

INITIATION OF LEGISLATION

A petition to initiate legislation to amend the Clean and Renewable Energy and Energy Waste Reduction Act, 2008 PA 295, as amended by 2016 PA 342, by amending sections 11, 28, 39, and 45 (MCL 460.1011, MCL 460.1028, MCL 460.1039, and MCL 460.1045), and by adding section 212, to increase the renewable energy standard for electric providers to 30% by 2030, with the renewable energy standard increasing incrementally, starting with 18% by 2022, 21% by 2024, 24% by 2026, 27% by 2028 and 30% by 2030; define renewable energy as solar, wind, biomass, hydropower, and municipal solid waste or landfill gas, and not pet coke, hazardous waste, scrap tires, or coal waste; and allow an electric provider to recover the cost of compliance, but the amount an electric provider can charge shall not exceed an average of \$2 per month per residential customer. If not enacted by the Michigan Legislature in accordance with the Michigan Constitution of 1963, the proposal is to be voted on at the November 6, 2018 general election.

FOR THE FULL TEXT OF THE PROPOSED LEGISLATION SEE THE REVERSE SIDE OF THIS PETITION.

We, the undersigned qualified and registered electors, residents in the county of _____, State of Michigan, respectively petition for initiation of legislation.

WARNING—A person who knowingly signs this petition more than once, signs a name other than his or her own, signs when not a qualified and registered elector, or sets opposite his or her signature on a petition, a date other than the actual date the signature was affixed, is violating the provisions of the Michigan election law.

INDICATE CITY OR TOWNSHIP IN WHICH REGISTERED TO VOTE	SIGNATURE	PRINTED NAME	STREET ADDRESS OR RURAL ROUTE	ZIP CODE	DATE OF SIGNING		
					MO	DAY	YEAR
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	1.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	2.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	3.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	4.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	5.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	6.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	7.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	8.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	9.						
CITY OF <input type="checkbox"/> TOWNSHIP OF <input type="checkbox"/>	10.						

SAMPLE

CERTIFICATE OF CIRCULATOR

The undersigned circulator of the above petition asserts that he or she is 18 years of age or older and a United States citizen; that each signature on the petition was signed in his or her presence; that he or she has neither caused nor permitted a person to sign the petition more than once and has no knowledge of a person signing the petition more than once; and that, to his or her best knowledge and belief, each signature is the genuine signature of the person purporting to sign the petition, the person signing the petition was at the time of signing a registered elector of the city or township indicated preceding the signature, and the elector was qualified to sign the petition.

If the circulator is not a resident of Michigan, the circulator shall make a cross or check mark in the box provided, otherwise each signature on this petition sheet is invalid and the signatures will not be counted by a filing official. By making a cross or check mark in the box provided, the undersigned circulator asserts that he or she is not a resident of Michigan and agrees to accept the jurisdiction of this state for the purpose of any legal proceeding or hearing that concerns a petition sheet executed by the circulator and agrees that legal process served on the secretary of state or a designated agent of the secretary of state has the same effect as if personally served on the circulator.

WARNING—A circulator knowingly making a false statement in the above certificate, a person not a circulator who signs as a circulator, or a person who signs a name other than his or her own as circulator is guilty of a misdemeanor.

CIRCULATOR—Do not sign or date certificate until after circulating petition.

_____/_____/_____
Signature of Circulator Date

Printed Name of Circulator

Complete Residence Address (Street and Number or Rural Route) Do not enter a post office box

City or Township, State, Zip Code

County of Registration, if Registered to Vote, of a Circulator Who is not a Resident of Michigan



