

HOUSE BILL NO. 4840

June 22, 2023, Introduced by Reps. McKinney, Hill, Byrnes, Morgan, Price, Wilson, Hood, Brabec, Paiz, MacDonell, Glanville, McFall, Pohutsky, Churches, Arbit, Young, Steckloff, Andrews, Hope, Tsernoglou and Whitsett and referred to the Committee on Energy, Communications, and Technology.

A bill to amend 2008 PA 295, entitled
"Clean and renewable energy and energy waste reduction act,"
(MCL 460.1001 to 460.1211) by adding part 8.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **PART 8.**
2 **DISTRIBUTED GENERATION AND STORAGE**
3 **Sec. 231. As used in this part:**
4 **(a) "Behind-the-meter eligible electric generator" means an**
5 **eligible electric generator that is connected to the customer's**

1 electrical load and located on the customer side of the customer's
2 electric meter.

3 (b) "Behind-the-meter energy storage system" means an energy
4 storage system that is connected to the customer's electrical load
5 and located on the customer side of the customer's electric meter.

6 (c) "Eligible electric generator" means a customer's renewable
7 energy system, cogeneration facility, or waste heat recovery
8 system, which may be coupled to or colocated with an energy storage
9 system, that meets both of the following requirements:

10 (i) Is located in this state.

11 (ii) Has a generation capacity that is consistent with the
12 safety and reliability requirements of the customer's
13 interconnection.

14 (d) "Energy storage system" means any technology that is
15 capable of absorbing energy, storing the energy for a period of
16 time, and then redelivering the energy. Energy storage system does
17 not include either of the following:

18 (i) Fossil fuel storage.

19 (ii) Power-to-gas storage that directly uses fossil fuel
20 inputs.

21 (e) "Income-qualified customer" means a customer who meets any
22 of the following requirements:

23 (i) Attests that his or her household income does not exceed
24 200% of the federal poverty level, as published by the United
25 States Department of Health and Human Services, and resides in a
26 qualified census tract designated by the United States Department
27 of Housing and Urban Development.

28 (ii) Is enrolled in any federal, state, or local program with
29 an income eligibility requirement reasonably similar to 200% of the

1 federal poverty level, including, but not limited to, any of the
2 following:

3 (A) Assistance from a state emergency relief program.

4 (B) The food assistance program administered under the social
5 welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

6 (C) Medicaid, the medical assistance program established and
7 administered by this state under section 105 of the social welfare
8 act, 1939 PA 280, MCL 400.105.

9 Sec. 232. (1) Within 60 days of the effective date of this
10 section, each electric provider whose rates are regulated by the
11 commission shall file with the commission a tariff that does all of
12 the following:

13 (a) Provides a customer that installs a behind-the-meter
14 eligible electric generator a rebate of \$500.00 per kilowatt of
15 nameplate capacity. However, for an income-qualified customer, the
16 rebate shall be \$1,000.00 per kilowatt of nameplate capacity.

17 (b) Provides a customer that installs a behind-the-meter
18 energy storage system a rebate of \$300.00 per kilowatt-hour of
19 nameplate capacity. However, for an income-qualified customer, the
20 rebate shall be \$600.00 per kilowatt-hour of nameplate capacity.
21 The rebate under this subdivision is in addition to a rebate under
22 subdivision (a), if applicable.

23 (c) Prohibits ownership or control of or direct access to a
24 behind-the-meter eligible electric generator or behind-the-meter
25 energy storage system by the electric provider.

26 (2) A tariff under this section may provide for implementation
27 of the tariff program by a third party.

28 (3) Any reasonable costs associated with an initial tariff
29 under subsection (1) are subject to deferred accounting until the

1 electric provider files a general rate case. In the rate case, the
2 electric provider may seek cost recovery with the costs apportioned
3 to ratepayers using a methodology approved by the commission.

4 (4) In an expedited contested case process, the commission
5 shall approve each initial proposed tariff under subsection (1),
6 with or without modification, within 180 days after the proposed
7 tariff is filed.

8 (5) A tariff under this section may be updated in subsequent
9 general rate cases, subject to subsections (1)(a) to (c) and (2).
10 The commission shall approve each proposed updated tariff with or
11 without modification.