



County of Ottawa

Board of Commissioners

Philip D. Kuyers
Chairperson

James C. Holtrop
Vice-Chairperson

12220 Fillmore Street, Room 310, West Olive, Michigan 49460

West Olive (616) 738-4898

Fax (616) 738-4888

Grand Haven (616) 846-8295

Grand Rapids (616) 662-3100

Website: www.miOttawa.org

June 21, 2012

To All Ottawa County Commissioners:

The Ottawa County Board of Commissioners will meet on **Tuesday, June 26, 2012 at 1:30 p.m.**, for the regular **June** meeting of the Board at the Ottawa County Fillmore Street Complex in West Olive, Michigan.

The Agenda is as follows:

1. Call to Order by the Chairperson
2. Invocation – Commissioner Baumann
3. Pledge of Allegiance to the Flag
4. Roll Call
5. Presentation of Petitions and Communications
6. Public Comments and Communications from County Staff
7. Approval of Agenda
8. Actions and Reports

A. Consent Resolutions:

From the County Clerk

1. Board of Commissioners Meeting Minutes
Suggested Motion:
To approve the Minutes of [the June 12, 2012 Board of Commissioners Meeting](#) and the [June 12, 2012 Board of Commissioners Work Session](#).
2. [Payroll](#)
Suggested Motion:
To authorize the payroll of June 26, 2012 in the amount of \$_____.

Stuart P. Visser Dennis W. Swartout Jane M. Ruiter Greg J. DeJong Roger G. Rycenga
Joseph S. Baumann Robert W. Karsten James H. Holtvluwer Donald G. Disselkoen

From Administration

3. [Monthly Accounts Payable for June 4, 2012 through June 15, 2012](#)
Suggested Motion:
To approve the general claims in the amount of \$3,726,114.00 as presented by the summary report for June 4, 2012 through June 15, 2012.
4. [Resolution Honoring 2012 Division 2 Michigan State High School Champions – Hudsonville High School Girls Softball Team](#)
Suggested Motion:
To approve and authorize signature of the resolution honoring the Hudsonville High School Girls Softball Team on winning the 2012 Division 2 Michigan State High School Championship.
5. [Resolution Honoring 2012 Division 1 Michigan State High School Champions – Hudsonville High School Boys Baseball Team](#)
Suggested Motion:
To approve and authorize signature of the resolution honoring the Hudsonville High School Boys Baseball Team on winning the 2012 Division 1 Michigan State High School Championship.
6. [Resolution Honoring 2012 Division 3 Michigan State High School Champions – Unity Christian High School Girls Soccer Team](#)
Suggested Motion:
To approve and authorize signature of the resolution honoring the Unity Christian High School Girls Soccer Team on winning the 2012 Division 3 Michigan State High School Championship.
7. [Resolution Honoring Gary Scholten Upon His Retirement as Ottawa County Register of Deeds](#)
Suggested Motion:
To approve and authorize the Board Chair and Clerk to sign the resolution honoring Gary Scholten upon his retirement as Ottawa County Register of Deeds.
8. [County of Ottawa Human Resources 2011 Annual Report](#)
Suggested Motion:
To receive for information the County of Ottawa Human Resources 2011 Annual Report.

From the Finance and Administration Committee

9. [Monthly Budget Adjustments](#)
Suggested Motion:
To approve the appropriation changes greater than \$50,000 and those approved by the Administrator and Fiscal Services Director for \$50,000 or less which changed the total appropriation from the amended budget for the month of May 2012.

B. Action Items:

From the Health and Human Services Committee

1. [Senior Resources Annual Implementation Plan FY 2013](#)
Suggested Motion:
To approve and authorize the Board Chair and Clerk to sign the resolution approving the Senior Resources Annual Implementation Plan FY 2013.

From the Planning and Policy Committee

2. [Resolution Opposing Changes to the Clean, Renewable and Efficient Energy Act of 2008](#)
Suggested Motion:
To approve and authorize the Board Chair and Clerk to sign the resolution opposing changes in the 10% Retail Open Access Cap of the Clean, Renewable, and Efficient Energy Act of 2008.
3. [Legal Services Policy \(first reading\)](#)
Suggested Motion:
To receive the proposed Legal Services Policy for review and comment. (first reading)
4. [Performance Verification Policy \(first reading\)](#)
Suggested Motion:
To receive the revised Performance Verification Policy (formally Performance Measurement Policy) for review and comment. (first reading)

From the Finance and Administration Committee

5. [Treasurer's Annual "Balance in Land Sale Proceeds Account" Report](#)
Suggested Motion:
To receive for information the Annual "Balance in Land Sale Proceeds Account" Report.
6. [Agreement for the Park West Drainage District - Ottawa County Drain](#)
Suggested Motion:
To approve and authorize the Board Chair and Clerk to sign the agreement to pay part of the cost of construction of the Park West Drain in the amount of \$31,000.00.
7. [4 C's Initiative Project Budget and Capodagli Jackson Consulting Agreement](#)
Suggested Motion:
To approve the recommended project budget of \$50,000 for the 4 C's Initiative, and to authorize the Board Chair and Clerk to sign an agreement with Capodagli Jackson Consulting for \$9,000 from this budget. Project budget funding from General Fund Contingency.

C. Appointments:

From the Human Resources Committee

8. [Board Appointments](#)
Suggested Motion:
To place into nomination the name(s) of (*indicates recommendation of the Interview Subcommittee):

*Mary Ann F. Hensley

to fill one (1) City Government vacancy on the Solid Waste Planning Committee beginning immediately and ending December 31, 2013 (two (2) year term).

*Erika Duncan

to fill one (1) Business Sector vacancy on the Workforce Development Board beginning immediately and ending December 31, 2014 (three (3) year term).

D. Discussion Items:

9. [County of Ottawa Human Resources 2011 Annual Report](#)
(Presented by: Marie Waalkes, Human Resources Director)
9. Report of the County Administrator
10. General Information, Comments, and Meetings Attended
11. Public Comments
12. Adjournment
- 13.

**PROPOSED
PROCEEDINGS OF THE OTTAWA COUNTY
BOARD OF COMMISSIONERS
JUNE SESSION – FIRST DAY**

The Ottawa County Board of Commissioners met on Tuesday, June 12, 2012, at 1:30 p.m. and was called to order by the Chair.

Mr. DeJong pronounced the invocation.

The Deputy Clerk led in the Pledge of Allegiance to the Flag.

Present at roll call: Messrs. Visser, Kuyers, Swartout, Mrs. Ruiter, Messrs. DeJong, Baumann, Disselkoen, Karsten, Holtrop, Holtvluwer. (10)

Absent: Mr. Rycenga. (1)

Public Comments and Communications from County Staff

Al Dannenberg, Zeeland, introduced himself and stating he is running for County Commissioner.

A. Public Hearing on the Proposed 2012 Millage Rate for County Operations, E-911, and Parks.

B/C 12-101 Mr. Disselkoen moved to open the Public Hearing at 1:33 p.m. on the proposed 2012 millage rate for County Operations of 3.6 mills, E-911 of .4400 mills and Parks of .3165 mills. The motion passed.

B/C 12-102 Mr. Swartout moved to close the Public Hearing at 1:34 p.m. on the proposed 2012 millage rate for County Operations of 3.6 mills, E-911 of .4400 mills and Parks of .3165 mills. The motion passed.

B. Legislative Update – Jim Miller, Governmental Consultant Services, Inc., presented the legislative update. He gave a brief outline of the State budget including revenue sharing and personal property tax.

B/C 12-103 Mr. Disselkoen moved to approve the agenda of today as presented and amended adding Action Item B2 – Lease for Ottawa County CMH Clubhouse Space – 490 Century Lane. The motion passed.

B/C 12-104 Mr. Holtrop moved to approve the following Consent Resolutions:

1. To approve the minutes of the May 22, 2012 Board of Commissioners Meeting.
2. To authorize the payroll of June 12, 2012 in the amount of \$528.72.
3. To receive for information the Correspondence Log.

4. To approve the general claims in the amount of \$4,054,788.96 as presented by the summary report for May 14, 2012 through June 1, 2012.
5. To receive for information the County of Ottawa Circuit Court Probation and Parole 2011 Annual Report.
6. To receive for information the County of Ottawa 58th District Court 2011 Annual Report.

The motion passed as shown by the following votes: Yeas: Messrs. Holtrop, Holtvluwer, Swartout, Baumann, Visser, Disselkoe, Karsten, Mrs. Ruiter, Messrs. DeJong, Kuyers. (10)

B/C 12-105 Mr. Swartout moved to approve and authorize the Board Chair and Clerk to sign the Resolution approving the 2012 Millage Rate for County Operations of 3.6 mills, E-911 of .4400 mills, and Parks of .3165 mills. The motion passed as shown by the following votes: Yeas: Messrs. Karsten, Disselkoe, Holtrop, Visser, Holtvluwer, DeJong, Mrs. Ruiter, Messrs. Swartout, Baumann, Kuyers. (10)

B/C 12-106 Mr. Swartout moved to approve and authorize the Board Chairperson and Clerk to sign the Lease between the County of Ottawa and Gary P. and Ruth Beckman for the Ottawa County CMH Clubhouse Space at 490 Century Lane, Holland, MI. The motion passed.

Discussion Items

1. County of Ottawa Circuit Court Probation and Parole 2011 Annual Report – Heath White, Holland Probation and Parole Supervisor, presented the Circuit Court Probation and Parole 2011 Annual Report.
2. County of Ottawa 58th District Court 2011 Annual Report – Chief District Court Judge Bradley Knoll and Jodi Salacina, Director of Probation and Community Corrections, presented the 2011 58th District Court Annual Report. Judge Knoll introduced Lori Catalino, District Court Administrator; Cindy Driver, Trial Court Specialist; Alma Valenzuela, Assistant Director of Probation Services; and Lyvanh Braak, Court Services Coordinator.

The Administrator's report was presented.

Several Commissioners commented on meetings attended and future meetings to be held.

B/C 12-107 Mr. Holtrop moved to adjourn at 2:20 p.m. subject to the call of the Chair. The motion passed.

DANIEL C. KRUEGER, Clerk
Of the Board of Commissioners

PHILIP KUYERS, Chairman
Of the Board of Commissioners

**PROPOSED
PROCEEDINGS OF THE OTTAWA COUNTY
BOARD OF COMMISSIONERS
JUNE SESSION – WORK SESSION**

The Ottawa County Board of Commissioners met on Tuesday, June 12, 2012, at 2:30 p.m. and was called to order by the Chair.

Present at roll call: Messrs. Visser, Kuyers, Swartout, Mrs. Ruiter, Messrs. DeJong, Baumann, Disselkoen, Karsten, Holtrop, Holtvluwer. (10)

Absent: Mr. Rycenga. (1)

Work Session Items:

- A. Road Commission Study Process – With the recent law signed that allows county boards to dissolve their road commissions and take over the duties, Administration has decided to do a cost-benefit study. The Administrator recommended that two committees be formed to do these studies, one on the Road Commission and one for Public Utilities. Brett Laughlin, Road Commission, and Alan Vanderberg will work on putting together a joint resolution. The resolution will be presented to the full Board at the June 26th Board Meeting.
- B. New Digital Meters – Dennis McKee, Consumers Energy, reported Consumers Energy will begin installing new digital meters this fall in Ottawa County. Consumers will be able to look on-line at their energy use. A fee will be associated for those wishing to opt out. The intent of the new meters is to save consumers money.

B/C 12-108 Mr. Disselkoen moved to adjourn at 2:50 p.m. The motion passed.

DANIEL. C KRUEGER, Clerk
Of the Board of Commissioners

PHILIP KUYERS, Chairman
Of the Board of Commissioners

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: County Clerk

Submitted By: Misty Cunningham

Agenda Item: Payroll

SUGGESTED MOTION:

To authorize the payroll of June 26, 2012 in the amount of \$_____.

SUMMARY OF REQUEST:

To pay the current payroll of the members of the Ottawa County Board of Commissioners. Pursuant to MCL 46.11, the Board of Commissioners is authorized to provide for and manage the ongoing business affairs of the County.

FINANCIAL INFORMATION:

Total Cost: _____ General Fund Cost: _____ Included in Budget: Yes No

If not included in budget, recommended funding source: _____

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated Non-Mandated New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: All

Objective: All

ADMINISTRATION RECOMMENDATION: Recommended Not Recommended Without Recommendation

County Administrator: _____

Committee/Governing/Advisory Board Approval Date: _____

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Fiscal Services

Submitted By: Bob Spaman

Agenda Item: Monthly Accounts Payable for June 4, 2012 through June 15, 2012

SUGGESTED MOTION:

To approve the general claims in the amount of \$3,726,114.00 as presented by the summary report for June 4, 2012 through June 15, 2012.

SUMMARY OF REQUEST:

Approve vendor payments in accordance with the Ottawa County Purchasing Policy.

FINANCIAL INFORMATION:

Total Cost: \$3,726,114.00 | General Fund Cost: \$3,726,114.00 | Included in Budget: Yes | No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated | Non-Mandated | New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 1: To Maintain and Improve the Strong Financial Position of the County.

Objective: 1: Advocate on legislative issues to maintain and improve the financial position of the County.

2: Implement processes and strategies to deal with operational budget deficits.

3: Reduce the negative impact of rising employee benefit costs on the budget.

4: Maintain or improve bond ratings.

ADMINISTRATION RECOMMENDATION: Recommended | Not Recommended | Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date:



County of Ottawa

Fiscal Services Department

Robert Spaman
Fiscal Services Director

Marvin Hinga
Fiscal Services Assistant Director

12220 Fillmore Street • Room 331 • West Olive, Michigan 49460

West Olive (616) 738-4847
Fax (616) 738-4098
e-mail: rspaman@miottawa.org
mhinga@miottawa.org

To: Board of Commissioners
From: Robert Spaman, Fiscal Services Director
Subject: Accounts Payable Listing – June 4, 2012 to June 15, 2012
Date: June 19, 2012

I have reviewed the Accounts Payable Listing for June 4 through June 15, 2012. The following information will give you the detail of some of the purchases made in specific funds during this period:

Fund 6641 – Equipment Pool Fund

1 – 2012 Ford F-150 – Parks and Recreation Department	\$ 24,334.00
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Fund 2450 – Public Improvement Fund

Construction of 195 Foot Monopole at 12255 Johnson Street	\$ 3,134.20
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If you have any additional questions, please feel free to contact me.

Total Checks/Automated Clearing House (ACH) 06/4/2012 through 06/15/2012

I hereby certify that to the best of my knowledge the List of Audit Claims, a summary of which is attached, constitutes all claims received and audited for payment. The List of Claims shows the name of claimant, amount of claim, check number, ACH number, check date and ACH date. The net amount of checks/ACH written during the period was \$3,709,502.00. The amount of claims to be approved totals \$3,726,114.00.

*Adjustments are voided checks or ACH.


Robert Spaman, Fiscal Services, Director

6/19/12
Date

We hereby certify that the Board of Commissioners has approved the claims on this 26th day of June, 2012.