INITIATION OF LEGISLATION

An initiation of legislation to amend the Clean and Renewable Energy and Energy Waste Reduction Act, 2008 PA 295, as amended by 2016 PA 342, entitled, "An act to require certain providers of electric service to establish and recover costs for renewable energy programs; to require certain providers of electric or natural gas service to establish energy waste reduction programs; to authorize the use of certain energy systems to meet the requirements of those programs; to provide for the approval of energy waste reduction service companies; to reduce energy waste by state agencies and the public; to create a wind energy resource zone board and provide for its power and duties; to authorize the creation and implementation of wind energy resource zones; to provide for expedited transmission line siting certificates; to provide for customer generation and net metering programs and the responsibilities of certain providers of electric service and customers with respect to customer generation and net metering; to provide for fees; to prescribe the powers and duties of certain state agencies and officials; to require the promulgation of rules and the issuance of orders; to authorize the establishment of residential energy improvement programs by providers of electric or natural gas service; and to provide for civil sanctions, remedies, and penalties," by amending sections 11, 28, 39, and 45 (MCL 460.1011, MCL 460.1028, MCL 460.1039, and MCL 460.1045), and by adding section 212.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 11. As used in this act:

- (a) "Renewable energy" means electricity or steam generated using a renewable energy system.
- (b) "Renewable energy contract" means a contract to acquire renewable energy and the associated renewable energy credits from 1 or more renewable energy systems.
- (c) "Renewable energy credit" means a credit granted under a certification and tracking program established under section 41, which represents generated renewable energy.
- (d) "Renewable energy credit portfolio" means the sum of the renewable energy credits achieved by a provider for a particular year.
- (e) "Renewable energy credit standard" means a minimum renewable energy credit portfolio required under section 28 or former section 27.
- (f) "Renewable energy plan" or "plan" means a plan approved under section 22 or former section 21 or 23 or found to comply with this act under former section 25, with any amendments adopted under this act.
- (g) "Renewable energy resource" means a resource that naturally replenishes over a human, not a geological, time frame and that is ultimately derived from solar power ENERGY, water power, or wind power ENERGY, BIOMASS, HYDROPOWER, AND MUNICIPAL SOLID WASTE OR LANDFILL GAS. Renewable energy resource does not include petroleum, nuclear, natural gas, PET COKE, HAZARDOUS WASTE, SCRAP TIRES, COAL WASTE, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:
 - (i) Biomass.
 - (ii) Solar and solar thermal energy.
 - (iii) Wind energy.
 - (iv) Kinetic energy of moving water, including all of the following:
 - (A) Waves, tides, or currents.
 - (B) Water released through a dam.
 - (v) Geothermal energy.
 - (vi) Thermal energy produced from a geothermal heat pump.
 - (vii) Any of the following cleaner energy resources:
 - (A) Municipal solid waste, including the biogenic and anthropogenic fractions.
 - (B) Landfill gas produced by municipal solid waste.
 - (C) Fuel that has been manufactured in whole or significant part from waste, including, but not limited to, municipal solid waste. Fuel that meets the requirements of this subparagraph includes, but is not limited to, material that is listed under 40 CFR 241.3(b) or 241.4(a) or for which a nonwaste determination is made by the United States Environmental Protection Agency pursuant to 40 CFR 241.3(c). Pet coke, hazardous waste, coal waste, or scrap tires are not fuel that meets the requirements of this subparagraph.
- (h) "Renewable energy standard" means the minimum SUM OF THE RENEWABLE ENERGY CREDITS REQUIRED TO BE ACHIEVED BY AN ELECTRICAL PROVIDER FOR A PARTICULAR YEAR: renewable energy capacity portfolio if applicable, and the renewable energy credit portfolio required to be achieved under section 28 or former section 27.
- (i) "Renewable energy system" means a facility, electricity generation system, or set of electricity generation systems that use 1 or more renewable energy resources to generate electricity or steam. Renewable energy system does not include any of the following:
 - (i) A hydroelectric pumped storage facility.
 - (ii) A hydroelectric facility that uses a dam constructed after October 6, 2008 unless the dam is a repair or replacement of a dam in existence on October 6, 2008 or an upgrade of a dam in existence on October 6, 2008 that increases its energy efficiency.
 - (iii) An incinerator unless the incinerator is a municipal solid waste incinerator as defined in section 11504 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11504.
- (j) "Revenue recovery mechanism" means the mechanism for recovery of incremental costs of compliance provided for under section 22.

