

CLEAN AND RENEWABLE ENERGY AND ENERGY WASTE REDUCTION ACT (EXCERPT)
Act 295 of 2008
PART 7.
RESIDENTIAL ENERGY IMPROVEMENTS

460.1201 Definitions.

Sec. 201.

As used in this part:

- (a) "Energy project" means the installation or modification of an energy waste reduction improvement or the acquisition, installation, or improvement of a renewable energy system.
- (b) "Energy waste reduction improvement" means equipment, devices, or materials intended to decrease energy consumption, including, but not limited to, all of the following:
 - (i) Insulation in walls, roofs, floors, foundations, or heating and cooling distribution systems.
 - (ii) Storm windows and doors; multi-glazed windows and doors; heat-absorbing or heat-reflective glazed and coated window and door systems; and additional glazing, reductions in glass area, and other window and door modifications that reduce energy consumption.
 - (iii) Automated energy control systems.
 - (iv) Heating, ventilating, or air-conditioning and distribution system modifications or replacements.
 - (v) Air sealing, caulking, and weather-stripping.
 - (vi) Lighting fixtures that reduce the energy use of the lighting system.
 - (vii) Energy recovery systems.
 - (viii) Day lighting systems.
 - (ix) Electrical wiring or outlets to charge a motor vehicle that is fully or partially powered by electricity.
 - (x) Measures to reduce the usage of water or increase the efficiency of water usage.
 - (xi) Any other installation or modification of equipment, devices, or materials approved as a utility cost-savings measure by the governing body.
- (c) "Home energy audit" means an evaluation of the energy performance of a residential structure that meets all of the following requirements:
 - (i) Is performed by a qualified person using building-performance diagnostic equipment.
 - (ii) Complies with American National Standards Institute-approved home energy audit standards.
 - (iii) Determines how best to optimize energy performance while maintaining or improving human comfort, health, and safety and the durability of the structure.
 - (iv) Includes a baseline energy model and cost-benefit analysis for recommended energy waste reduction improvements.
- (d) "Property" means privately owned residential real property.
- (e) "Record owner" means the person or persons possessed of the most recent fee title or land contract vendee's interest in property as shown by the records of the county register of deeds.
- (f) "Residential energy projects program" or "program" means a program as described in section 203(2).

History: Add. 2016, Act 342, Eff. Apr. 20, 2017

460.1203 Residential energy projects program; establishment; itemized charges; right to propose differing program.

Sec. 203.

- (1) Pursuant to section 205, a provider whose rates are regulated by the commission may establish a residential energy projects program.
- (2) Under a residential energy projects program, if a record owner of property in the provider's service territory obtains financing or refinancing of an energy project on the property from a commercial lender or other legal entity, including an independent subsidiary of the provider, the loan is repaid through itemized charges on the provider's utility bill for that property. The itemized charges may cover the cost of materials and labor necessary for installation, home energy audit costs, permit fees, inspection fees, application and administrative fees, bank fees, and all other fees that may be incurred by the record owner for the installation on a specific or pro rata basis, as determined by the provider.

(3) This act does not limit the right of a provider to propose a residential energy improvement program with elements that differ from those required for a residential energy projects program under this part or the authority of the commission to approve such a residential energy improvement program as reasonable and prudent.

History: Add. 2016, Act 342, Eff. Apr. 20, 2017

460.1205 Residential energy projects program; plan; filing; contents; approval; determination; review.

Sec. 205.

(1) A residential energy projects program may only be established and implemented pursuant to a plan approved by the commission. A provider seeking to establish a residential energy projects program shall file a proposed plan with the commission.

(2) A plan under subsection (1) shall include all of the following:

(a) The estimated costs of administration of the residential energy projects program.

(b) Whether the residential energy projects program will be administered by a third party.

(c) An application process and eligibility requirements for a record owner to participate in the residential energy projects program.

(d) An application form governing the terms and conditions for a record owner's participation in the program, including an explanation of billing under subdivision (f) and of the provisions of section 207.

(e) A description of any fees to cover application, administration, or other program costs to be charged to a record owner participating in the program, including the amount of each fee, if known, or procedures to determine the amount. A fee shall not exceed the costs incurred by the provider for the activity for which the fee is charged.

(f) Provisions for billing customers of the provider any fees under subdivision (e) and the monthly installment payments as a per-meter charge on the bill for electric or natural gas services.

(g) Provisions for marketing and participant education.

(3) The commission shall not approve a provider's proposed residential energy projects plan unless the commission determines that the plan is reasonable and prudent.

(4) If the commission rejects a proposed plan or amendment under this section, the commission shall explain in writing the reasons for its determination.

(5) Every 4 years after initial approval of a plan under subsection (1), the commission shall review the plan.

History: Add. 2016, Act 342, Eff. Apr. 20, 2017

460.1207 Baseline home energy audit required; verification; per-meter charge; shut off for nonpayment; obligation to pay.

Sec. 207.

(1) A baseline home energy audit shall be conducted before an energy project that will be paid for through charges on the utility bill under this part is undertaken. After the energy project is completed, the provider shall obtain verification that the energy project was properly installed and is operating as intended.

(2) Electric or natural gas service may be shut off for nonpayment of the per-meter charge described under section 205 in the same manner and pursuant to the same procedures as used to enforce nonpayment of other charges for the provider's electric or natural gas service. If notice of a loan under the program is recorded with the register of deeds for the county in which the property is located, the obligation to pay the per-meter charge shall run with the land and be binding on future customers contracting for electric service or natural gas service, as applicable, to the property.

History: Add. 2016, Act 342, Eff. Apr. 20, 2017

460.1209 Loan; term; limitation; repayment; interest.

Sec. 209.

(1) The term of a loan paid through a residential energy projects program shall not exceed the anticipated useful life of the energy project financed by the loan or 180 months, whichever is less. The loan shall be repaid in monthly installments.

(2) The lender shall comply with all state and federal laws applicable to the extension of credit for home improvements.

(3) If a nonprofit corporation makes loans to owners of property to be repaid under a residential energy projects program, interest shall be charged on the unpaid balance at a rate of not more than the adjusted prime rate as determined under section 23 of 1941 PA 122, MCL 205.23, plus 4%.

History: Add. 2016, Act 342, Eff. Apr. 20, 2017

460.1211 Rules; report; program with differing elements or approval by commission.

Sec. 211.

(1) Pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the commission shall promulgate rules to implement this part within 1 year after the effective date of this section.

(2) Every 5 years after the promulgation of rules under subsection (1), the commission shall submit a report to the standing committees of the senate and house of representatives with primary responsibility for energy issues on the implementation of this part and any recommendations for legislation to amend this part. The report may be combined with the annual report under section 5a of 1939 PA 3, MCL 460.5a.

(3) This act does not limit the right of a provider to propose a residential energy improvement program with elements that differ from those required for a residential energy projects program under this part or the authority of the commission to approve such a residential energy improvement program as reasonable and prudent.

History: Add. 2016, Act 342, Eff. Apr. 20, 2017