



MICHIGAN HOUSE OF REPRESENTATIVES  
97<sup>th</sup> Legislature

**Energy Freedom Bill Proposal**

The Energy Freedom bill package streamlines the process for businesses, farmers, residents, or places of worship to offset their energy cost by generating their own renewable energy and receiving a fair and competitive price. By balancing out one's energy costs, it gives people and organizations more freedom on how to spend their hard-earned money. These bills also help improve our economic stability, provide good-paying jobs, enhance the use of cleaner sources of energy, and create a healthier Michigan.

**Fair Value Pricing**

**Sponsor: State Representative Jeff Irwin**

As technology has advanced in the renewable energy market, the cost for businesses and residents to generate their own renewable energy has gone down. This bill ensures that residents, businesses, farmers, or places of worship who invest in generating renewable energy receive a fair price for the energy they produce. Under the current net metering program, electric retail customers who generate renewable energy are compensated through a bill credit. Fair Value Pricing ensures that homeowners and businesses get paid what utility companies would pay themselves for producing renewable energy.

The Michigan Public Service Commission would establish the distributed generation value methodology used to set the fair value price. Under this model both the generating customer and the utility are fairly compensated. The Fair Value Price methodology accounts for the value of the renewable energy, its delivery, generation capacity, transmission capacity, transmission and distribution line losses, environmental value, and other values that are not always considered in current energy prices. The generating customer would enter into a contract with the utility and receive this rate for an agreed upon period of time.

**Net Metering Enhancements**

**Sponsor: State Representative Edward McBroom**

Right now over one thousand people in Michigan offset their energy costs by producing their own renewable energy. Under the current net metering program, the number of participants are capped and it is estimated that the program will max out within a few years.

This bill removes that cap and allows more people to safely becoming energy independent. Participation will be based solely on meeting the interconnection and equipment requirements. Participants are compensated through a credit on their bill.

### **Community Renewable Energy Gardens**

#### **Sponsor: State Representative Rob VerHuelen**

This bill package provides another option for individuals, organizations, places of worship, or utilities to leverage their renewable energy investment and energy producing potential through a Community Renewable Energy Garden. Members would buy a share of the garden and receive a monthly bill credit for their shares' output. Additionally, the investor-owned utilities would enter into an agreement to purchase the garden's energy production.

Cherryland Electric Cooperative in Traverse City, Michigan is currently implementing such a program.

### **Microgrid**

#### **Sponsor: State Representative Jon Switalski**

Everyone has the right to self-service power, but it is very limited in scope. In the event that the electric grid is down, a microgrid would allow for critical facilities and others generating their own renewable energy to safely continue to be energy independent through self-service power, whereas now they cannot. A microgrid, as described in this bill, allows for standard interconnected loads and distributed energy to act as a single controllable entity with respect to the macrogrid, and it can connect and disconnect from the macrogrid as needed. This bill would also require the Michigan Public Service Commission to issue a report to the Governor and legislature analyzing the reliability of the energy distribution of the state.

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