

## SENATE RESOLUTION NO. 142

Senator Lauwers offered the following resolution:

1 A resolution to encourage the Michigan Public Service  
2 Commission to undertake a study into alternative and innovative  
3 rate design options for Michigan's electric customers.

4 Whereas, Energy customers are adopting new and evolving  
5 technologies including customer-owned generation, energy storage,  
6 electric vehicles, and customer energy management capabilities; and

7 Whereas, The adoption of these technologies changes the way an  
8 energy customer utilizes the grid; and

9 Whereas, The increasing adoption of these technologies can be  
10 expected to result in widespread changes to the use of the grid by  
11 utility customers; and

12 Whereas, Changes in customer utilization of the grid may  
13 result in cost shifts relative to a customer's use of the grid

1 which are not fully accounted for in traditional cost of service  
2 ratemaking models; and

3       Whereas, The traditional ratemaking process, which requires a  
4 contested case proceeding that must be concluded within ten months  
5 from the date of filing, is not conducive to fully investigating  
6 these issues in a collaborative way; and

7       Whereas, Consideration of these issues can best be done  
8 through collaborative discussions and review outside of time-  
9 limited rate case proceedings; and

10       Whereas, The development of policies governing the adoption,  
11 implementation, use, and regulation of these technologies will  
12 benefit from currently unavailable information regarding the costs  
13 and benefits to utilities and their customers of the widespread  
14 adoption of these technologies; now, therefore, be it

15       Resolved by the Senate, That we encourage the Michigan Public  
16 Service Commission to undertake a study on rate designs and  
17 options, including fixed system access and demand charges and rate  
18 design options that will account for the changing customer use of  
19 the grid due to the adoption of new energy technologies; and be it  
20 further

21       Resolved, That the study should evaluate options based on  
22 factors including, but not limited to, customer charges, fixed  
23 charges, demand charges, time of use rates, standby charges, system  
24 access charges, and other regulatory mechanisms to provide  
25 equitable recovery of utility revenue requirements from customers  
26 adopting new energy technologies and address concerns regarding  
27 cross-subsidy issues; and be it further

28       Resolved, That electric utilities and other stakeholders are  
29 encouraged to engage in this study; and be it further

1           Resolved, That we request the results of the study be  
2 available by October 31, 2021.  
3