Sec. 28. (1) An electric provider shall achieve a renewable energy STANDARD credit portfolio as follows:

- (a) In 2016 through 2018, a renewable energy credit portfolio that consists of at least the same number of renewable energy credits as were required under former section 27.
 - (b) In 2019 and 2020, a renewable energy credit portfolio of at least 12.5%, as calculated under subsection (2).
 - (c) In 2021, a renewable energy credit portfolio of at least 15%, as calculated under subsection (2).
 - (D) IN 2022 AND 2023, AT LEAST 18% AS CALCULATED UNDER SUBSECTION (2).
 - (E) IN 2024 AND 2025, AT LEAST 21% AS CALCULATED UNDER SUBSECTION (2).
 - (F) IN 2026 AND 2027, AT LEAST 24% AS CALCULATED UNDER SUBSECTION (2).
 - (G) IN 2028 AND 2029, AT LEAST 27% AS CALCULATED UNDER SUBSECTION (2).
 - (H) IN 2030 AND EACH YEAR THEREAFTER, AT LEAST 30% AS CALCULATED UNDER SUBSECTION (2).
- (2) An electric provider's renewable energy credit portfolio STANDARD shall be calculated as follows:
- (a) Determine the number of renewable energy credits used to comply with this subpart during the applicable year.
 - (b) Divide by 1 of the following at the option of the electric provider as specified in its renewable energy plan:
 - (i) The number of weather normalized megawatt hours of electricity sold by the electric provider during the previous year to retail customers in this state.
 - (ii) The average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state.
 - (c) Multiply the quotient under subdivision (b) by 100.
- (3) ~~Subject to subsection (5),~~ Each electric provider shall meet the renewable energy credit standards with renewable energy credits obtained by 1 or more of the following means:
- (a) Generating electricity from renewable energy systems for sale to retail customers.
 - (b) Purchasing or otherwise acquiring renewable energy credits with or without the associated renewable energy FROM A RENEWABLE ENERGY SYSTEM WHOSE CAPACITY MAY BE USED TO SATISFY THE CAPACITY OBLIGATION OF A MICHIGAN ELECTRICITY PROVIDER PURSUANT TO SECTION 6W OF 2016 PA 341, MCL 460.6W.

- (4) For an electric provider whose rates are regulated by the commission, the electric provider shall submit a contract entered into for the purposes of subsection (3) to the commission for review and approval. If the commission approves the contract, it shall be considered consistent with the electric provider's renewable energy plan. ~~The commission shall not approve a contract based on an unsolicited proposal unless the commission determines that the unsolicited proposal provides opportunities that may not otherwise be available or commercially practical through a competitive bid process.~~
- (5) An electric provider may substitute energy waste reduction credits for renewable energy credits otherwise required to meet the renewable energy credit standards if the substitution is approved by the commission. Under this subsection, energy waste reduction credits shall not be used by a provider to meet more than 10% of the renewable energy credit standard. One renewable energy credit shall be awarded per 1 energy waste reduction credit.

Sec. 39. (1) Except as otherwise provided in section 35(1), 1 renewable energy credit shall be granted to the owner of a renewable energy system for each megawatt hour of electricity generated from the renewable energy system, subject to all of the following:

