

# HOUSE BILL NO. 4716

April 27, 2021, Introduced by Reps. Hoitenga, Hood, Hope, LaGrand, Kuppa, Pohutsky, Rabhi, Aiyash, Hammoud, Hertel, Neeley, Cynthia Johnson, Young, Steckloff, Tyrone Carter, Ellison, Peterson, Stone, Cambensy, Weiss, Wozniak, Outman, Bolden, Bezotte, Whitsett, Markkanen, Steven Johnson, Sowerby, Meerman and Yancey and referred to the Committee on Energy.

A bill to amend 2008 PA 295, entitled  
"Clean and renewable energy and energy waste reduction act,"  
by amending section 5 (MCL 460.1005), as amended by 2016 PA 342,  
and by adding part 8.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1       Sec. 5. As used in this act:
- 2       (a) "Electric provider" means any of the following:
- 3       (i) Any person or entity that is regulated by the commission
- 4 for the purpose of selling electricity to retail customers in this

1 state.

2 (ii) A municipally owned electric utility in this state.

3 (iii) A cooperative electric utility in this state.

4 (iv) Except as used in subpart C of part 2 **and in part 8**, an  
5 alternative electric supplier licensed under section 10a of 1939 PA  
6 3, MCL 460.10a.

7 (b) "Eligible electric generator" means a methane digester or  
8 renewable energy system with a generation capacity limited to the  
9 customer's electric need and that does not exceed the following:

10 (i) For a renewable energy system, 150 kilowatts of aggregate  
11 generation at a single site.

12 (ii) For a methane digester, 550 kilowatts of aggregate  
13 generation at a single site.

14 (c) "Energy conservation" means the reduction of customer  
15 energy use through the installation of measures or changes in  
16 energy usage behavior.

17 (d) "Energy efficiency" means a decrease in customer  
18 consumption of electricity or natural gas achieved through measures  
19 or programs that target customer behavior, equipment, devices, or  
20 materials without reducing the quality of energy services.

21 (e) "Energy star" means the voluntary partnership among the  
22 United States Department of Energy, the United States Environmental  
23 Protection Agency, product manufacturers, local utilities, and  
24 retailers to help promote energy efficient products by labeling  
25 with the energy star logo, **to** educate consumers about the benefits  
26 of energy efficiency, and **to** help promote energy efficiency in  
27 buildings by benchmarking and rating energy performance.

28 (f) "Energy waste reduction", subject to subdivision (g),  
29 means all of the following:

1 (i) Energy efficiency.

2 (ii) Load management, to the extent that the load management  
3 reduces provider costs.

4 (iii) Energy conservation, but only to the extent that the  
5 decreases in the consumption of electricity produced by energy  
6 conservation are objectively measurable and attributable to an  
7 energy waste reduction plan.

8 (g) Energy waste reduction does not include electric provider  
9 infrastructure projects that are approved for cost recovery by the  
10 commission other than as provided in this act.

11 (h) "Energy waste reduction credit" means a credit certified  
12 pursuant to section 87 that represents achieved energy waste  
13 reduction.

14 (i) "Energy waste reduction plan" means a plan under section  
15 71.

16 (j) "Energy waste reduction standard" means the minimum energy  
17 savings required to be achieved under section 77 or 78(1), as  
18 applicable.

19 (k) "Federal approval" means approval by the applicable  
20 regional transmission organization or other Federal Energy  
21 Regulatory Commission-approved transmission planning process of a  
22 transmission project that includes the transmission line. Federal  
23 approval may be evidenced in any of the following manners:

24 (i) The proposed transmission line is part of a transmission  
25 project included in the applicable regional transmission  
26 organization's board-approved transmission expansion plan.

27 (ii) The applicable regional transmission organization has  
28 informed the electric utility, affiliated transmission company, or  
29 independent transmission company that a transmission project

1 submitted for an out-of-cycle project review has been approved by  
 2 the applicable regional transmission organization, and the approved  
 3 transmission project includes the proposed transmission line.

4 (iii) If, after October 6, 2008, the applicable regional  
 5 transmission organization utilizes another approval process for  
 6 transmission projects proposed by an electric utility, affiliated  
 7 transmission company, or independent transmission company, the  
 8 proposed transmission line is included in a transmission project  
 9 approved by the applicable regional transmission organization  
 10 through the approval process developed after October 6, 2008.

11 (iv) Any other Federal Energy Regulatory Commission-approved  
 12 transmission planning process for a transmission project.

#### 13 PART 8.

#### 14 COMMUNITY SOLAR FACILITIES

15 Sec. 231. (1) As used in this part:

16 (a) "Applicable bill credit rate" means the dollar-per-  
 17 kilowatt-hour rate established by the commission under section  
 18 235(2) to calculate a subscriber's bill credit.

19 (b) "Bill credit" means the monetary value of the electricity  
 20 in kilowatt-hours generated by the community solar facility  
 21 allocated to a subscriber to offset that subscriber's electricity  
 22 bill.