Philip Kuyers, Chairperson
Board of Commissioners

Daniel Krueger, Clerk

ACCOUNTS PAYABLE CHECKS/ACH 06/04/2012 THROUGH 06/15/2012

<u>FUND NUMBER</u>	<u>FUND NAME</u>	<u>CLAIMS TO BE APPROVED</u>	<u>ADJUSTMENTS*</u>	<u>NET CHECK/ACH TOTALS</u>
1010	GENERAL FUND	331,784.65	(1,761.16)	330,023.49
1500	CEMETERY TRUST	0.00	0.00	0.00
2081	PARKS & RECREATION	128,149.98	0.00	128,149.98
2082	PARK 12	0.00	0.00	0.00
2160	FRIEND OF COURT	4,963.80	0.00	4,963.80
2170	9/30 JUDICIAL GRANTS	1,127.14	0.00	1,127.14
2210	HEALTH	55,734.45	0.00	55,734.45
2220	MENTAL HEALTH	670,196.55	(3,277.00)	666,919.55
2271	SOLID WASTE CLEAN-UP	28,219.24	0.00	28,219.24
2272	LANDFILL TIPPING FEES	428.22	0.00	428.22
2320	TRANSPORTATION SYSTEM	27,364.00	0.00	27,364.00
2420	PLANNING COMMISSION	0.00	0.00	0.00
2430	BROWNFIELD REDEVELOPMENT	0.00	0.00	0.00
2444	INFRASTRUCTURE FUND	0.00	0.00	0.00
2450	PUBLIC IMPROVEMENT	3,134.20	0.00	3,134.20
2550	HOMESTEAD PROPERTY TAX	0.00	0.00	0.00
2560	REGISTER OF DEEDS AUTOMATION FUND	4,576.70	0.00	4,576.70
2590	LIPPERT GRANT	0.00	0.00	0.00
2601	PROSECUTING ATTORNEY GRANTS	93.94	0.00	93.94
2602	WEMET	0.00	0.00	0.00
2603	WEED AND SEED	0.00	0.00	0.00
2605	COPS-AHEAD-GEORGETOWN	0.00	0.00	0.00
2606	COPS-FAST-GEORGETOWN	0.00	0.00	0.00
2608	COPS-FAST-ALLENDALE	0.00	0.00	0.00
2609	SHERIFF GRANT PROGRAMS	0.00	0.00	0.00

ACCOUNTS PAYABLE CHECKS/ACH 06/04/2012 THROUGH 06/15/2012

<u>FUND NUMBER</u>	<u>FUND NAME</u>	<u>CLAIMS TO BE APPROVED</u>	<u>ADJUSTMENTS*</u>	<u>NET CHECK/ACH TOTALS</u>
2610	COPS-UNIVERSAL	18,122.99	0.00	18,122.99
2640	EMT HOLLAND-PARK	0.00	0.00	0.00
2650	EMT GEORGETOWN TOWNSHIP	0.00	0.00	0.00
2661	SHERIFF ROAD PATROL	746.54	0.00	746.54
2690	LAW LIBRARY	0.00	0.00	0.00
2740	WIA-ADMIN. COST POOL	1,067.69	0.00	1,067.69
2741	WIA-YOUTH	58,423.37	0.00	58,423.37
2742	WIA-ADULT	336,532.80	0.00	336,532.80
2743	WIA-6/30 GRANT PROGRAMS	64,498.32	0.00	64,498.32
2744	WIA-12/31 GRANT PROGRAMS	30.02	0.00	30.02
2747	WIA-WORK FIRST YOUTH	0.00	0.00	0.00
2748	WIA-9/30 GRANT PROGRAMS	83,814.38	0.00	83,814.38
2749	WIA-3/31 GRANT PROGRAMS	0.00	0.00	0.00
2750	GRANT PROGRAMS-PASS THRU	0.00	0.00	0.00
2800	EMERGENCY FEEDING	159.78	0.00	159.78
2810	FEMA	0.00	0.00	0.00
2850	COMMUNITY CORRECTIONS PROG. GRANT	3,534.61	0.00	3,534.61
2870	COMMUNITY ACTION AGENCY (CAA)	9,231.03	0.00	9,231.03
2890	WEATHERIZATION	17,704.51	0.00	17,704.51
2900	DEPT OF HUMAN SERVICES	0.00	0.00	0.00
2901	DEPT OF HUMAN SERVICES	2,575.24	0.00	2,575.24
2920	CHILD CARE - PROBATE	140,095.78	0.00	140,095.78
2921	CHILD CARE - SOCIAL SERVICES	0.00	0.00	0.00
2930	SOLDIER & SAILORS RELIEF	0.00	0.00	0.00

ACCOUNTS PAYABLE CHECKS/ACH 06/04/2012 THROUGH 06/15/2012

<u>FUND NUMBER</u>	<u>FUND NAME</u>	<u>CLAIMS TO BE APPROVED</u>	<u>ADJUSTMENTS*</u>	<u>NET CHECK/ACH TOTALS</u>
2940	VETERANS TRUST	0.00	0.00	0.00
2941	VETERANS TRUST	1,695.41	0.00	1,695.41
2970	DB/DC CONVERSION	0.00	0.00	0.00
5160	DELINQUENT TAXES	1,707.35	0.00	1,707.35
6360	INFORMATION TECHNOLOGY	49,360.17	0.00	49,360.17
6410	WATER & SEWER REVOLVING	0.00	0.00	0.00
6450	DUPLICATING	44.58	0.00	44.58
6550	TELECOMMUNICATIONS	427,462.94	0.00	427,462.94
6641	EQUIPMENT POOL	24,334.00	0.00	24,334.00
6770	PROTECTED SELF-FUNDED INSURANCE	741.65	0.00	741.65
6771	PROTECTED SELF-FUNDED HEALTH INS.	0.00	0.00	0.00
6772	PROTECTED SELF-FUNDED UNEMPL INS.	0.00	0.00	0.00
6775	LONG-TERM DISABILITY INSURANCE	8,872.77	0.00	8,872.77
6776	PROTECTED SELF-FUNDED DENTAL INS.	0.00	0.00	0.00
6777	PROTECTED SELF-FUNDED VISION	0.00	0.00	0.00
6782	PROTECTED SELF-FUNDED INS PROG M.H.	0.00	0.00	0.00
7010	AGENCY	1,047,764.39	(11,573.84)	1,036,190.55
7040	IMPREST PAYROLL	171,820.81	0.00	171,820.81
7210	LIBRARY PENAL FINE	0.00	0.00	0.00
7300	EMPLOYEE SICK PAY BANK	0.00	0.00	0.00
7360	OPEB TRUST	0.00	0.00	0.00
		<u>\$3,726,114.00</u>	<u>(16,612.00)</u>	<u>\$3,709,502.00</u>

COUNTY OF OTTAWA

STATE OF MICHIGAN

WHEREAS, on Saturday, June 16, 2012, the varsity girls softball team from Hudsonville High School played in Battle Creek for the Michigan High School Athletic Association State Championship in Division 2; and,

WHEREAS, the varsity girls softball team from Hudsonville High School won the Michigan High School Athletic Association State Championship in Division 2, defeating the varsity girls softball team from Mattawan, 2-1; and,

WHEREAS, in winning its State Championship, the Hudsonville varsity girls softball team joined the Hudsonville boys baseball team in a simultaneous 2012 State Championship run, a rare accomplishment in Michigan high school athletic history; and,

WHEREAS, winning the State Championship title game in Division 2 was the culmination of another successful season for the Hudsonville High School Eagles, a program which, under the leadership of Coach Tom Vrugink, ended the season with an incredible 40-3 overall record;

NOW THEREFORE BE IT RESOLVED that the Ottawa County Board of Commissioners congratulates the varsity girls softball team of Hudsonville High School, Coach Tom Vrugink, the students, faculty and administration of Hudsonville High School, and all fans of the Hudsonville High School Eagles on their march to the 2012 State Championship and another remarkable season.

June 26, 2012

James C. Holtrop, District 10
Ottawa County Board of Commissioners

Subscribed and sworn to me this 26th day of June, 2012.

Daniel C. Krueger, Ottawa County Clerk

COUNTY OF OTTAWA

STATE OF MICHIGAN

WHEREAS, on Saturday, June 16, 2012, the varsity boys baseball team from Hudsonville High School played in Battle Creek for the Michigan High School Athletic Association State Championship in Division 1; and,

WHEREAS, the varsity boys baseball team from Hudsonville High School won the Michigan High School Athletic Association State Championship in Division 1, defeating the varsity boys baseball team from Warren De La Salle, 9-6; and,

WHEREAS, in winning its State Championship, the Hudsonville varsity boys baseball team joined the Hudsonville girls softball team in a simultaneous 2012 State Championship run, a rare accomplishment in Michigan high school athletic history; and,

WHEREAS, winning the State Championship title game in Division 1 was the culmination of another successful season for the Hudsonville High School Eagles, a program which, under the leadership of Coach Dave VanNoord, ended the season with an incredible 33-5 overall record;

NOW THEREFORE BE IT RESOLVED that the Ottawa County Board of Commissioners congratulates the varsity boys baseball team of Hudsonville High School, Coach Dave VanNoord, the students, faculty and administration of Hudsonville High School, and all fans of the Hudsonville High School Eagles on their march to the 2012 State Championship and another remarkable season.

June 26, 2012

James C. Holtrop, District 10
Ottawa County Board of Commissioners

Subscribed and sworn to me this 26th day of June, 2012.

Daniel C. Krueger, Ottawa County Clerk

COUNTY OF OTTAWA

STATE OF MICHIGAN

WHEREAS, on Saturday, June 16, 2012, the varsity girls soccer team from Unity Christian High School played in Williamston for the Michigan High School Athletic Association State Championship in Division 3; and,

WHEREAS, the varsity girls soccer team from Unity Christian High School defeated the varsity girls soccer team from Flint Powers High School, 2-1, to win the Michigan High School Athletic Association State Championship in Division 3; and,

WHEREAS, winning the State Championship title game in Division 3 was the culmination of another successful season for the Unity Christian High School Crusaders, a program which, under the leadership of Coach Randy Heethuis, ended the season with an amazing 23-0-4 overall record;

NOW THEREFORE BE IT RESOLVED that the Ottawa County Board of Commissioners congratulates the varsity girls soccer team of Unity Christian High School, Coach Randy Heethuis, the students, faculty and administration of Unity Christian High School, and all fans of the Unity Christian High School Crusaders on their march to the 2012 State Championship and another remarkable season.

June 26, 2012

James C. Holtrop, District 10
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Daniel C. Krueger, Ottawa County Clerk

COUNTY OF OTTAWA

STATE OF MICHIGAN

WHEREAS, Gary Scholten has worked on behalf of the citizens of Ottawa County in various positions since 1972, when he was first employed as the Director of Veterans Affairs for Ottawa County; and,

WHEREAS, in 1997, Gary Scholten was appointed as the 29th Register of Deeds of Ottawa County, and has since served in that capacity by election of the voters of Ottawa County; and,

WHEREAS, Gary Scholten has been a member of the Michigan Association of Register of Deeds since his appointment, and was named the 2011 Register of Deeds of the Year by the Michigan Association of Registers of Deeds; and,

WHEREAS, as Ottawa County Register of Deeds, Gary Scholten upgraded recording software; put in place a process to save and restore records back to 1836; completed redaction on all online records; was 3rd in the state to electronically record documents; implemented a Property Fraud Alert for citizens; electronically sent pertinent documents to Assessors; electronically sent the daily deposit/transmittal to the Ottawa County Treasurer, and implemented a program to update Equalizations/Assessor databases, reducing redundancy in their offices. Gary has also worked on a sales mapping application with GIS to increase County marketability and increase public knowledge of property transactions within Ottawa County; and,

WHEREAS, Gary Scholten has announced his retirement from the Office of Ottawa County Register of Deeds, effective July 1, 2012;

NOW THEREFORE BE IT RESOLVED, that the Ottawa County Board of Commissioners, on behalf of its members, the Administration of Ottawa County, and the citizens of Ottawa County, congratulates Gary Scholten on his retirement as Ottawa County Register of Deeds, thanks him for his years of public service, and wishes him every success in his future endeavors.

June 26, 2012

Philip Kuyers, Chairperson
Ottawa County Board of Commissioners

Subscribed and sworn to me this 26th day of June, 2012.

Daniel C. Krueger, Ottawa County Clerk

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Human Resources

Submitted By: Misty Cunningham

Agenda Item: County of Ottawa Human Resources 2011 Annual Report

SUGGESTED MOTION:

To receive for information the County of Ottawa Human Resources 2011 Annual Report.

SUMMARY OF REQUEST:

In accordance with 2012 Rules of the Ottawa County Board of Commissioners:

Section 4.6 - Annual Reports From Departments of County Government - It is the policy of the Board of Commissioners to receive annual, written and oral Reports from all Departments of County government. Written reports shall be in a form approved by the County Administrator and shall, in the ordinary course, be submitted directly to the Board of Commissioners through the County Administrator's Office.

FINANCIAL INFORMATION:

Total Cost: \$0.00 General Fund Cost: \$0.00 Included in Budget: Yes No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated Non-Mandated New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 2: To Maintain and Enhance Communication with Citizens, Employees, and Other Stakeholders.

Objective: 3: Review existing and implement new strategies to maximize communication with citizens. & 5: Evaluate communication with other key stakeholders.

ADMINISTRATION RECOMMENDATION: Recommended Not Recommended Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date:

COUNTY OF OTTAWA
HUMAN RESOURCES ANNUAL REPORT
FOR YEAR 2011



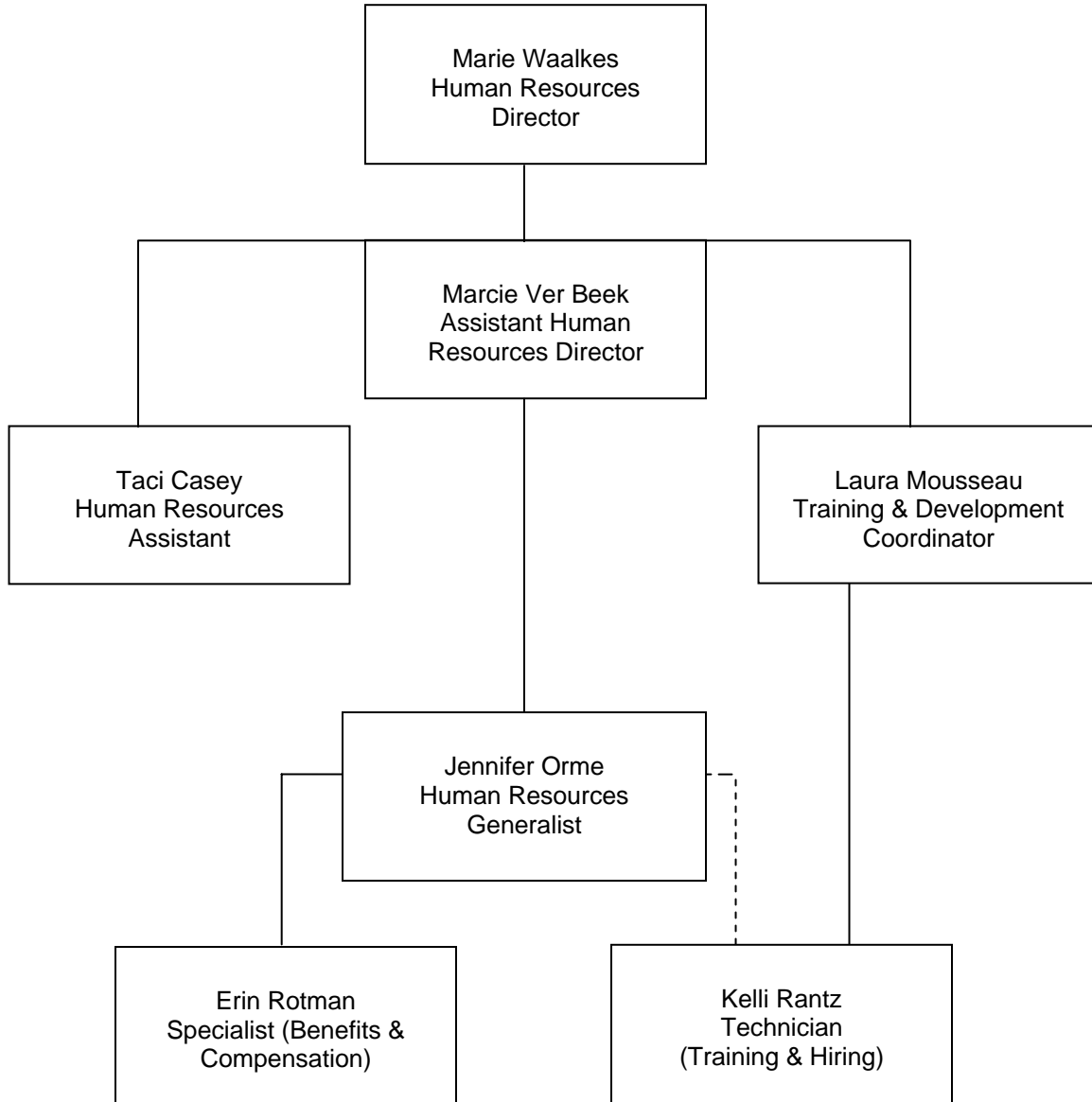
Human Resources Department
12220 Fillmore, Room 359
West Olive, Michigan 49460
(616) 738-4800

*The activities and programs of this department are brought to you by the members of
the Ottawa County Board of Commissioners*

*Philip Kuyers, Chairman
James Holtrop, Vice-Chairman
Gregory DeJong
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Robert Karsten
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*Stuart Visser
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Human Resource Department Staff 2011



**2011 HUMAN RESOURCES DEPARTMENT'S
ANNUAL REPORT
TO THE OTTAWA COUNTY BOARD OF COMMISSIONERS**

MISSION STATEMENT

The Human Resources Department serves the County of Ottawa by focusing efforts on the County's most valuable asset, its employees. Human Resources does this through recruitment, hiring and retention of a diverse, qualified workforce. The Human Resources Department provides human resource direction and technical assistance, training and development, payroll administration, equal employment opportunities and employee/labor relation services to the County.

