and multiday energy storage systems.

(8) For purposes of this subsection, an energy storage system must have been placed in service on or after the effective date of the amendatory act that added this section.

(9) As used in this section:

(a) "Eligible energy storage contract" means a contract to construct, acquire, or use the services of an eligible energy storage system.

(b) "Eligible energy storage system" means an energy storage system that is located within the local resource zone or the locational deliverability area, as defined by the appropriate independent system operator or regional transmission organization, in which the electric provider is subject to capacity demonstration obligations pursuant to section 6w(8)(b) of 1939 PA 3, MCL 460.6w.

History: Add. 2023, Act 235, Eff. Feb. 27, 2024.