23 (c) "Community solar facility" means a facility, which may be  
 24 located on 1 or more parcels of land, that meets all of the  
 25 following requirements:

26 (i) Generates electricity by means of a solar photovoltaic  
 27 device.

28 (ii) Produces for each subscriber a bill credit for the  
 29 electricity generated in proportion to the size of the subscriber's

1 subscription.

2 (iii) Is connected to the electric distribution grid serving  
3 this state.

4 (iv) Has at least 3 subscribers.

5 (v) For the purpose of initial program qualifications, does  
6 not have a point of interconnection located within 1 mile of the  
7 point of interconnection of a solar facility under the control of  
8 the same entity.

9 (vi) Has no subscriber that holds more than a 40% proportional  
10 interest in the output of the system.

11 (vii) Beginning 1 year after commencing operation, has not less  
12 than 60% of its capacity subscribed by subscriptions of 40  
13 kilowatts or less.

14 (viii) Has a capacity of not greater than 5 megawatts.

15 (d) "Control" means the possession, directly or indirectly, of  
16 the power to direct the management and policies of an entity,  
17 whether through the ownership of voting securities, by contract, or  
18 otherwise. Control exists when affiliates have shared sales or  
19 revenue-sharing arrangements or common debt and equity financing  
20 arrangements, but control is not limited to such situations.

21 (e) "Low-income household" means a household with an income of  
22 not more than 80% of the area median household income based on U.S.  
23 Department of Housing and Urban Development guidelines.

24 (f) "Low-income service organization" means an organization  
25 whose primary function is to provide services or assistance to  
26 individuals in low income households.

27 (g) "Nonministerial permits" means governmental permits and  
28 approvals to construct the project, other than ministerial permits  
29 such as a building permit.

1 (h) "Subscriber" means a retail electric customer of an  
2 electric provider that meets all of the following requirements:

3 (i) The subscriber owns 1 or more subscriptions to a community  
4 solar facility interconnected with and located in the service  
5 territory of the electric provider.

6 (ii) The subscriber's property to the electric bill of which  
7 the bill credits are applied is located in the same service  
8 territory described in subparagraph (i).

9 (i) "Subscriber organization" means a for-profit or nonprofit  
10 entity that owns or operates 1 or more community solar facilities.

11 (j) "Subscription" means a contract between a subscriber and  
12 the owner of a community solar facility under which the estimated  
13 bill credits of the subscriber do not exceed the average annual  
14 bill for the customer account to which the subscription is  
15 attributed.

16 Sec. 233. (1) An electric provider shall apply a bill credit  
17 to a subscriber's monthly electric bill for the output of a  
18 community solar facility during the immediately preceding month  
19 attributable to that subscriber. The value of the bill credit shall  
20 be calculated by multiplying the subscriber's portion of the  
21 kilowatt-hour electricity production from the community solar  
22 facility by the applicable bill credit rate for the subscriber. Any  
23 amount of the bill credit that exceeds the subscriber's monthly  
24 bill shall be carried over and applied to the next monthly bill as  
25 many times as necessary until the entire credit has been applied.

26 (2) An electric provider shall provide bill credits to each of  
27 a community solar facility's subscribers for electricity generated  
28 by the community solar facility for not less than 25 years from the  
29 date the community solar facility begins commercial operation. When

1 an electric provider files tariffs with the commission, the  
2 electric provider shall include options in the tariffs that allow a  
3 subscriber to receive bill credits for the subscriber's electricity  
4 bills.

5 (3) A subscriber organization shall provide a subscriber list  
6 to the electric provider in whose service territory the subscriber  
7 organization's community solar facility is located. The subscriber  
8 list shall be in a standardized electronic format and specify the  
9 percentage of the community solar facility's generation  
10 attributable to each subscriber. The subscriber organization shall  
11 update the subscriber list by removing subscribers that cancel  
12 their subscriptions and adding new subscribers.

13 (4) An electric provider shall, on a monthly basis and in a  
14 standardized electronic format, provide to a subscriber  
15 organization that has a community solar facility within the  
16 electric provider's service territory a report that specifies both  
17 of the following:

18 (a) The total value of bill credits generated by the  
19 subscriber organization's community solar facility in the prior  
20 month.

21 (b) The amount of the bill credit applied under subsection (1)  
22 to each subscriber.

23 (5) A subscriber organization may accumulate bill credits if  
24 all of the electricity generated by a community solar facility is  
25 not allocated to subscribers in a given month. On an annual basis,  
26 the subscriber organization shall provide to the electric provider  
27 whose service territory includes the location of the subscriber  
28 organization's community solar facility instructions for  
29 distributing excess bill credits to subscribers.

1           (6) Any renewable energy credits granted for electricity  
2 generated by a community solar facility are the property of the  
3 subscriber organization that owns or operates the community solar  
4 facility. The subscriber organization may sell, accumulate, retire,  
5 or distribute to subscribers the subscriber organization's  
6 renewable energy credits.

7           Enacting section 1. This amendatory act does not take effect  
8 unless Senate Bill No.\_\_\_\_ or House Bill No.4715 (request no.  
9 01665'21) of the 101st Legislature is enacted into law.