INTRODUCTION

The current Human Resources staff is responsible for providing the delivery of a full service Human Resources program to and for the County's existing departments and staff. This is no small undertaking considering that the County's work force has 892 benefited full-time and part-time employees, and 270 temporary employees comprised of eight different collective bargaining units, non-represented employee groups and unclassified staff.

The following is a list of functions currently being provided by the Human Resources Department: (The list is not in any order of importance.)

- (1) Employee Selection
 - a. On-Line Application
 - b. Application Screening
 - c. Interviewing
 - d. Applicant/Employee Development Tool (Testing)
 - e. Background Investigation
 - f. Hiring
- (2) Exit Interviews
- (3) Employee Training and Development
 - a. GOLD (Growth Opportunities in Learning and Development)
 - b. Leadership Development
 - c. New Employee Orientation
 - d. Compliance Training
 - e. DiSC Assessment
- (4) Employee Assistance Program (EAP)
- (5) Labor Relations
 - a. Grievances
 - b. Grievance Discipline Data Base
 - c. Contract Negotiations
 - d. Contract Administration
- (6) Equal Employment Opportunity
- (7) Compliance with the Americans with Disabilities Act

- (8) Benefits Administration
 - a. Health Insurance
 - b. Health Savings Account (HSA)
 - c. Flexible Spending Account (FSA)
 - d. Employee Wellness Program
 - e. Dental Insurance
 - f. Vision Insurance
 - g. Tuition Reimbursement
 - h. 457 Deferred Compensation Plan
 - i. Workers Compensation
 - j. MERS
 - k. Life Insurance
 - l. Salary Wage Continuation (STD/LTD)
 - m. Family Medical Leave Act
- (9) Employee Recognition
- (10) Wage Evaluation & Classification Study
- (11) Unemployment Insurance
- (12) Payroll Administration and Maintenance
- (13) Security System Maintenance for County Buildings and Courts

Many of the functions of the department are difficult to quantify. For instance, within the function of Benefits Administration the department answers numerous employee questions during the course of a year amounting to a significant expenditure of time. However, it is not feasible to keep detailed statistics regarding the numbers, duration or subject matter of such calls. Several functions are more easily quantifiable and are given in the remainder of this report. Following are highlights of the activities in many of the major Human Resources Department's functions for 2011.

EMPLOYEE SELECTION

The advertising of positions and the receipt of all employment applications is the responsibility of the Human Resources Department. A very detailed procedure for the various departments to follow in the hiring process was developed by the Human Resources Department and is outlined in Policy HR-04 Employee Selection Policy. Human Resources monitors and assures that selection policies and procedures are being followed by the individual departments. In 2008, the On-Line Application process was developed to streamline the application/interviewing/hiring process. Currently, the Human Resources Generalist arranges and coordinates the employee selection process with the help of a Human Resources Technician.

In response to one hundred seventeen (117) positions posted by the County in 2011, four thousand two hundred and fifty-nine (4259) applications were received and screened. In 2011, the department conducted four hundred fifty-four (454) employment interviews resulting in the hiring of two hundred and one (201) employees. Of those two hundred and one (201) hires, fifty-two (52) were promotions or transfers of existing employees and one hundred and forty-nine (149) were new (external) hires.

APPLICANT TESTING

The Human Resources Department provides a variety of computerized assessment tools to assist hiring managers in screening qualified applicants. The new testing system which was implemented in 2009 tests candidates in a variety of specific software programs (Word, Excel, etc.), as well as skills such as spelling, grammar, reading comprehension, math, data entry and typing. In 2011 Human Resources upgraded the testing software for compliance with the latest Office programs.

EXIT INTERVIEWS

In addition to conducting employment interviews the Human Resources Department also conducts an extensive exit interview process. Exit interviews are conducted in an effort to gain information that will result in better selection and training practices, improve working conditions, enhance supervision, and in general, further public relations by having the employee leave with a positive view of the employer. The exit interview can also be used to identify possible salary and benefit deficiencies, EEO violations, and other areas of potential legal liability.

In 2011, sixty (60) full time employees and fifty-four (54) part time/temporary employees, inclusive of twenty-five (25) retirees and one (1) laid-off employee, separated from County employment. The turnover rate for full and part-time employees was 8% in 2011. Ottawa County continues to represent stability as an employer to our labor force.

EMPLOYEE TRAINING ACTIVITIES

GOLD Standard Training

The GOLD Standard Training Program continued to expand in 2011. In addition to an extensive offering of general classes, the department-specific and custom classes became a significant portion of the program this past year. Teams explored topics such as Handling Emotions Under Pressure, Adjusting to Change, Dealing with Conflict, Business Etiquette, Developing a Positive Workplace Environment, and more. We also worked closely with departments to offer ways to help apply the learning between meetings.



During the 2011 calendar year, we continued to offer two sessions of the successful GOLD Standard Leaders Level 1 program. At the end of 2011, 158 employees completed this core 3-month leadership program, many of whom are currently pursuing their Level 2 certifications.

The use of the online DiSC Assessment tool as a core piece of our GOLD Standard Leaders training has resulted in a variety of ongoing departmental classes and programs in this area. At the end of 2011, over 600 employees had completed the DiSC assessment and initial training.

In 2011, 181 training classes were conducted in the GOLD Standard Training Program (multi-session classes like Spanish, GOLD Leaders, etc. are only counted as one class). At this time,

1064 unique employees have taken at least one class through the program, resulting in a 92.5% participation rate of our entire workforce.

Ottawa County GOLD Certification Programs

In August, the Human Resources Department rolled out a new training initiative, building on the GOLD Standard Training Program. This new component allows employees to seek certification as GOLD Standard Employees or GOLD Standard Leaders (Levels 1 and 2). These certifications are built around the development of core competencies established at the onset of the GOLD Training program. To achieve certification, employees complete required and elective courses from the core skill areas over a number of years.

Rolling out the certification program has resulted in a large increase in the demand for core classes such as Ottawa County Policies, Preventing Harassment, Ottawa County Information, DiSC, and a number of our general computer courses. This ultimately results in a more informed, highly-skilled county workforce.

Since many employees have been participating in the GOLD classes since the program began in 2008, we expect to have our first GOLD Standard Employees eligible for certification in 2012.

Collaboration with IT on Office 2010 Transition

In 2011, we worked closely with the User Services division of Information Technology to coordinate a smooth transition from Office 2003 to Office 2010. This major undertaking required significant development of new reference and instructional materials and a significant increase in the amount of training made available to employees.

To maintain consistency in the structure and delivery method of the training, Human Resources developed the new materials for the Office 2010 programs and trained the User Services staff. HR worked with User Services to coordinate a variety of training options for departments throughout the transition to the new software. These included hands-on sessions, overview sessions, staff meeting trainings, etc. taught by both IT and HR training staff. This collaboration will continue well into 2012 as the rest of the county upgrades to this new software and higher level classes are developed and added to the schedule.

Online Training

The online area of our training and development program continued to expand in 2011. We developed new online training programs in the areas of Bloodborne Pathogens, Radar, Firearms, Professional Development Plans, and other department specific topics. This option was utilized to complete required training in Bloodborne Pathogens for 825 employees, Radar training for 53 employees, LEIN training for 138 employees, Harassment training for 338 employees, and Firearms training for 95 employees. Additional online training is currently being developed.

New Employee Orientation

We continued with a new and updated New Employee Orientation in 2011. The new structure is more of a modular approach, enabling employees to attend just the sections that are relevant based on the needs of their position. The new format includes general county information on the structure, departments, and functions of our organization; training in the areas of preventing harassment, bloodborne pathogens, and policies and procedures; hands-on Lotus Notes training; phone training; a tour of the Fillmore facility; and information on all employee benefits.

In 2011, we added a separate New Employee orientation program and scheduling for the County's seasonal employees.

New Employee Orientation sessions are currently being conducted twice a month, but employees can start work prior to orientation, a practice that has provided a great deal more flexibility to the hiring managers. Often employees start in their new department for a few days, before attending their orientation session.

BLOODBORNE PATHOGEN CONTROL PLAN

Human Resources took over the duties of the BBP Control Plan from Public Health. The full plan was completely revised and updated. This included new procedures for training, exposures, and recordkeeping, as well as completely updated lists of positions requiring annual training and Hepatitis B vaccines. Although the control plan had been reviewed over the years, numerous tables, attachments and forms were outdated. The new control plan will be maintained by Human Resources and updated annually. Annual training requirements will also be handled by the HR Department.

WAGE AND CLASSIFICATION STUDY

A new wage study evaluation team was formed and trained in 2010 to point value the jobs that had not been reviewed in the original study, including the County Clerk's Office, Prosecutor's Office, and Community Mental Health. New job descriptions were created for positions in the Prosecutor's Office, Clerk's Office and Community Mental Health. The team met during 2011, and completed the wage study for these employees. A total of 83 job classifications were reviewed affecting 214 employees.

TUITION REIMBURSEMENT PROGRAM

In 2011, the Tuition Reimbursement Program was suspended due to budget constraints.

EMPLOYEE ASSISTANCE

Employee Assistance Programs (EAP's) are designed to help employees and often their families recognize and overcome personal problems that are interfering with the employee's work performance. EAP's are designed to reach performance problems that cannot be remedied by training, education, or other employer-controlled factors. Examples of the many personal problems that an EAP may deal with are alcohol/drug abuse, emotional problems and marital issues. An effective EAP may help control employee turnover, absenteeism, and other costs associated with personal problems such as health care. Even though the employer pays for the service and may make referrals to the program, all information is held in strict confidence between the employee and the EAP. Ottawa County's EAP provider is the Employee Assistance Center (EAC).

LABOR RELATIONS

Contract Negotiations

In 2011 the Human Resources Department successfully negotiated all eight (8) Collective Bargaining Agreements (CBA's) which expired at the end of 2011. These negotiations were all completed prior to the end of 2011.

Grievances

Two (2) grievances, concerning contract interpretation, were filed in 2011. Both were resolved at “Step 2” (at Department level) of the Grievance Process.

Contract Administration

Throughout 2011, Human Resources staff worked closely with County Department, Elected Offices and Court supervisors on various contract interpretation issues.

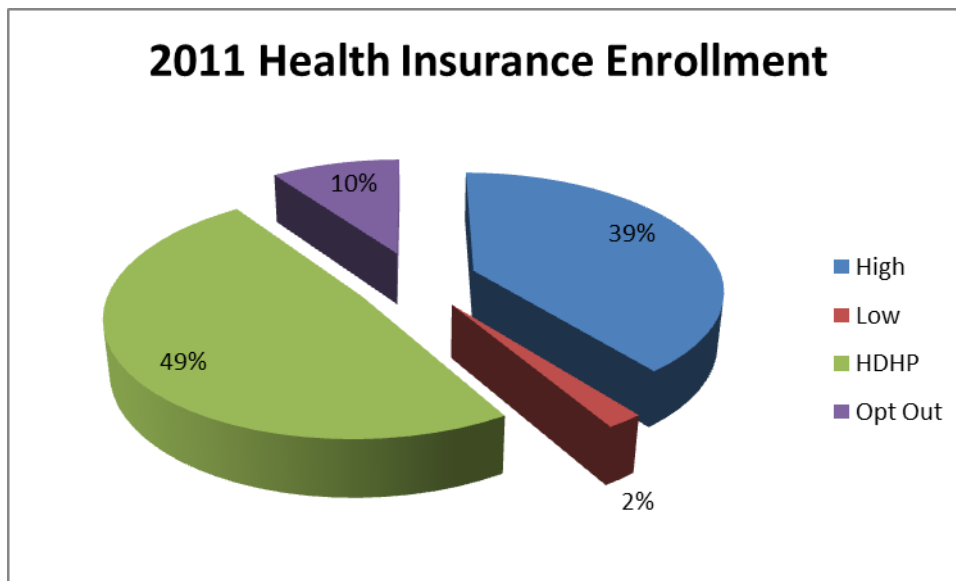
BENEFITS ADMINISTRATION

Health Insurance

In 2011, the average number of active employees enrolled in the County Health Plan was eight hundred eighty four (884). There were sixty one (61) retirees enrolled under the age of 65 and three (3) over the age of 65 in our health plan. There were nineteen (19) people on COBRA. The adoption of a new County Health Plan allow employees more choices on health insurance, therefore in 2011 employees could choose from a High Plan (100/80), a Low Plan (90/70) or a High Deductible Health Plan. In 2011 there were three hundred forty eight (348) individuals enrolled in the High Plan, eighteen (18) individuals enrolled in the Low Plan, and four hundred thirty one (431) individuals enrolled in the High Deductible Health Plan.

Through the use of Section 125 Flexible Spending Accounts, one hundred twenty eight (128) were enrolled in the medical flexible spending, which reflects a decrease of one hundred ninety one (191) participants, and forty (40) participants were enrolled in dependent care, which reflects an increase of nine (9) participants.

Below is a summary of the 2011 health plan enrollment.



Health Management

The adoption of a new County Health Plan was a major accomplishment as we moved into 2011. In 2010 there were three major goals identified by the Board of Commissioners regarding health benefits; **1)** reduce costs from the 2011 projected rates, **2)** provide employees with choices and **3)** enact a health management plan to positively impact claims and the future costs of the plan.

In 2011 the Human Resources Department along with the Administrators office worked on the third goal of enacting a health management plan, which is an important goal for the long-term health of our workforce and containment of rising healthcare costs. Research has shown that promoting health and wellness in the workplace can lower healthcare costs, reduce absenteeism, improve morale, reduce employee turnover, and enhance employee recruitment.

The first step of the Health Management Plan was the formation of the Health Management Committee which occurred in 2011. The committee meets on a monthly basis and is committed to:

- Provide health management input and direction
- Suggest effective program communications and initiatives
- Promote communication between employees and management
- Support a culture of health management and carry the initiative forward
- Oversee the planning, implementation and evaluation of health management program

In 2011, the Health Management Plan also focused on providing incentives for employees to work on their health and wellness. Ottawa County partnered with Priority Health and participated in a HealthbyChoice Rewards program. This program was designed to encourage and reward employees for taking responsibility for their health. In subsequent years the Health Management Plan will incorporate disincentives for those individuals who do not participate in a plan or follow their doctor's advice addressing health concerns.

EMPLOYEE RECOGNITION

Since 1988 the County has conducted an employee recognition program that consists of an annual Service Awards Banquet held each year in January. In 2009, the switch was made to hold the banquet in October for more favorable weather. The banquet recognizes employees who have reached employment milestones of five (5), ten (10), fifteen (15), twenty (20), etc. years with the County.

On October 19, 2011, two hundred seventy-five (275) people attended the Service Awards Banquet honoring one hundred sixty-three (163) award recipients and twenty-nine (29) retirees from October 1, 2010, to September 30, 2011. The total cost for the banquet was \$24,224.81.

COUNTY PAYROLL ADMINISTRATION AND MAINTENANCE

In late 2011, the Human Resources Department took over the duties and functions of the county-wide payroll processing for the 1,162 employees who are on the county payroll system. This includes processing the biweekly County payroll, ensuring the accurate payment of wages and salaries and compliance with all federal, state and local income and payroll tax regulations, Collective Bargaining Agreements and benefit manuals. In addition, Human Resources maintains and updates employee master files and tables, withholding tax rates, health insurance premium contributions, life and disability insurance premium contributions, retirement contributions, union dues, payroll tax rates and other deductions and employer contributions, along with entering all new employees, change of addresses, wage increases, terminations and promotions.

