

**Customer Choice  
Coalition Member  
Organizations**



ABATE

Alticor

Associated Petroleum  
Industries - Michigan

Auto Dealers of Michigan LLC

Business & Institutional Furniture  
Manufacturers Association

Dow Corning Corporation

Energy Michigan

Great Lakes Petroleum Retailers &  
Applied Trade Association

Metropolitan Hospital

Michigan Association of  
Broadcasters Service Corporation

Michigan Association of  
Convenience Stores

Michigan Association of  
Intermediate School Administrators

Michigan Association of  
Non-Public Schools

Michigan Association of School  
Administrators

Michigan Association of School  
Boards

Michigan Grocers Association

Michigan Interfaith Power & Light

Michigan Petroleum Association

Michigan Press Association

Michigan Restaurant Association

Michigan Retailers Association

Michigan School Business Officials

Michigan School Energy  
Cooperative

Midwest Car Wash Association

Middle Cities Education  
Association

National Federation of  
Independent Business

Small Business Association of  
Michigan

Spartan Stores

**Senate Bill 427 & House Bill 4630 -Competitive Bidding**

Senate Bill 427 introduced by Senator Wayne Kuipers (also HB 4630 in the House). The legislation would require the Michigan Public Service Commission to assess the need of Consumers and Edison for power. If the Commission finds that new generating or transmission capacity, efficiency or load management programs are needed; it will prescribe rules for a competitive bidding process to meet the projected need. The Commission will prescribe a process of soliciting, evaluating and awarding bids for new resources in a contested proceeding in which all customers, resource providers and regional transmission organizations will be entitled to participate. The actual RFP process will be administered by an Independent Evaluator.

Each utility acquiring resources through the competitive bidding process as ordered by the Commission will be entitled to full recovery of costs of those resources.

Unlike the 21st Century Plan which mandates that only utilities own and operate power sources, the CCC bid process would be open to all sources of power including power purchase agreements, efficiency measures, renewables and other generating projects operated by private entities. In the case of ties, renewables and efficiency would be given preference.

This "all source" approach opens the power supply field to non-utility projects like the Wolverine Power Supply Co-op Rogers City base load generating project, the Alma Integrated Gas Combined Cycle project, use of the new ITC transmission line to import power and many other innovative approaches. (Since renewables and efficiency measures are given preference in case of ties, significant amounts of these supplies are likely to be selected on a cost competitive basis.

The CCC legislation also encourages use of low interest leveraged financing techniques which can reduce power costs by up to 10%. The utility approach obtains customer guarantees of recovery but charges conventional interest rates.

**Senate Bill 428 - Power Credit Legislation**

Senate Bill 428 introduced by Senator McManus addresses utility proposals that would force Electric Choice customers to pay for new utility generating plants even if they do not purchase generating service from the utility. SB 428 mandates that Choice customers paying new generation plant fees or existing securitization fees must receive equivalent amounts of power or a monetary credit in return for their payments. This bill would end the current utility practice of charging securitization and other generating fees to Choice customers and giving nothing in return.

**Senate Bill 426 - Residential Choice Program**

SB 426 introduced by Senator Allen encourages residential competition by mandating that residential customers only pay the same charges to the utility for delivery of power, billing and collection that are paid by utility customers. Currently, residential customers wishing to buy from competitive suppliers must pay twice for administrative costs including collection, bad debt and billing services. These double fees and complexity have discouraged residential Choice programs

**Conclusion**

The Customer Choice Coalition legislative package will encourage development of the most economic power supplies possible through competition not government mandated fees. Competition will be used to supply power to residential, commercial and industrial customers at the lowest cost possible.