- (a) If a renewable energy system uses both a renewable energy resource and a nonrenewable energy resource to generate electricity or steam, the number of renewable energy credits granted shall be based on the percentage of the electricity or steam, or both, generated from the renewable energy resource.
 - (b) A renewable energy credit shall not be granted for renewable energy the renewable attributes of which are used by an electric provider in a commission-approved voluntary renewable energy program.
- (2) The following additional renewable energy credits, to be known as Michigan incentive renewable energy credits, shall be granted under the following circumstances:
- (a) 2 renewable energy credits for each megawatt hour of electricity from solar power generated by a renewable energy system that was approved in a renewable energy plan before the effective date of the 2016 amendatory act that amended this section.
 - (b) ~~1/5 renewable energy credit for each megawatt hour of electricity generated from a renewable energy system, other than wind, at peak demand time as determined by the commission.~~
 - (c) ~~1/5 renewable energy credit for each megawatt hour of electricity generated from a renewable energy system during off-peak hours, stored using advanced electric storage technology or a hydroelectric pumped storage facility, and used during peak hours. However, the number of renewable energy credits shall be calculated based on the total of megawatt hours of renewable energy used to charge the advanced electric storage technology or fill the pumped storage facility, not the number of megawatt hours actually discharged or generated by discharge from the advanced energy storage facility or pumped storage facility.~~
 - (d)(B) 1/10 renewable energy credit for each megawatt hour of electricity generated from a renewable energy system constructed using equipment made in this state as determined by the commission. The additional credit under this subdivision is available for the first 3 years after the renewable energy system first produces electricity on a commercial basis.
 - (e)(C) 1/10 renewable energy credit for each megawatt hour of electricity from a renewable energy system constructed using a workforce composed of residents of this state as determined by the commission. The additional credit under this subdivision is available for the first 3 years after the renewable energy system first produces electricity on a commercial basis.
- (3) A renewable energy credit expires at the earliest of the following times:
- (a) When used by an electric provider to comply with its renewable energy standard.
 - (b) ~~When substituted for an energy waste reduction credit under section 77.~~
 - (c) ~~When used by an electric provider whose rates are regulated by the commission to contribute to achievement of the goal under section 1(3).~~
 - (d)(B) Five years after the end of the month in which the renewable energy credit was generated.

Sec. 45. (1) For an electric provider whose rates are regulated by the commission, the commission shall determine the appropriate charges for the electric provider's tariffs that permit recovery of the incremental cost of compliance subject to the retail rate impact limits set forth in subsection (2).

- (2) BEGINNING NOT LATER THAN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS AMENDATORY ACT, AAn electric provider shall recover the incremental cost of compliance with the renewable energy standards THROUGH A UNIFORM CHARGE PER UNIT OF ELECTRICITY TO ALL CUSTOMERS, ADJUSTED FOR LINE LOSSES. An electric provider shall not comply with the renewable energy standards to the extent that, as determined by the commission, recovery of the incremental cost of compliance will have an AVERAGE retail rate impact that exceeds \$2.00 PER MONTH FOR THE ELECTRIC PROVIDER'S RESIDENTIAL CUSTOMERS. ~~any of the following:~~
- (a) ~~\$3.00 per month per residential customer meter.~~
 - (b) ~~\$16.58 per month per commercial secondary customer meter.~~
 - (c) ~~\$187.50 per month per commercial primary or industrial customer meter.~~
- (3) The retail rate impact limits of subsection (2) apply only to the incremental costs of compliance and do not apply to costs approved for recovery by the commission other than as provided in this act.
- (4) The incremental cost of compliance shall be calculated for a 20-year period beginning with approval of the renewable energy plan OR THE APPROVAL OF ANY SUBSEQUENT AMENDMENT and shall be recovered on a levelized basis THROUGH 2045.

SEC. 212. SHOULD ANY PART OF THIS ACT BE DECLARED INVALID, OR THE APPLICATION THEREOF TO ANY PERSON, THING OR CIRCUMSTANCE BE HELD INVALID, SUCH INVALIDITY SHALL NOT AFFECT THE REMAINING PROVISIONS OR APPLICATION OF THIS ACT WHICH CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS ACT ARE DECLARED TO BE SEVERABLE. THIS SECTION SHALL BE CONSTRUED BROADLY TO PRESERVE AND EFFECTUATE THE DECLARED PURPOSE OF THIS ACT.

Enacting section 1. Until December 31, 2025 this amendatory act may be amended or repealed by three-fourths of the members elected to and serving in each house of the legislature. Effective January 1, 2026 this amendatory act may be amended or repealed by a majority of the members elected to and serving in each house of the legislature.