SECURITY SYSTEM

Ottawa County has thirteen facilities in which the access is controlled by the Midstate proximity card access security system. In 2010, two new buildings were added to this system, Hemlock Crossing Nature Education Center and Grand Haven Courthouse and in 2011 the Juvenile Detention Facility was added to the security system. During 2011 Human Resources oversaw and maintained the security system. Human Resources is also responsible for maintaining and issuing identification cards, assigning card access to new employees and updating current employees access levels.

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Fiscal Services

Submitted By: Bob Spaman

Agenda Item: Monthly Budget Adjustments

SUGGESTED MOTION:

To approve the appropriation changes greater than \$50,000 and those approved by the Administrator and Fiscal Services Director for \$50,000 or less which changed the total appropriation from the amended budget for the month of May 2012.

SUMMARY OF REQUEST:

Approve budget adjustments processed during the month for appropriation changes and line item adjustments.

Mandated action required by PA 621 of 1978, the Uniform Budget and Accounting Act.

Compliance with the Ottawa County Operating Budget Policy.

FINANCIAL INFORMATION:

Total Cost: \$0.00 | General Fund Cost: \$0.00 | Included in Budget: Yes | No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated | Non-Mandated | New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 1: To Maintain and Improve the Strong Financial Position of the County.

- Objective: 1: Maintain and improve the financial position of the County through legislative advocacy.
2: Implement processes and strategies to address operational budget deficits with pro-active, balanced approaches.
3: Approve strategies to reduce the negative impact of rising employee benefit costs on the budget.
4: Maintain or improve bond ratings.

ADMINISTRATION RECOMMENDATION: Recommended | Not Recommended | Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Finance and Administration Committee 6/19/2012

County of Ottawa
Fiscal Services Department
Changes to Total Appropriations and Adjustments
Budget Adjustments From Date: 5/01/2012 Thru 5/31/2012

Adjustment Number	G/L Date	Fund	Dept	Sub Dept	Account Number	Account Name	Adjustment Amount
<u>TO INC NEG ARRA BDDT</u>							
BA 192	5/15/2012	2748	7431	0031	5610.0000	State Of Mich - Welfare	100,000.00-
BA 192	5/15/2012	2748	7431	0031	7040.0000	Salaries - Regular	3,083.00
BA 192	5/15/2012	2748	7431	0031	7150.0000	Social Security	236.00
BA 192	5/15/2012	2748	7431	0031	7160.0000	Hospitalization	683.00
BA 192	5/15/2012	2748	7431	0031	7160.0020	OPEB - Health Care	248.00
BA 192	5/15/2012	2748	7431	0031	7170.0000	Life Insurance	10.00
BA 192	5/15/2012	2748	7431	0031	7180.0000	Retirement & Sick Leave	493.00
BA 192	5/15/2012	2748	7431	0031	7180.0010	457 Plan Contribution	29.00
BA 192	5/15/2012	2748	7431	0031	7190.0000	Dental Insurance	35.00
BA 192	5/15/2012	2748	7431	0031	7200.0000	Worker'S Compensation	1.00
BA 192	5/15/2012	2748	7431	0031	7220.0000	Unemployment	3.00
BA 192	5/15/2012	2748	7431	0031	7230.0000	Optical Insurance	8.00
BA 192	5/15/2012	2748	7431	0031	7240.0000	Disability Insurance	13.00
BA 192	5/15/2012	2748	7431	0031	8600.0000	Travel - Mileage	158.00
BA 192	5/15/2012	2748	7432	0031	8080.0000	Service Contracts	95,000.00
<u>ENTR REV INTO FED REV</u>							
BA 219	5/15/2012	2748	7446		5050.0000	Fed. Grants-Public Safety	558,690.00-
BA 219	5/15/2012	2748	7446		5610.0000	State Of Mich - Welfare	558,690.00
<u>MVE REMNDR OF EECBG \$</u>							
BA 220	5/15/2012	2750	2930		8080.0000	Service Contracts	66,964.00-
BA 220	5/15/2012	2750	2930		9800.0000	Office Furniture & Equip.	71,734.00
BA 220	5/15/2012	2750	2930		9810.0000	Vehicles	4,770.00-
<u>BS&A ANNUAL SRC/SUBRT</u>							
BA 223	5/07/2012	1010	2530		8080.0000	Service Contracts	4,300.00
<u>MANATRY MTG/SCHL PROG</u>							
BA 226	5/07/2012	2210	6043		6070.0260	Medicaid Health Plan	300.00-
BA 226	5/07/2012	2210	6043		8600.0000	Travel - Mileage	300.00
<u>TRNSLATN SVC & PRINTG</u>							
BA 227	5/07/2012	2210	6042		7600.0010	Contractive Supplies	1,950.00-
BA 227	5/07/2012	2210	6042		8210.0000	Contractual - Other	1,950.00
BA 227	5/07/2012	2210	6044		7280.0000	Printing & Binding	150.00
BA 227	5/07/2012	2210	6044		7600.0020	Vaccines	150.00-
BA 227	5/07/2012	2210	6059		5550.0100	T B Outpatient	300.00-

Adjustment Number	G/L Date	Fund	Dept	Sub Dept	Account Number	Account Name	Adjustment Amount
<u>TRNSLATN SVC & PRINTG</u>							
BA 227	5/07/2012	2210	6059		8210.0000	Contractual - Other	300.00
<u>ES&A ANNL SVC/SUPPORT</u>							
BA 229	5/07/2012	2550	2530		8080.0000	Service Contracts	10.00
<u>SHARED SVCS STDY W/GH</u>							
BA 239	5/14/2012	1010	1010		8080.0000	Service Contracts	5,833.00
BA 239	5/14/2012	1010	2010		6999.3900	Rev. (Over)Under Expend.	5,833.00-
<u>RE-ORG W/ADMIN, FS, HR</u>							
BA 241	5/14/2012	1010	2010		6999.3900	Rev. (Over)Under Expend.	20,407.00
BA 241	5/14/2012	1010	2010		7040.0000	Salaries - Regular	800.00-
BA 241	5/14/2012	1010	2010		7150.0000	Social Security	61.00-
BA 241	5/14/2012	1010	2010		7160.0000	Hospitalization	257.00-
BA 241	5/14/2012	1010	2010		7160.0020	OPBB - Health Care	6.00-
BA 241	5/14/2012	1010	2010		7170.0000	Life Insurance	2.00-
BA 241	5/14/2012	1010	2010		7180.0000	Retirement & Sick Leave	127.00-
BA 241	5/14/2012	1010	2010		7190.0000	Dental Insurance	18.00-
BA 241	5/14/2012	1010	2010		7220.0000	Unemployment	3.00-
BA 241	5/14/2012	1010	2010		7230.0000	Optical Insurance	3.00-
BA 241	5/14/2012	1010	2010		7240.0000	Disability Insurance	2.00
BA 241	5/14/2012	1010	2010		8610.0000	Conferences & Othr Travel	490.00-
BA 241	5/14/2012	1010	2230		7040.0000	Salaries - Regular	27,587.00
BA 241	5/14/2012	1010	2230		7150.0000	Social Security	2,110.00
BA 241	5/14/2012	1010	2230		7160.0000	Hospitalization	4,520.00
BA 241	5/14/2012	1010	2230		7160.0020	OPBB - Health Care	110.00
BA 241	5/14/2012	1010	2230		7170.0000	Life Insurance	72.00
BA 241	5/14/2012	1010	2230		7180.0000	Retirement & Sick Leave	3,769.00
BA 241	5/14/2012	1010	2230		7190.0000	Dental Insurance	304.00
BA 241	5/14/2012	1010	2230		7200.0000	Worker'S Compensation	6.00
BA 241	5/14/2012	1010	2230		7220.0000	Unemployment	113.00
BA 241	5/14/2012	1010	2230		7230.0000	Optical Insurance	55.00
BA 241	5/14/2012	1010	2230		7240.0000	Disability Insurance	77.00
BA 241	5/14/2012	1010	2230		7390.0000	Operational Supplies	1,600.00
BA 241	5/14/2012	1010	2230		8610.0000	Conferences & Othr Travel	4,090.00
BA 241	5/14/2012	1010	2260		7040.0000	Salaries - Regular	33,294.00-
BA 241	5/14/2012	1010	2260		7150.0000	Social Security	2,547.00-
BA 241	5/14/2012	1010	2260		7160.0000	Hospitalization	7,396.00-
BA 241	5/14/2012	1010	2260		7160.0020	OPBB - Health Care	180.00-
BA 241	5/14/2012	1010	2260		7170.0000	Life Insurance	99.00-

Adjustment Number	G/L Date	Fund	Dept	Sub Dept	Account Number	Account Name	Adjustment Amount
<u>RE-ORG W/ADMIN.FS.HR</u>							
BA 241	5/14/2012	1010	2260		7180.0000	Retirement & Sick Leave	5,330.00-
BA 241	5/14/2012	1010	2260		7190.0000	Dental Insurance	498.00-
BA 241	5/14/2012	1010	2260		7200.0000	Worker'S Compensation	9.00-
BA 241	5/14/2012	1010	2260		7220.0000	Unemployment	137.00-
BA 241	5/14/2012	1010	2260		7230.0000	Optical Insurance	90.00-
BA 241	5/14/2012	1010	2260		7240.0000	Disability Insurance	94.00-
BA 241	5/14/2012	1010	9650		9990.2210	Health	13,381.00-
<u>EDGT SET-UP FOR EVIP</u>							
BA 242	5/14/2012	1010	2240		5400.0000	St Of MI-General Govt.	14,804.00-
BA 242	5/14/2012	1010	2240		8080.0000	Service Contracts	14,804.00-
<u>PURCHASE_DESKTOP_PC</u>							
BA 243	5/14/2012	1010	2530		7390.0000	Operational Supplies	950.00
<u>DNATWS/IRS_TSK_FORCE</u>							
BA 245	5/14/2012	1010	3020		6750.0010	Donations	1,350.00-
BA 245	5/14/2012	1010	3020		6760.0000	Reimbursements	5,000.00-
<u>CVR_ADDL_FOOD_COSTS</u>							
BA 246	5/14/2012	1010	3510		7390.0000	Operational Supplies	4,343.00
<u>EXTND_HRS-MNFWR_EMPL</u>							
BA 248	5/14/2012	2210	6031		5170.0000	Medicaid	3,347.00-
BA 248	5/14/2012	2210	6031		8210.0060	Outside Temporary Service	3,347.00-
<u>PC_PURCHASE</u>							
BA 252	5/14/2012	2560	2360		7390.0000	Operational Supplies	5,030.00
<u>TO_INCREASE_CAA_GRANT</u>							
BA 255	5/14/2012	2870	7470		5610.0060	Comm. Serv. Block Grant	23,560.00-
BA 255	5/14/2012	2870	7471		7040.0000	Salaries - Regular	9,904.00
BA 255	5/14/2012	2870	7471		7150.0000	Social Security	758.00
BA 255	5/14/2012	2870	7471		7160.0000	Hospitalization	2,686.00
BA 255	5/14/2012	2870	7471		7160.0020	ORBB - Health Care	163.00
BA 255	5/14/2012	2870	7471		7170.0000	Life Insurance	33.00

County of Ottawa
Fiscal Services Department
Changes to Total Appropriations and Adjustments
Budget Adjustments From Date: 5/01/2012 Thru 5/31/2012

Adjustment Number	G/L Date	Fund	Dept	Sub Dept	Account Number	Account Name	Adjustment Amount
TO INCREASE CAA GRANT							
BA 255	5/14/2012	2870	7471		7180.0000	Retirement & Sick Leave	1,583.00
BA 255	5/14/2012	2870	7471		7190.0000	Dental Insurance	138.00
BA 255	5/14/2012	2870	7471		7200.0000	Worker'S Compensation	2.00
BA 255	5/14/2012	2870	7471		7220.0000	Unemployment	8.00
BA 255	5/14/2012	2870	7471		7230.0000	Optical Insurance	32.00
BA 255	5/14/2012	2870	7471		7240.0000	Disability Insurance	43.00
BA 255	5/14/2012	2870	7472		7040.0000	Salaries - Regular	3,920.00
BA 255	5/14/2012	2870	7472		7150.0000	Social Security	300.00
BA 255	5/14/2012	2870	7472		7160.0000	Hospitalization	1,169.00
BA 255	5/14/2012	2870	7472		7160.0020	OPEB - Health Care	86.00
BA 255	5/14/2012	2870	7472		7170.0000	Life Insurance	9.00
BA 255	5/14/2012	2870	7472		7180.0000	Retirement & Sick Leave	361.00
BA 255	5/14/2012	2870	7472		7180.0010	457 Plan Contribution	5.00
BA 255	5/14/2012	2870	7472		7190.0000	Dental Insurance	73.00
BA 255	5/14/2012	2870	7472		7200.0000	Worker'S Compensation	1.00
BA 255	5/14/2012	2870	7472		7220.0000	Unemployment	3.00
BA 255	5/14/2012	2870	7472		7230.0000	Optical Insurance	17.00
BA 255	5/14/2012	2870	7472		7240.0000	Disability Insurance	17.00
BA 255	5/14/2012	2870	7472		8600.0000	Travel - Mileage	749.00
BA 255	5/14/2012	2870	7472		8610.0000	Conferences & Othr Travel	1,500.00
COMM-SPLST WRK 25% GF							
BA 260	5/21/2012	2210	6010		6990.1010	Oper Trans-General Fund	13,381.00
BA 260	5/21/2012	2210	6010		7040.0000	Salaries - Regular	9,805.00
BA 260	5/21/2012	2210	6010		7150.0000	Social Security	750.00
BA 260	5/21/2012	2210	6010		7160.0000	Hospitalization	1,644.00
BA 260	5/21/2012	2210	6010		7160.0020	OPEB - Health Care	40.00
BA 260	5/21/2012	2210	6010		7170.0000	Life Insurance	19.00
BA 260	5/21/2012	2210	6010		7180.0000	Retirement & Sick Leave	923.00
BA 260	5/21/2012	2210	6010		7190.0000	Dental Insurance	111.00
BA 260	5/21/2012	2210	6010		7200.0000	Worker'S Compensation	2.00
BA 260	5/21/2012	2210	6010		7220.0000	Unemployment	40.00
BA 260	5/21/2012	2210	6010		7230.0000	Optical Insurance	20.00
BA 260	5/21/2012	2210	6010		7240.0000	Disability Insurance	27.00
A&V ELIGBLE EXP-INC...							
BA 269	5/29/2012	2160	1410		5410.0040	State of MI - Judicial	1,000.00
BA 269	5/29/2012	2160	1410		6990.1010	Oper Trans-General Fund	3,200.00
BA 269	5/29/2012	2160	1410		8090.0000	Counseling	4,200.00

Adjustment Number	G/L Date	Fund	Dept	Sub Dept	Account Number	Account Name	Adjustment Amount
ADJ TO CUR MDCH ALLOC							
ADJ TO CUR MDCH ALLOC							
BA 271	5/29/2012	2210	6010		5170.0220	Medicaid-Outreach	1,700.00-
BA 271	5/29/2012	2210	6010		5550.0000	State Of MI - Health	37.00-
BA 271	5/29/2012	2210	6042		5550.0050	Family Planning	13,893.00
BA 271	5/29/2012	2210	6043		5170.0000	Medicaid	683.00-
BA 271	5/29/2012	2210	6043		5550.0000	State Of MI - Health	683.00
BA 271	5/29/2012	2210	6044		5550.0000	State Of MI - Health	193.00
BA 271	5/29/2012	2210	6059		5550.0100	T B Outpatient	4,552.00-
<u>FDS FOR MED RSRV CORP</u>							
BA 273	5/29/2012	2210	6013		6710.0000	Other Revenue	3,666.00-
BA 273	5/29/2012	2210	6013		7390.0000	Operational Supplies	3,666.00

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Administrator's Office

Submitted By: Misty Cunningham

Agenda Item: Senior Resources Annual Implementation Plan FY 2013

SUGGESTED MOTION:

To approve and authorize the Board Chair and Clerk to sign the resolution approving the Senior Resources Annual Implementation Plan FY 2013.

