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BILL ANALYSIS

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Senate Bill 787 (as introduced 9-19-07)
Sponsor: Senator Bruce Patterson
Committee: Energy Policy and Public Utilities

Date Completed: 9-20-07

CONTENT

The bill would amend the Customer Choice and Electricity Reliability Act to eliminate a December 31, 2003, sunset on provisions setting forth the Act's purpose, and require the Public Service Commission (PSC) to include in its annual report the progress made in achieving the specified goals.

The Act states that its purpose is to do all of the following:

- Ensure that all Michigan electric power retail customers have a choice of electric suppliers.
- Allow and encourage the PSC to foster competition in Michigan in the provision of electric supply and maintain regulation of electric supply for customers who continue to choose supply from incumbent electric utilities.
- Encourage the development and construction of merchant plants that will diversify the ownership of electric generation in Michigan.
- Ensure that all people in the State are afforded safe, reliable electric power at a reasonable rate.
- Improve the opportunities for economic development in Michigan and promote financially healthy and competitive utilities in Michigan.

The bill would eliminate a provision under which the stated purpose does not apply after December 31, 2003.

The Act requires the PSC to file with the Governor and Legislature an annual report that includes all of the following:

- The status of competition for supplying electricity in this State.
- Recommendations for legislation, if any.
- Actions taken by the PSC to implement measures necessary to protect consumers from unfair or deceptive business practices by utilities, alternative electric suppliers, and other market participants.
- Information regarding consumer education programs, approved by the PSC, to inform consumers of all relevant information regarding the purchase of electricity and related services from alternative electric suppliers.

Under the bill, the report also would have to include the progress made in achieving the stated goals of the Act.

FISCAL IMPACT

Any costs associated with expanding the PSC's annual report to include progress made would be covered with existing revenue.

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