SUMMARY OF REQUEST:

It is a requirement of the Michigan Office of Services to the Aging that area agencies on aging send a copy of their Area Plan and seek a resolution from County Boards by July 30 of each year. The Ottawa County Human Services Coordinating Council reviewed and recommends approval of this plan.

The request from Senior Resources also includes a \$20,000 local match for 2013 to leverage \$2,032,930 in federal and state funds. Action on this resolution does not commit the County to that amount, but rather reserves that appropriation decision for the budget cycle later in 2012.

FINANCIAL INFORMATION:

Total Cost: \$0.00 General Fund Cost: \$0.00 Included in Budget: Yes No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated Non-Mandated New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 3: To Contribute to a Healthy Physical, Economic, & Community Environment.

Objective: 4: Continue initiatives to positively impact the community.

ADMINISTRATION RECOMMENDATION: Recommended Not Recommended Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Health and Human Services Committee 6/13/2012

COUNTY OF OTTAWA

STATE OF MICHIGAN

RESOLUTION

At a regular meeting of the Board of Commissioners of the County of Ottawa, Michigan, held at the Fillmore Street Complex in the Township of Olive, Michigan on the ___ day of _____, 2011 at _____ o'clock p.m. local time.

PRESENT: Commissioners: _____

ABSENT: Commissioners: _____

It was moved by Commissioner _____ and supported by Commissioner _____ that the following Resolution be adopted:

WHEREAS, Senior Resources, the Area Agency for Aging serving the residents of Ottawa County, has filed its Annual Implementation Plan for FY 2012 ("the Plan") with the Ottawa County Board of Commissioners; and,

WHEREAS, the Ottawa County Board of Commissioners, upon review of the Plan, has determined that it is consistent with the goals and objectives of the County of Ottawa with regard to services for senior citizens, and has further determined that implementation of the Plan will protect and benefit the health, safety, and welfare of the senior citizens of Ottawa County, with County funding therefore, if any, subject to the availability of such resources in the County

budget as may be determined in the sole discretion of the Ottawa County Board of Commissioners;

NOW THEREFORE BE IT RESOLVED, that the Ottawa County Board of Commissioners receives and approves the Senior Resources Annual Implementation Plan for FY 2012, with County funding, if any, subject to the availability of such resources in the County budget, as may be determined in the sole discretion of the Ottawa County Board of Commissioners; and,

BE IT FURTHER RESOLVED, that all resolutions and parts of resolutions insofar as they conflict with this Resolution are hereby repealed.

YEAS: Commissioners: _____

NAYS: Commissioners: _____

ABSTENTIONS: Commissioners: _____

RESOLUTION ADOPTED.

Chairperson, Ottawa County
Board of Commissioners

Ottawa County Clerk

Mr. Philip D. Kuyers, Chairperson
County of Ottawa, Board of Commissioners
12220 Fillmore
West Olive, MI 49460

RECEIVED
MAY 17 2012
OTTAWA COUNTY
ADMINISTRATORS OFFICE

Mr. Kuyers,

Please find enclosed a copy of Senior Resources Annual Implementation Plan for FY'2013 for your review and approval. It is a requirement by our state office that Area Agencies on Aging send a copy of their Area Plan and seek a resolution/adoption from the County Board by July 31, 2012. If the Commissioners do not approve the plan please identify the reason(s) that it was not approved. If we do not receive a resolution or minutes from you prior to July 31st then we will assume you approve the plan. Pam Curtis and I will be reviewing this plan with the Ottawa Human Services Coordinating Council on May 23, 2012.

This plan represents an update to the 2010-2012 Multi-Year Plan. Typically the Fiscal Year 2013 Plan would be part of a Multi-Year Plan however; the Michigan Offices of Services to the Aging has extended the Multi-Year Plan until next year while we await 2012 Census data that may alter funding formularies. Senior Resources will be writing a Multi-Year Plan in 2014.

The budget information included in the plan represents a continuation in state and federal funding. We recognize that new budget figures maybe available after May 31. If Senior Resources receives new budget figures before June 15, 2012 we will send them to you promptly for your review.

The Senior Resources Program and Planning Advisory Board and the Board of Directors, both of which have representatives from all three of our counties, approved the Annual Implementation Plan for FY'2013 at their May meetings. A copy of the plan has also been submitted to the Office of Services to the Aging for their review, comment, and approval at their September Board meeting.

We appreciate your time and effort in reviewing our plan. Please feel free to give me a call at 1-800-442-0054 if you have any questions.

Sincerely,


Amy Florea
Community Services Director

cc: Al Vanderberg, Administrator
Keith Van Beek, Assistant County Administrator
Enclosures

FY'2013 Annual Implementation Plan



Senior Resources of West Michigan

560 Seminole Rd.

Muskegon, MI 49444

(231) 739-5858 or 800-442-0054

Pam Curtis, Executive Director

Amy Florea, Community Services Director



MICHIGAN OFFICE OF SERVICES TO THE AGING

ANNUAL & MULTI YEAR IMPLEMENTATION PLANS (AMPs)

Senior Resources

FY: 2013

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MICHIGAN OFFICE OF SERVICES TO THE AGING

ANNUAL & MULTI YEAR IMPLEMENTATION PLANS (AMPs)

Senior Resources

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County/Local Unit of Govt. Review

AAA Response:

Senior Resources will send a draft copy of the 2013 Annual Implementation plan via certified mail or email with a delivery receipt and read receipt request to each chairperson of the county commissioner's board and the administrator of the board for each county in our region no later than May 18, 2012. In a cover letter sent to the chairperson of each board of commissioners, Senior Resources will offer to attend the County Board meeting for each county in our region to respond to any questions related to the plan. The letter will indicate that if we do not hear from their local units of government prior to July 31, 2012 with a written or emailed resolution or approval, Senior Resources will assume their board's passive approval of the plan.



Plan Overview

AAA Response:

The mission of Senior Resources is to provide a comprehensive and coordinated system of services designed to promote the independence and dignity of older persons and their families in Muskegon, Oceana, and Ottawa counties – a mission compelling us to focus on older persons in greatest need and to advocate for all. Senior Resources serves as a focal point and acts as an advocate for the elderly by advancing causes or issues that are vital to their welfare. It is the agency's specific goal to effectively implement the Older Americans Act by developing and administering a regional area plan for coordinating and contracting with viable agencies for services for persons 60 years and older. It is also a goal of the agency to inform and educate seniors, families and the public on available services and issues affecting older adults.

Providing an older adult with the services necessary to remain in their own home is the focus of the case management services. Individuals in need of homecare services must become clients of either one of the Case Coordination & Support programs or the Care Management program in order to receive services through our Purchase of Service system. Consumers choose from a pool of personal care, homemaking, in-home respite, and adult day care providers. Supports coordinators assess client's physical, social and financial needs and then, if applicable, make arrangements for in-home services including: home delivered meals, personal care, in-home respite, homemaking, medication management, personal emergency response systems and adult day care. If necessary, transportation services can be arranged, Medicare, Medicaid and other insurance counseling can be provided and assistance is available with the Medicare Prescription Drug Program. Referrals are also made to other community programs. Supports coordinators received and will continue to enhance their training in long term care options counseling, something they have always done but will be offered in a more consistent format. In 2012 we hired three Options Counselors and have incorporated their service into the Intake Process. Consumers identified at the time of the initial contact with an Options Counselor as a candidate for a community living program or at risk for nursing home placement are referred to the community living consultant immediately. Options counseling not only explains someone's long term care options, it also allows for discussion on a person's personal finances and how to best utilize them to make them last for as long as possible and still allow the person to remain in the setting of their choice.

Consumers are deemed appropriate and prioritized for service by the RN Services Coordinator who also monitors level of service. Use of a purchase of service format allows clients and case managers more flexibility in arranging services and clients may choose their providers or change them if they are unhappy. Senior Resources has found this to be a more efficient and effective use of limited dollars.

Demand for services continues to exceed the supply of funds available. As funding gets tighter we continue to look for alternative sources to assist our clients and creative measures to work with what we have. Incremental funding increases in the OAA over the last several years have not kept pace with inflation or the growing population of individuals eligible for services for two decades. As a result, unmet needs and waiting lists for services exist throughout the country.



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In response, Area Agencies on Aging have skillfully managed care for vulnerable aging populations by maximizing private and public resources to ensure that essential services are available to minority, frail and low-income older persons in need of comprehensive long-term services and supports. However, as the aging population grows – with more people living longer but facing chronic illness and frailty – and in the absence of significant funding increases, the Aging Service Network will increasingly be unable to meet the demands for care. These challenges will only grow. The number of Michigan seniors age sixty and older is rising by 135 residents per day! This growing wave of older adults presents challenges and opportunities.

The National Family Caregiver Support Program and Tobacco Settlement Respite funds have allowed us to enhance and develop a variety of supportive programs for caregivers over the past six years. We are able to provide caregivers with much needed respite breaks through one of the four adult day care facilities in our region or in the client's place of residence if they are unable to get out of the home. A monthly newsletter, The Caregiver Link, is specifically designed to address the needs of area caregivers and has a distribution list of 800+. Senior Resources installed caregiver libraries in five different locations throughout the region. We also offer a variety of caregiver trainings and support groups, including assistance and support for grandparents raising their grandchildren. A program specifically designed to meet the needs of the working caregiver has been developed. Caregivers in the “sandwich” generation are in need of caregiving resources that are identified and accessible through the workplace.

Senior Resources has established chronic disease management programs throughout our three county area with 10 agencies and 30 lay leaders involved in facilitating programs to assist seniors in managing their chronic health conditions. Currently we are offering Personal Action Towards Health (PATH), Arthritis Exercise, Healthy Eating, TaiChi and Matter of Balance evidence based programming. In 2013 we plan to expand the evidence based programming by adding two new programs to the classes currently offered.

While not a significant amount of money is awarded for Health Promotion/Disease Prevention these funds do have an effect on preventative health matters.

Senior Resources has a Community Loan closet available to residents of all three counties that provides medical equipment and supplies. Requests come from not only Senior Resources' community partners and staff, but from local hospitals and other home care offices, churches, United Way agencies and CALL 2-1-1. The partnership at Tanglewood Park has increased public awareness; more individuals, organizations and agencies are offering donated goods to maintain the inventory – such as adult diapers, liquid dietary supplements, walkers, bath chairs, wheel chairs and commodes.

Staff at Senior Resources have taken part in a variety of program development and program improvement projects over the last year. These projects have varied from building relationships with community partners in an effort to become an emerging ADRC to participating in the Ottawa County Food Council to assure resident's access to food, to a Healthy Muskegon initiative to a community caregiver event and our agency participation in a regional Community Health Survey. We have participated in the creation of a health clinic for the uninsured in northern Ottawa County, a person centered training with another AAA, and the development of the Creating Confident Caregivers training program in our area. In the past year we worked with the Oceana County Council on Aging as they developed a new adult day care and will continue to partner as they explore the possibility of creating a new assisted living. In addition to carrying over some of these projects, we will be working with Ottawa County on a gap analysis study of older adult services and



MICHIGAN OFFICE OF SERVICES TO THE AGING

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Senior Resources

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with United Way on their community needs assessment. We will also continue discussions with Muskegon County on a future senior millage.

The 2013 annual plan once again emphasizes security and independence for the elderly. Services are targeted to low-income, frail, minority, and medically underserved. It is the intent of Senior Resources to assure that the basic services, Home-Delivered Meals, Personal Care, Homemaker Services, Adult Day Care/In-Home Respite, Case Coordination & Support and Care Management are available throughout the three county area. In-put sessions, surveys, planning committee meetings, and public hearings were conducted throughout the region in preparation for the multi-year plan and this annual implementation plan. The goals reflect the views of the older citizens, advisory council members, service providers, community leaders, and our policy board who participated in the planning process. There are no substantive changes from the FY'2012 plan.



MICHIGAN OFFICE OF SERVICES TO THE AGING

ANNUAL & MULTI YEAR IMPLEMENTATION PLANS (AMPs)

Senior Resources

FY: 2013

Public Hearings

AAA Response:

Date	Location	Time	Is Barrier Free	No of Attendees
05/10/2012	Tanglewood Park	10:30 AM	Yes	16

Narrative:

A public hearing on the Senior Resources, Area Agency on Aging 2013 Annual Implementation Plan was held on May 10, 2012, at Tanglewood Park, 560 Seminole Rd. Muskegon, MI at 10:30 a.m. This is a barrier-free facility and has been designated a community focal point. Notices of the hearing were disseminated to area newspapers, senior centers, service providers, our website, board and advisory council members and the aging network via Vendor View, Sixty Seconds newsletter and email 30 days prior to the hearing. Copies of the proposed draft plan were available on our website and upon request by April 25, 2012.

All persons attending the hearing on May 10, 2012 had access to copies of the 2013 Draft Area Plan if they did not already have a copy. The purpose of the public hearing was presented as well as highlighted sections including a summary of services, highlights of FY'12 accomplishments, description of goals for FY'13 and strategies for accomplishing them, description of special projects and partnerships and, advocacy efforts and a budget overview.

There were 16 people in attendance at the hearing.

There were no verbal comments or testimony at the time of the hearing. Comments, written and/or verbal were taken until May 25, 2012.



Available Resources & Partnerships

AAA Response:

The Senior Resources Board of Directors and staff have established as a priority providing services to the most in need. To that end, we partner with over 90 In-Home Care Agencies that are located and provide care throughout our three county area. In-home services including personal care, homemaking, respite, and home-delivered meals remain priority services as well as adult day care and caregiver services. We will strive to expand those and other services in the area and to coordinate with agencies to provide services such as chore services, home repair, telephone reassurance, and emergency assistance. Senior Resources will continue to work with area collaborative bodies to insure that services reach the frailest elderly.

The demand for services is expected to continue to grow with the swiftly aging population. The amount of funding Senior Resources receives for services are not able to keep up with that demand. To help alleviate some of the excess demand, we will continue to seek alternative funding to support services in out three county region.

This past year Senior Resources has used interest income to support the unmet needs program. We use these funds to purchase items such as dentures, glasses, furnace repairs, ramps, appliances, and emergency transportation. In the Senior Resources publication, Senior Perspectives, a segment is devoted to assist seniors in locating low cost services with individual workers that have indicated a skill in providing the requested service. We also continue to work with a variety of volunteer programs and youth summer camps to provide an assortment of chore services.

Senior Resources contracts with a 24 hour 7 days a week information and assistance call center with call specialists skilled in helping families clarify their situation and identify the best solutions. Information and Assistance is available region-wide through CALL 2-1-1. A phone call provides access to information and assistance regarding in-home services, case coordination & support, Care Management/Medicaid Waiver programs, insurance, prescriptions, taxes, transportation, support groups, home repair, housing, and a host of knowledge. In addition, the Senior Resources Options Counselors educate consumers, explore options, and make appropriate referrals as needed. Information and Assistance is the first step in our continuum of care. Additional information can be gained from the Call-211 website at www.call-211.org. Several of our contractors, and Senior Resources, are recipients of United Way funds. Senior Resources will continue to work closely with the United Ways in an effort to provide the broadest amount of service coverage possible. The combination of United Way and Senior Resources funds allows many providers to enhance and expand the amount of service they are providing rather than duplicate it.

In the Senior Resources service area two counties receive millage service dollars. Both the Oceana County Council on Aging and the North Ottawa County Council on Aging are recipients of millage funds in their areas. Oceana has a county-wide millage and receives approximately \$801,372, while North Ottawa receives funds from specific townships of approximately \$585,000 for 2013 millage estimate. These funds are used to cover operating expenses for all services and support existing programs within the Councils on Aging. Without these funds both agencies would be forced to cut back or eliminate services to older adults in their areas.

Senior Resources is partnering with all interested and pertinent community partners to establish seamless, "no wrong door" access to community services in the form of an Aging and Disability Resource Collaboration (ADRC). Currently, these partners include 2-1-1, the area Centers for Independent Living, our community focal points, local hospitals, the ombudsman program, the other area MIChoice Waiver agent, DHS office and some CMH officials. This group meets bimonthly to set the direction of the ADRC



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Senior Resources

FY: 2013

and prepare for the application process in which we will propose to become a fully functioning ADRC.

A partnership established in 2012 with the Muskegon County Sheriff's Office has given Senior Resources the opportunity to offer Project Lifesaver in Muskegon County. Project Lifesaver is a non-profit organization located in Virginia. They train local law enforcement (in this case the Muskegon County Sheriff's Office) in how to utilize reliable radio technology to track individuals with conditions that may cause them to wander. Project Lifesaver is for people suffering from severe brain injuries or diseases such as Alzheimer's, Dementia, Down's syndrome, or Autism. Individuals that are prone to wander as a result of their disease or injury or become disoriented and confused when in the community are eligible for this program.

Senior Resources has written and received local grants to purchase Project Lifesaver units for scholarship as well as provides units available for caregivers to purchase.

Senior Resources partners with a variety of local health and human service providers to deliver services from a group of highly qualified staff to assure the best level of care and assistance and we will continue to work with a variety of collaborative bodies in the region to create new services when needed and enhance the old ones, as we are able.



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Senior Resources

FY: 2013

Access Services

Care Management

Starting Date 10/01/2012 Ending Date 09/30/2013

Total of Federal Dollars Total of State Dollars \$215,913.00

Geographic area to be served:

Muskegon, Oceana and Ottawa Counties

List each goal for the program, including timeline and expected outcome:

Goal: Supports Coordinators will employ Person Centered Thinking and self-determination to assure consumer choice in services and providing agencies or people.

Time Line: Through September 30, 2013.

Outcome: Consumers will have greater autonomy regarding their care resulting in a higher satisfaction rate and continued compliance.

Goal: Supports Coordinators will assist the consumer and their family in identification of natural supports, personal resources and other community/external resources available for long-term care.

Time Line: Through September 30, 2013.

Outcome: Consumers will have awareness of and access to community support services.

Goal: Case Coordination & Support consumers will be moved to Care Management or MI Choice/Waiver as frailty increases and eligibility becomes evident.

Time Line: Through September 30, 2013.

Outcome: Consumers will have greater ease of access to services.

Number of client pre-screenings:	Current Year:	50	Planned Next Year:	60
Number of initial client assessments:	Current Year:	30	Planned Next Year:	40
Number of initial client care plans:	Current Year:	30	Planned Next Year:	40
Total number of clients (carry over plus new):	Current Year:	87	Planned Next Year:	95
Staff to client ratio (Active and maintenance per Full time care	Current Year:	38	Planned Next Year:	38

MATCH:

Source of Funds	Cash Value:	\$20,000.00	In-kind	
Source of Funds	Cash Value:		In-kind	\$4,000.00
Source of Funds	Cash Value:		In-kind	

OTHER RESOURCES:

Source of Funds	Cash Value:	\$8,500.00	In-kind	
Source of Funds	Cash Value:		In-kind	
Source of Funds	Cash Value:		In-kind	

Case Coordination and Support

Starting Date 10/01/2012 Ending Date 09/30/2013



MICHIGAN OFFICE OF SERVICES TO THE AGING

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Senior Resources

FY: 2013

Total of Federal Dollars \$119,122.00 Total of State Dollars \$27,146.00

Geographic area to be served:

Muskegon County - Case Coordination and Support.
Muskegon, Oceana and Ottawa Counties -Options Counseling.

List each goal for the program, including timeline and expected outcome:

Goal: Supports Coordinators and Options Counselors will assist the consumer and their family in identification of natural supports, personal resources and other community/external resources available for long-term care.

Time Line: Through September 30, 2013.

Outcome: Consumers will have awareness of and access to community support services.

Goal: Case Coordination & Support consumers will be moved to Care Management or MI Choice/Waiver as frailty increases and eligibility becomes evident.

Time Line: Through September 30, 2013.

Outcome: Consumers will have greater ease of access to services.

Goal: Supports Coordinators and Options Counselors will employ Person Centered Thinking and self-determination to assure consumer choice in services and providing agencies or people.

Time Line: Through September 30, 2013.

Outcome: Consumers will have greater autonomy regarding their care resulting in a higher satisfaction rate and continued compliance.



Program Development Objectives (State)

State Plan Goal: Goal One

Work to Improve the health and Nutrition of Older Adults

AAA Response:

Objective:

Community members will have and utilize regional meal sites that fulfill needs related to nutrition, socialization, health and wellness.

Timeline:

Through September 30, 2013.

Activities:

- Add activities to sites with lower daily attendance as activities often introduce people to the lunch programs.

Resources to be mobilized

AgeWell services will work to identify community partnerships for providing various activities including training lay leader and coaches for a variety of evidence based programs. In addition, they will utilize the many free and low cost marketing tools available to non-profit agencies within our region.

Who will benefit

Seniors.

Programs to be established

Specific activities are unknown but may include such things as fun/social activities, fitness activities including Evidence Based Disease Prevention programming and educational activities to provide information and resources to older adults. Some of these classes will have a fee attached for participation. This program income will assist AgeWell services in the perpetuation of the programming.

Staff positions and time to be allocated to the objective

Time to be allocated for objective success includes Marketing Manager for materials and promotions of activities, Program Manager for Congregate Centers for developing, instituting activities at selected centers and

Center Coordinator for additional time for implementing and reporting activities at centers and recruitment of volunteers.

Changes to the area agency's infrastructure necessary to achieve the objective

None.

Expected Outcome:

Providing more activities at the congregate centers increases the number of new seniors coming to a center, increases the frequency seniors attend and maintains/increases annual attendance (normal attrition sometimes only allows for maintenance) and improves satisfaction of our center operation



MICHIGAN OFFICE OF SERVICES TO THE AGING

ANNUAL & MULTI YEAR IMPLEMENTATION PLANS (AMPs)

Senior Resources

FY: 2013

AAA Response:

Objective:

To support older adults in the management of their chronic disease.

Timeline:

Through September 30, 2013

Activities:

Activities

- The regional team of 30 lay leaders and 6 Master Trainers for the Personal Action Towards Health (PATH) program will provide the PATH 6 week program series in various locations throughout the region. These PATH classes will be in the form of PATH, PATH Diabetes and PATH Spanish speaking.
- The regional team of Matter of Balance coaches will conduct the 8 week Matter of Balance program in locations throughout the region.
- The regional team will provide Arthritis Exercise, Healthy Eating and Arthritis Tai Chi in various locations throughout the region.
- Regionally develop and train volunteers to facilitate two additional types of approved Evidence Based programming.

Resources to be mobilized

We will take advantage of various Evidence Based Health Promotion/Disease Prevention trainings offered by the state and throughout the region and neighboring regions.

Who will benefit

Older persons and persons with disabilities.

Programs to be established

Two new Evidence Based programming will be established. The specific programs will be determined with feedback from our focal points and consumers.

Staff positions and time to be allocated to the objective

Community Services Directors time in the form of training, communication with lay leaders and reporting.

Changes to the area agency's infrastructure necessary to achieve the objective

None.

Expected Outcome:

We believe that when seniors are given support and education related to management of chronic conditions or other targeted health issues they will be better equipped to manage their health concerns over longer periods of time.

AAA Response:

Objective:

Community members will have and utilize regional meal sites that fulfill needs related to nutrition, socialization, health and wellness.



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Senior Resources

FY: 2013

Timeline:

Through September 30, 2013

Activities:

- AgeWell Services, Senior Resources meal provider, will pilot increased hours of service with two congregate meal sites in the PSA. Meals will be offered on selected days for an extended period of time each day.
- AgeWell Services, at the same pilot meal sites, will provide a choice of meal items available on certain days. Meals will be flash frozen at the regional kitchen, delivered to the meal site and reheated as they are ordered, allowing for consumer preference.
- If pilot program is received positively and money is available, additional sites will be added.

Resources to be mobilized:

AgeWell Services will use funds to purchase reheating appliance for meals. Training on the reheating tools for site coordination staff.

Who will benefit?

Seniors.

Programs to be established:

No additional programs will be created – longer hours and increased food options will be added to existing programs.

Staff positions and time to be allocated to the objective:

AgeWell site coordinators and kitchen staff time.

Changes to the area agency's infrastructure necessary to achieve the objective

None.

Expected Outcome:

Providing expanded hours and additional meal choices will increase the number of new seniors attending congregate meals and add to the satisfaction of existing consumers.

State Plan Goal: Goal Two

Ensure That Older Adults Have a Choice in Where They Live Through Increased Access to Information and Services

AAA Response:

Objective:

To ensure consumer choice and access to services.

Timeline:

Through September 30, 2013.

Activities:



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- All Supports Coordinators employed by Senior Resources and focal points will have the required training to provide fitting Community Living Supports and Options Counseling to consumers.
- The 211 Call Center will use state/agency defined triggers to refer consumers to Options Counselors when met with multi-faceted consumer needs.
- All Supports Coordinators and Options Counselors will be trained in the Person Centered Thinking Process

Resources to be mobilized:

Training with the local Call 211 center. Two master level Person Centered Thinking trainers.

Who will benefit:

Seniors and/or disabled population and their caregivers in our PSA.

Programs to be established:

Senior Resources established the Long Term Care Options Counseling positions in 2011. This will be a continuation of that program with the added component of involvement in the Aging and Disability Collaboration project and enhanced cooperation with the Call 211 center.

Staff positions and time to be allocated to the objective:

Three full time Long Term Care Options Counselors and all Supports Coordinators throughout the PSA.

Changes to the area agency's infrastructure necessary to achieve the objective:

None.

Expected Outcome:

We expect that consumers and their families or caregivers are better able to use personal resources with higher success and greater longevity when presented with options of care.

State Plan Goal: Goal Three

Protect Older Adults From Abuse and Exploitation

AAA Response:

Objective:

Caregivers of older adults will recognize signs of impending abuse.

Timeline:

Through September 30, 2013

Activities:

Activities:

- Supports Coordinators and Options Counselors will receive training/training updates on potential caregiver abuse signs and triggers and be able to assist caregivers with formal and informal supports to help prevent caregiver burnout.
- Caregivers will be able to identify indicators of stress related abuse and their triggers and seek assistance when appropriate.



Senior Resources

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Resources to be mobilized:

Training resources for all staff related to caregiver burnout and stress emphasizing the importance of formal and informal supports and respite for the caregiver.

Who will benefit:

Caregivers and care recipients.

Programs to be established

None.

Staff positions and time to be allocated to the objective:

All Supports Coordinators and Options Counselors will provide this education as part of their contact with caregivers.

Changes to the area agency's infrastructure necessary to achieve the objective:

None.

Expected Outcome:

When caregivers are informed regarding what constitutes elder abuse and provided access to respite whether formal or informal, there is greater caregiver longevity and satisfaction.

AAA Response:

Objective:

Decrease elder abuse in Muskegon, Oceana and Ottawa Counties by increasing awareness and knowledge of what is elder abuse and how to report it.

Timeline:

Through September 30, 2013.

Activities:

- The members of the Tri-County Protection Team will compose a six part series on all categories of Elder Abuse and publish it in the Senior Perspectives and Caregiver Links.— 17,000 Senior Perspective magazines are distributed throughout the Muskegon, Oceana and Ottawa County in January, March, May, July, September and November. 700 Caregiver Links are distributed monthly within the PSA. Portions will also be published in the focal points newsletters.
- An attorney who serves on the Tri-County Protection Team will be a guest on the Senior Connections informational TV broadcast which reaches 200,000 potential viewers. Two appearances will be scheduled to cover all subject material.
- The Tri- County Protection Team (TCPT) will direct the community and seniors to the website www.safeseniors.info for information and resources by marketing at various Senior health events throughout the 3 counties.
- The TCPT will develop an email list for communication of scams, resources, events, and advocacy.
- The TCPT will provide 3 group training events in our region and post materials in the education file on the website.
- TCPT will develop a social media site perpetuating the Elder Abuse message to the 50 and under age group.



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Resources to be mobilized
Tri-County Protection Team, Focal Points and local media outlets.

Who will benefit:
Seniors, family members, neighbors and community members.

Programs to be established
None.

Staff positions and time to be allocated to the objective:
Communications & Fund Developer with time related to planning script for television show and taping of the show.

Changes to the area agency's infrastructure necessary to achieve the objective:
None

Expected Outcome:

When educated regarding what constitutes elder abuse and that it is in fact a crime; Seniors, family members of seniors or concerned neighbors will urge others to report abuse or report suspected abuse themselves.

State Plan Goal: Goal Four

Improve the Effectiveness, Efficiency, and Quality of Services Provided Through the Michigan Aging Network and its Partners

AAA Response:

Objective:

Consumers will have "no wrong door" access to information regarding long term options for care. To ensure consumer choice and access to services

Timeline:

Through September 30, 2013.

Activities:

- Monthly meetings comprised of the convener group to determine direction of the Aging and Disability Resource Collaboration (ADRC).
- Bi-Monthly meetings of all levels of ADRC membership.
- Continual update of long term care options publication. This publication is available to all service providers and outlines the care options in our community.
- Determine what agency will take geo routed phone number and on what days.
- Each convening agency will decide how data information will be relayed to the state office.
- Submit proposal application for formalized ADRC to state office.

Resources to be mobilized:
Knowledge from the Community Service agencies in our PSA.

Who will benefit



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Seniors or disabled population and their caregivers in our PSA.

Programs to be established
Aging and Disability Resource Collaboration

Staff positions and time to be allocated to the objective
Executive Director and Community Services Director.
Changes to the area agency's infrastructure necessary to achieve the objective:
None.

Expected Outcome:

That many consumers and their families are better able to utilize personal resources with higher success and greater longevity when presented with all levels of options of care. Less consumer frustration will result when all service agencies are able to uniformly refer consumers to provider agencies.

State Plan Goal: Narrative

The narrative should explain what the program development efforts intend to do to improve the quality of life for older adults in the PSA; whether older persons will receive what they want; and identify the effort and expenses involved. The FY 2013 AIP should include this narrative even if there are no new objectives or changes, or updates. It is OSA's expectation that program development efforts be meaningful to older adults within the PSA. Complete the Narrative under the Objective box below. Enter "n/a" in Timeline, Activities, and Expected Outcome boxes.

AAA Response:

Objective:

Taking into consideration input from previous and current feedback sessions of constituents and their caregivers throughout our PSA and staying in keeping with the goals set forth by the Office of Services to the Aging, Senior Resources has set the program development goals seen in this FY'13 Annual Implementation Plan. The goals set in the FY'2010 – 2012 Multi-Year Plan are either completed or still in development and we continue to strive toward accomplishing all of the stated development objections in that plan.

In talking with a small focus group the spring of 2012 it became apparent that some congregate meal consumers are interested in having more choice related to meal service times as well as menu items. During the 2013 fiscal year, AgeWell Services will pilot with two meal sites to offer a menu of meal selections to choose from. This will most likely occur a couple of days a week. These meals will be flash frozen at the regional kitchen, delivered to the meal site and heated as they are ordered allowing for consumer preference. This style of meal preparation will also allow for extended meal service hours permitting meals to be served over a specified period of time – say 11:30 – 1:00. We believe that providing expanded hours and additional meal choices will increase the number of new seniors attending congregate meals and add to the satisfaction of existing consumers. Also, AgeWell Services intends, as funds permit, to add activities to sites with lower daily attendance as activities often introduce people to the lunch programs.

We will continue to expand and enhance our available programming for the Evidence Based Disease



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Prevention (EBDP) opportunities throughout the region. In addition to PATH, PATH Diabetes, PATH Spanish, Matter of Balance, Arthritis Exercise and Tai Chi that are already being offered, we will through input from consumers and focal points, choose two other EBDP programs to offer consumers in our region.

Senior Resources is convinced that enhancing the referral process between all community agencies that serve older adults and persons with disabilities, assisting consumers and their caregivers in finding accessible, cost appropriate resources in their local communities and supplying them with all the options available to them will enable seniors and their caregivers to make informed individual decisions about living preferences and have the support they need to maintain in that environment. To that end we are working diligently with all service providers in the PSA to create an Aging and Disability Resource Collaboration (ADRC).

Goals for the ADRC this year include:

- Regular meetings to determine the direction of the collaboration
- Determining what agencies will be taking geo-routed calls and providing Options Counseling
- Completing the requirements for a Fully Functioning ADRC Documentation Benchmarks which will cumulate in the submission of a proposal application for a formalized ADRC to the state office.

ADRC development will require program development time for the Community Services Director and Executive Director as all community agencies are convened to gain consensus on how this new structure is planned, designed, made operational and evaluated. Current expenses are mostly in the form of staff time.

Senior Resources believes that having a fully functioning ADRC will better poise involved service agencies to communicate community resources options to the disabled and older adult consumer and as a result many consumers and their families will be better able to utilize personal resources with higher success and greater longevity when presented with options of care. In addition, we expect that having a “no wrong door” access to information will result in less consumer frustration as all involved service agencies will be able to uniformly provide long term care options.

Education and awareness regarding Abuse and Exploitation will be a priority in FY'13. Senior Resources elder abuse prevention provider, The Tri-County Protection Team (TCPT), will deliver multiple marketing efforts to ensure that consumers in the PSA are aware what constitutes elder abuse, that it is a crime and how to report it to the authorities. To this end they will provide a series of six of publishable articles to be distributed throughout the PSA via the Caregiver Link, Senior Perspectives and the focal points newsletters. Public television broadcasts on the subject are planned as well as directing the community and seniors to the www.safeseniors.info website. Social media outlets will also be designed and made available in an attempt to reach a varied population from that which is usually targeted regarding Elder Abuse.

Regional objectives include working with the Sheriff's Offices in Ottawa and Oceana counties to engage them in the Project Lifesaver Program. This program is offered for older adults with dementia, Alzheimer's or traumatic brain injury who are prone to wander and provides their caregivers access to technology that will locate them in the event of wandering. Senior Resources, in conjunction with the Sheriff's Offices will submit a grant proposal to the Project Lifesaver International Program and work to secure monetary resources so that no consumer/caregiver that desires the services and demonstrates a need for it is denied.



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Senior Resources will also work with all hospital systems within the PSA regarding the Care Transitions Program. This program is designed to encourage consumers and their caregivers to take an active role in their care transition/setting with the secondary objective of reducing preventable hospital readmissions. This will be a cooperative effort between consumer, and providers of medical services, social services and support services in the community. During the fiscal year we plan to pilot a care transitions program in several physicians' offices in conjunction with the local hospital system throughout the PSA.

Timeline:

n/a

Activities:

n/a

Expected Outcome:

n/a



Program Development Objectives (Regional)

Objective: Decrease the stress of caregivers.

Desired Outcome

Older adults with dementia, Alzheimer's, or traumatic brain injury who are prone to wander and their caregivers will have access to technology that will locate them in the event of wandering.

Activities:

- Educate and engage the Ottawa/Oceana County Sheriff's Offices regarding Project Lifesaver.
- In conjunction with the Ottawa/Oceana County Sheriff's Offices submit a grant proposal to the Project Lifesaver International Program
- Assist with the intake for Project Lifesaver in Ottawa and Oceana County
- Secure monetary resources so that no consumer/caregiver that desires the service and demonstrate a need for it will be denied.

Resources to be mobilized:

Project Lifesaver International, the Ottawa/Oceana County Sheriff's Offices and Senior Resources.

Who will benefit?

Older adults who are prone to wander due to dementia, Alzheimer's or traumatic brain injury and their caregivers.

Programs to be established:

Project Lifesaver International.

Staff positions and time to be allocated to the objective:

Community Services Director in the area of Program Development and the Options Counselors providing in-take services for the consumers who wish to use the program.

What is expected to be learned?

This technology will support expedient, cost efficient and safe returns home for adults and children who are at risk of wandering by using reliable personal tracking equipment with the secondary impact of providing peace of mind to their caregivers.

Changes to the area agency's infrastructure necessary to achieve the objective:

None.

Objective

Consumers and their caregivers will take an active role in their care transition/setting with the secondary objective of reducing preventable hospital readmissions.

Desired Outcome

Safe, effective, and efficient care transitions and reduced risk of potentially preventable readmissions requiring cooperation among providers of medical services, social services, and support services in the



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community and in long-term care facilities.

Activities

- Senior Resources will meet with and educate all hospital systems within the PSA regarding Care Transitions.
- Transitions programs will be piloted in physicians' offices throughout the PSA.

Resources to be mobilized:

The aging, disability and hospital/physician network.

Who will benefit:

Seniors experiencing a transitional setting.

Programs to be established

Senior Resources will work with all interested hospital systems to establish Care Transitions Programs.

Staff positions and time to be allocated to the objective

Executive Director and Communications Fund Developer with time related to monthly meetings, planning sessions and application process.

What is expected to be learned?

Older adults that have additional support after a hospital discharge will have greater confidence and a more active role in their care resulting in fewer preventable hospital readmissions.

Changes to the area agency's infrastructure necessary to achieve the objective

None.



Advocacy Strategy

AAA Response:

Advocacy Strategy

The number of Michigan seniors age 60+ is rising by 135 residents per day. By 2030 19.5% of Michigan's population is expected to be 65 or older compared to 12.7% in 2007. Adults 75 and older are expected to make up 9.3% of the population by that time. Our nation, this state and our local communities are ill prepared to deal with this particular surge of the population. It is for those very reasons that advocacy remains one of the most critical activities that an Area Agency on Aging performs. Increasingly we are devoting more and more time advocating on behalf of the frailest and eldest members of our communities. As our population grows older, many living well into their 80s and 90s and even to 100 years old, they struggle to live independently in their homes or with families. West Michigan has one of the highest per capita rates in Michigan of persons with disabilities. Changing public policy and public attitude toward aging and people with disabilities is of prime advocacy concern to the Area Agency on Aging. Due to term limitations, it is important that our state legislators understand the needs of older adults, the effects that a legislative piece can have on an older adult, the programs that are available to them and the cost savings that can be realized by maintaining someone in their residence of choice. In addition, it is important that the legislators and their staff understand that they also have a resource in the aging network when assisting constituents.

All of our advocacy strategies are designed to improve the quality of life for seniors, persons with disabilities, and caregivers whether it is improving safety in the home or community, access to quality care and service, choice in the options that are available to them, or legal rights and expectations.

An advocacy strategy must be flexible so that it can be updated or adapted as issues change over any given year. Advocacy in our region for FY' 2013 will mirror many of the priorities selected by both the National Association on Area Agencies on Aging and the steering committee for Older Michigania's Day. To be effective we must unite and speak in a consistent manner. Our advocacy priorities for FY'2013 include:

At the National Level:

- Fiscal Year 2013 Appropriations – prevent the automatic sequestration of vital human needs programs from undermining the health and wellness of older adults. Increase funding for the Older Americans Act and other supportive services to help older Americans remain living successfully and independently in their homes and communities.
- Reauthorization of the Older Americans Act (OAA) – Congress must reauthorize and modernize the OAA to meet the needs of today's and tomorrow's seniors. Language needs to be added to the OAA that strengthens the Aging Network's role and capacity in the coordination and provision of long-term services and supports, expands local evidence-based health promotion and disease prevention activities, improves community preparedness for an aging population and sets adequate authorized funding levels. These funds help older Americans remain living successfully and independently in their homes and communities.
- Enhancing the Health of Older Adults – Recognize the pivotal role that the Aging Network plays in bridging the gap between the health and long-term services and supports systems to help increase patient safety, improve the quality of care and reduce health care costs.



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- Rebalance the Long-term Services and Supports System – Continue to work towards rebalancing our nation's fragmented long-term services and supports system through initiatives such as: Integrated Care, Aging and Disability Resource Centers and Care Transitions and Coordination.
- Senior Mobility Options – Reauthorization of senior transportation programs to improve the availability and accessibility of transportation services for older Americans. This includes working with community transportation coalitions to increase public and specialty transportation to evenings and weekends and rural transportation. When conducting focus groups, accessible and available transportation is most often the number one issue identified by older adults in our region.
- Preserve the Medicare and Medicaid Safety Net – The fundamental protections of Medicare must be preserved. We will urge Congress to oppose Medicare voucher or premium support proposals that would simply shift costs on to beneficiaries. We will also urge Congress to protect Medicaid from devastating block grant proposals that will put our nation's most vulnerable adults in harm's way and shift costs to consumers and states, reducing access to care. Strategic improvements are needed to the Medicare and Medicaid to address crucial access, cost and quality of care issues as well as encouraging steps to eliminate fraud, abuse, legal loopholes and waste.
- Social Security – Continue to advocate for long-term solutions to preserve the viability of Social Security for future generations.

At the State and Local Level:

- Integrated Care – Assuring a role for the Aging Network in integrated care for the dual eligible population. Currently there are 10,000 people on Medicare/Medicaid served in the state by the 1915(c) MI Choice Medicaid Waiver and our concerns lie with their treatment in an Integrated Care system. Area Agencies on Aging now serve these clients as waiver agents and provide the conflict-free care management service that assists them, using nurses and licensed social workers. Area Agencies on Aging also create, manage, oversee and reimburse an extensive array of 1200 service providers, our network, that provide the nearly 20 waiver services all across the state. In standing with person-centered planning and self-directed care, MI Choice clients should have the choice of keeping the care managers and service providers that they know and trust as they transition to integrated care.
- Access to Long Term Care Options - Access to a full range of high quality long term care options that meets the needs of Michigan's growing older adult and adults with disabilities population is critical. We must work to prevent, delay, or divert dependence on costly Medicaid and institutional care by funding Older Michigianians Act programs: home-delivered meals, in-home care, care management, caregiver respite, and senior volunteers—state funding has decreased 25% over the past four years while Michigan's senior population has grown more than 7%.

More vulnerable older adults can stay in their own homes by expanding funding for the MI Choice home-based Medicaid nursing home alternative. Additional state funds for access and home and community based services are needed to meet the growing population and demand for services.. Home and community based programs are a proven cost effective alternative to nursing homes and are most often the location of choice for the person in need of assistance. Access to a full range of high quality long term care options meets the needs of Michigan's growing older adult and adults with disabilities population.

- Partnerships with Multi-Purpose Collaborative Bodies- We must continue our partnerships with the multi-collaborative bodies within our region to educate legislators and local media of the impact of state



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and federal cuts on people's lives by trying to put a human face on these decisions.

- Livable and Sustainable Communities for All Ages - The Aging Network creates a stronger Michigan economy. Seniors are a \$32 billion economic force in Michigan. Their income and assets are critical for the state's economy. Michigan communities must be livable for seniors and adults with disabilities. Area Agencies on Aging identify gaps and steer economic development to stabilize the social fabric of families and create jobs. We will encourage Legislators and the Governor to pass legislation that promotes: Affordable and accessible housing options, reliable transportation options, and access to affordable health insurance, which promotes better health and contributes to the growth of Michigan's important healthcare industry

- Protection from Abuse and Financial Exploitation for Vulnerable Adults - Protection from abuse and financial exploitation is paramount.

The Department of Human Services estimates that over 73,000 older adults are abused annually. Michigan's Adult Protective Services' investigations of complaints by older adults have increased 31% since 2009. We continue to advocate with Legislators and the Governor to enact legislation that protects vulnerable adults, encourages reporting of abuse and stiffens penalties for abusers.

Senior Resources will select additional issues as they are brought to the attention of the agency by seniors and other community partners within the region. Those issues that have a financial impact on older adults and persons with disabilities and have a critical impact on their independence will be given priority for advocacy. Issues will be selected for advocacy depending on their pertinence to the target population in general and how they specifically influence this population's ability to remain independent with their own resources.

This advocacy strategy will involve the advocate's group, Senior Advocates Coalition, which includes representatives from all three counties who meet with Federal and State legislators or their aide representatives each meeting and dialogue the above issues. Also key to our advocacy is the Michigan Senior Advocates Council, facilitated by the Area Agencies of Aging Association of Michigan. We have two representatives who participate on that and bring key information back to local groups. The Program and Planning Advisory Board and Board of Directors will continue to be made aware of the issues and will communicate with legislators and local commissions concerning the needs of the elderly and people with disabilities in their communities. In keeping up with technology, Senior Resources will be updating our website including the area that is dedicated to advocacy. There will be information on current advocacy issues, educational pieces on how to advocate, legislators contact information and the ability to send an email right from our site. In addition, we utilize our Sixty Seconds publication and our provider network to contact legislators on key issues.



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Community Focal Points

Describe the rationale and method used to assess the ability to be a community focal point, including the definition of community.

Explain the process by which community focal points are selected.

A focal point is a facility or entity designated to encourage the maximum collocation and coordination of service for older individuals in a given area or community. For Senior Resources a community is defined as a county. In the case of Ottawa County it is the northern half and the southern half which are existing natural divisions for that county. In our region the focal points are Evergreen Commons, North Ottawa County Council on Aging and Oceana County Council on Aging and Senior Resources. All of our focal points are also senior centers or reside in the same building as senior centers. To be a focal point in the Senior Resources region an agency must be a funded provider of the case coordination & support program and also be a part of an agency that serves seniors in the entire county or a large geographic area of a county. Organizations interested in becoming a Case Coordination & Support (focal point) site must apply and be approved for funding through our regular Request for Proposal process, which occurs every three years in conjunction with the three-year area plan.

In addition to Case Coordination & Support, all focal points are access points for information & assistance and volunteer opportunities and are seen as the place to seek information about senior issues in their community. Through Case Coordination & Support the client will be assessed and in-home services can be arranged including home delivered meals, personal care, in-home respite, homemaking, and adult day care. If necessary, transportation services can be arranged, Medicare, Medicaid and other insurance counseling can be provided, and assistance is available at each with the Medicare Prescription Drug Program. If client problems indicate, referrals are made to Care Management/Waiver as appropriate and available.

Provide the following information for each focal point within the PSA. List all designated community focal points with name, address, telephone number, website, and contact person. This list should also include the services offered, geographic areas served and the approximate number of older persons in those areas. List your Community Focal Points in this format.

Name: Oceana County Council on Aging
 Address: 621 E. Main, Hart, MI 49420
 Website: www.oceanacountycouncilonaging.com
 Telephone: 231-873-4461
 Contact Person: Kathleen Premer, Executive Director Vickie Collins, Associate Director
 Persons: 6,330
 Service Area: Oceana County
 Services: Case Coordination, Meals, Homemaking, Information, Transportation, Activities

Name: Senior Resources
 Address: 560 Seminole Rd. Muskegon, MI 49444
 Website: srwmi.org
 Telephone: 231-733-3585
 Contact Person: Long Term Care Options Counselors
 Persons: 32,985
 Service Area: Muskegon, Oceana, Ottawa Counties
 Services: Case Coordination, Care Management, Medicaid Waiver, MMAP



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Name: Evergreen Commons
Address: 480 State Street, Holland, MI 49423
Website: www.evergreencommons.org
Telephone: 616-396-7100
Contact Person: Jo VerBeek, Director of Senior Care Services, Suzanne Visser, Case Coord
Persons: 43,894 County wide
Service Area: Southern Ottawa County (County Line North to Filmore Rd.)
Services: Case Coordination, Meals, Homemaking, Information, Adult Day Care & Respite Activities, Health Programs, Support Groups

Name: North Ottawa County Council on Aging
Address: 422 Fulton, Grand Haven, MI 49417
Website: www.noccoa.org
Telephone: 616-842-9210
Contact Person: Brigit Lewis, Executive Director, Kim Kroll, Nancy Waters, Kate Laughlin Case Coord.
Persons: 43,894 County wide
Service Area: Northern Ottawa County (County Line South to Filmore Road)
Services: Case Coordination, Meals, Homemaking, Information, Transportation, Activities, Support Group



Community Living Program

As Area Agencies on Aging contend with uncertain funding, budget cuts, waiting lists for services, tighter local funding, and a burgeoning aging population, Senior Resources and our board of directors view Options Counseling as the service we are able to provide to consumers that can provide an immediate impact. To that end in the past year we have hired 3 Long Term Care Options Counselors and have incorporated portions of the community living assessment into our initial intake process. Due to waiting lists for services all consumers identified at the time of the initial contact as a candidate for the community living program or at risk for nursing home placement are referred to the community living consultant immediately. The Community Living Consultant will provide options counseling to the client and their family, if applicable, in the form of identifying natural supports, personal resources, and other community/external resources available for long-term care. This assistance will take in consideration the consumer/caregiver preferences and will be defined by the consumer for themselves during the person centered planning process.

Senior Resources is committed to ensuring that all persons within the PSA have access to options counseling and have trained all Supports Coordinators and Options Counselors/Intake specialist in Options Counseling. We believe that many consumers and their families will be better able to utilize personal resources with higher success and greater longevity when presented with all options of care.

In addition, one focal point, North Ottawa County Council on Aging has hired an Options Counselor and plans to availed themselves of Options Counseling training through Senior Resources.

Senior Resources believes that client choice is vital to client/caregiver well-being and we entirely support the principles of self-determination. While Senior Resources has employed person centered thinking principles throughout our history, taking into consideration client wishes and needs, we have formalized our policy on person center thinking, incorporating it into all levels of client interaction. We currently have two Master Level Person Centered Thinking (PCT) Trainers on staff and in November 2011 these trainers have taken the PCT refresher training offered by OSA. Through the PCT On-line Training Module offered by OSA all relevant staff of Senior Resources and our focal points have been trained in this critical way of being. We are committed to training staff to be able to assess the balance between what is important to a person with what is important for them (health and safety), and using all available resources to help the client facilitate their own care. We have incorporated PCT into our interviewing process and as the opportunity arises to hire new staff, management will be looking for people who embody the philosophy of Person-Centered Thinking and upon hire; all new staff will be trained/orientated on the Person Centered approach.

Since 2004 Senior Resources has offered consumers the option of a customized private pay program in an effort to address the full spectrum of care. Clients that have available resources to purchase care can do so through this program. Upon request, an assessment of need or a consultation can be performed to assist clients and family members in determining what support services they would like or the client and/or family members advise us as to what services they would like to receive. For convenience, Senior Resources will order services through client choice providers and bundle service costs for one monthly bill. It is our intention to participate in the Veterans Directed Home and Community Based Services Program and to that end we completed and submitted the readiness review for the Veterans Directed Home and Community Based Services. We are poised to begin serving Veterans as soon as we receive the



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authorization to do so.

Senior Resources is part of the convening group for the emerging Aging and Disability Resource Collaboration in our PSA. This collaboration is in the process of defining which agencies will provide options counseling and how the referral process will flow from agency to agency. When benchmark criteria used to identify a fully functioning ADRC as defined by the Administration on Aging has been decided, the Collaboration will submit an application to the state office to become a functioning ADRC.



ADRC/MMAP

ADRC

Indicate if the AAA will participate in the development of ADRC partnership(s) in the PSA. If yes, please describe the anticipated role the AAA will play in the partnership(s).

AAA Response:

In Michigan, emerging Aging and Disability Resource Collaboration (ADRCs), a partnership of existing community health and care providers, serve as a starting point for consumers and their families into the long-term care service system. ADRC's increase access to information and referral sources, provide advice, assistance, and streamlined coordination of service access using person-centered transitions and quality assurance principles.

Senior Resources is partnering with all interested and pertinent community partners to establish seamless, "no wrong door" access to community services. Currently, these partners include 2-1-1, the area Centers for Independent Living, our community focal points, local hospitals, the ombudsman program, the other area MICHoice Waiver agent, DHS office and some CMH officials.

In the past year we have encouraged community agencies to self-identify their level of involvement in the ADRC process, choosing to become part of a conveners group that will steer all aspects of the desired end product, a collaborative position, in which the agency will commit to accomplishing the goals of local ADRC development or the advisory council, which will be responsible for advising the conveners and the collaborative team on the design and structure of the ADRCs.

During the first ADRC regional meeting the attendees indicated that they would like Senior Resources to serve as convener for the ADRC. Senior Resources, Disability Network Lakeshore and Disability Connection West Michigan meet monthly to move forward with the direction set forth by the participating agencies.

In the fall of 2011 Senior Resources received confirmation that service agencies in the PSA are interested in the benefits of an ADRC when a GAPS analysis identified one of the top five perceived needs in our community as a need to minimize consumer and provider confusion by providing streamline access to long-term services and supports coordination for consumers. A publication available to all ADRC partners outlining the long term care options in our community has been developed and supplies identical information to all members of the ADRC to share with consumers. It will be an ongoing effort by this collaboration to ensure that current, accurate referral information is available to all providers that deliver long term care supports for consumers in the PSA.

Goals for the ADRC this year include regular meetings to determine the direction of the collaboration, determining what agencies will be taking geo-routed calls and providing Options Counseling. Upon completing the requirements for a Fully Functioning ADRC Documentation Benchmarks the ADRC convener group will submit a proposal application for a formalized ADRC to the state office.

MMAP

If your Agency is a MMAP agency, provide an overview of your program, including numbers of persons served, volunteer recruitment and innovative ways of getting the information to residents.

AAA Response:



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Senior Resources is a MMAP providing agency and is very devoted in serving seniors in this capacity. There are four MMAP sites located throughout our three county area. The regional coordinator as well as a site coordinator is housed in Muskegon County at our Tanglewood Park location. Ottawa County has two MMAP sites, one serves southern Ottawa County, Evergreen Commons, and the other serves northern Ottawa County and is located at North Ottawa County Council on Aging. Oceana County Council on Aging is the MMAP site for Oceana County and provides services for that County. Each site has a coordinator that is employed by the agency that houses the program. The site coordinator provides volunteer oversight, assures that the required reporting is submitted to the regional/state office and conducts community outreach programs as opportunities arise and as groups request it.

We currently have 34 active counselors covering our 3 county region. Without these dedicated volunteers the MMAP program would not be able to meet the needs of so many of our community members.

Since April 1, 2011 our region has counseled over 4,100 people in one-on-one counseling and during the same time frame another 6000+ have been educated through our out-reach endeavors. In an ongoing effort to increase our volunteer base we run ads in local newspapers, as well as notifications to volunteer agencies throughout the 3 county area, prior to holding a new counselor training. We hope to add at least 3 new volunteers this year.

It is a goal during FY'13 to add a MMAP satellite site at the Georgetown Senior Center. Georgetown Senior Center is officially serviced by the Evergreen Commons MMAP site, however with the growing population of seniors in Ottawa County, Senior Resources felt it would add a level of accessibility for seniors in that area to have a satellite site in their community.

Our region has also been part of several health and wellness fairs, and many smaller presentations in the community. We continue to market through such mediums as posters with MMAP contact information, Television shows, new to Medicare presentations and small group meetings. MMAP is currently in the process of designing a billboard that will be placed on US 31 in Oceana county. Our goal will be to bring recognition to consumers that they can contact us about Medicare as well as other types of fraud. MMAP will be holding presentations in each of our 3 counties to educate and empower seniors about fraud and how to avoid being a victim.

MMAP is excited to be a part of the newly developing ADRC plan. We are confident that we can bring some relevant information to the table.



Other Grants

1. Describe other grants and/or initiatives the area agency is participating in with OSA and other partners.

AAA Response:

Senior Resources of West Michigan is expecting to continue our participation with the Creating Confident Caregiver (CCC) grant in fiscal year 2013. During the course of the year we plan to provide training for 55 caregivers for persons that have Alzheimer's or dementia disease. We have 5 leaders trained in the evidence based CCC model in our region.

In FY 2012 Senior Resources secured the in-kind match for the CCC grant through solicitation of money from community service agencies that provided funding for a the training sessions. We received an overwhelming response and obtained enough in-kind match cash to cover the required match. We will be doing the same thing for FY '13 to cover the 45% match. We will be using that cash as well as the federal grant to purchase training sessions from our grant providers.

Amy Florea will be the contact person for Senior Resources.

2. Describe how these grants and other initiatives will improve the quality of life of older adults within the PSA.

AAA Response:

Programs such as the Creating Confident Caregiver have been proven to assist caregivers in achieving a sense of control and help the caregiver find ways to reduce the effects of caregiving stress and to increase feelings of satisfaction and accomplishment.

3. Describe how these grants and other initiatives reinforce the area agency's planned program development efforts for FY 2013.

AAA Response:

This grant initiative is in keeping with ongoing program development efforts to provide caregivers with access to a variety of types of support programs to decrease the caregivers stress burden and help them secure the tools to continue their caregiving efforts.

4. Describe the area agency's Creating Confident Caregivers initiative for FY 2013.

AAA Response:

See above.



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Senior Resources

FY: 2013

Appendices



MICHIGAN OFFICE OF SERVICES TO THE AGING

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Senior Resources

FY: 2013

APPENDIX A

Board of Directors Membership

	Asian/Pacific Islander	African American	Native American/ Alaskan	Hispanic Origin	Persons with Disabilities	Female	Total Membership
Membership Demographics	0	2	0	1	0	13	18
Aged 60 and Over	0	1	0	0	0	9	11

Name of Board Member	Geographic Area	Affiliation	Elected Official	Appointed	Community Representative
Linda Bailey	Muskegon	Mercy Health Partners			Yes
Tim Erickson	Muskegon				Yes
Kinda Kaare	Muskegon	Parmenter O'Toole			Yes
Kathy Moore	Muskegon	Muskegon Community Health Dept.		Yes	
Dr. Doris Rucks	Muskegon	Retired Physician			Yes
Zachary Russick, Chairperson	Muskegon	Intelligent Machine Soulutions, Inc.			Yes
Sherry White	Muskegon	Hines Corporation			Yes
Jose Barco	Oceana	Department of Human Services		Yes	
Anne Henion	Oceana	AgeWell Services			Yes
Anne Soles	Oceana	Shepherd's Staff			Yes
Theresa Steen	Oceana	Retired Pharmacist			Yes
Beth Baldwin	Ottawa	Retired Health Department R.N			Yes
Barb Bingham	Ottawa	Retired Texas AAA Program Planner			Yes
Barb Boelens	Ottawa	Stoneridge Senior Apartments			Yes



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Nancy Carlyle	Ottawa	Community Representative			Yes
Scott Kling	Ottawa	SE Kling Consulting			Yes
Cheryl Szczytko	Ottawa	The Laurels of Hudsonville			Yes
Bill VanDyke, Vice Chair	Ottawa	Retired Social Security			Yes



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Senior Resources

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**APPENDIX B
Advisory Board Membership**

	Asian/ Pacific Islander	African American	Native American/ Alaskan	Hispanic Origin	Persons with Disabilities	Female	Total Membership
Membership Demographics	0	1	0	0	0	9	11
Aged 60 and Over	0	1	0	0	0	8	10

Name of Board Member	Geographic Area	Affiliation
Ann Adams	Oceana	Retired DHS employee
Anne Henion	Oceana	AgeWell Services
Anne Soles	Oceana	Shepherds Staff
Barbara Bingham	Ottawa	Retired Texas AAA Program Planner
Beth Baldwin	Ottawa	Retired Health Dept. R.N
Bill VanDyke	Ottawa	Retired Social Security Administration
Barb Boelens	Ottawa	Stonebridge Senior Apartments
Caroline Mitchell	Muskegon	Retired School Administrator
Cheryl Szczytko	Ottawa	The Laurals of Hudsonville
Janet Magennis	Ottawa	Stated Clerk Presbytery of Lake Michigan
Peter Theune	Ottawa	Retired Clergy



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Senior Resources

FY: 2013

APPENDIX C

Current Provider Demographics

	Asian/ Pacific Island	African American	Arab/ Chaldean	Native American/ Alaskan	Hispanic Origin	Persons with Disabilitie	Female	TOTAL (all contractors) (all employees)
Number of Contractors by Demographics	0	1	0	0	0	0	12	41
Number of Contractor Employees by Demographics	10	171	0	7	73	6	1,053	1,265

The above table should reflect contractors/staff that are funded by the AAA only. Number of employees of contractors should reflect a specific point in time. For example, report the numbers as of April 1, 2011. The data collection date should be the same for all contractors.

The information gathered from this report will be used in the cultural competency work that is being conducted by OSA. Please contact your field representative for more information.



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APPENDIX G

Agreement for Receipt of Supplemental Cash-In-Lieu of Commodity Payments for the Nutrition Program for the Elderly

The above identified agency, (hereinafter referred to as the GRANTEE), under contract with the Michigan Office of Services to the Aging (OSA), affirms that its contractor(s) have secured local funding for additional meals for senior citizens which is not included in the current fiscal year (see above) application and contract as approved by the GRANTEE.

Estimated number of meals these funds will be used to produce is:

30,000

These meals are administered by the contractor(s) as part of the Nutrition Program for the Elderly, and the meals served are in compliance with all State and Federal requirements applicable to Title III, Part C of the Older Americans Act of 1965, as amended.

Therefore, the GRANTEE agrees to report monthly on a separate OSA Financial Status Report the number of meals served utilizing the local funds, and in consideration of these meals will receive separate reimbursement at the authorized per meal level cash-in-lieu of United States Department of Agriculture commodities, to the extent that these funds are available to OSA.

The GRANTEE also affirms that the cash-in-lieu reimbursement will be used exclusively to purchase domestic agricultural products, and will provide separate accounting for receipt of these funds.



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Assurance & Certificates

ASSURANCE OF COMPLIANCE

Assurance of Compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, and the Age Discrimination Act of 1975.

The Applicant provides this assurance in consideration of and for the purpose of obtaining Federal grants, loans, contracts, property, discounts or other Federal financial assistance from the Department of Health and Human Services.

THE APPLICANT HEREBY AGREES THAT IT WILL COMPLY WITH:

1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 80), to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.
2. Section 504 of the Rehabilitation Act of 1973 (Pub. L. 93-112), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 84), to the end that, in accordance with Section 504 of that Act and the Regulation, no otherwise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.
3. Title IX of the Educational Amendments of 1972 (Pub. L. 92-318), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 86), to the end that, in accordance with Title IX and the Regulation, no person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any education program or activity for which the Applicant receives Federal financial assistance from the Department.
4. The Age Discrimination Act of 1975 (Pub. L. 94-135), as amended, and all requirements imposed by or pursuant to the Regulation of the Department of Health and Human Services (45 C.F.R. Part 91), to the end that, in accordance with the Act and the Regulation, no person in the United States shall, on the basis of age, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from the Department.

The Applicant agrees that compliance with this assurance constitutes a condition of continued receipt of Federal financial assistance, and that it is binding upon the Applicant, its successors, transferees and assignees for the period during which such assistance is provided. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the



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Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. The Applicant further recognizes and agrees that the United States shall have the right to seek judicial enforcement of this assurance.

ASSURANCES AND CERTIFICATIONS

The undersigned agency, designated by the Michigan Commission on Services to the Aging to act as the Area Agency on Aging within a given planning and service area, agrees to the following:

1. That the Annual Implementation Plan shall cover the current Fiscal Year 2011.
2. To administer its Annual Implementation Plan in accordance with the Older Americans Act, the Older Michiganians Act, federal and state rules, and policies of the Michigan Commission on Services to the Aging as set forth in publications and policy directives issued by the Michigan Office of Services to the Aging.
3. To make revisions necessitated by changes in any of the documents listed in point two in accordance with directives from the Michigan Office of Services to the Aging.
4. That any proposed revisions to the Annual Implementation Plan initiated by the Area Agency on Aging will be made in accordance with procedures established by the Michigan Office of Services to the Aging.
5. That funds received from the Michigan Office of Services to the Aging will only be used to administer and fund programs outlined in the Annual Implementation Plan approved by the Michigan Commission on Services to the Aging.
6. That the Area Agency on Aging will undertake the duties and perform the project responsibilities described in the Annual Implementation Plan in a manner that provides service to older persons in a consistent manner over the entire length of the Annual Implementation Plan and to all parts of the planning and service area.
7. That program development funds will be used to expand and enhance services in accordance with the initiatives and activities set forth in the approved Area Implementation Plan.
8. That all services provided under the Annual Implementation Plan are in agreement with approved service definitions and are in compliance with applicable minimum standards for program operations as approved by the Michigan Commission on Services to the Aging and issued by the Michigan Office of Services to the Aging, including Care Management.
9. That the Area Agency on Aging will comply with all conditions and terms contained in the Statement of Grant Award issued by the Michigan Office of Services to the Aging.
10. That the Area Agency on Aging may appeal actions taken by the Commission on Services to the Aging with regard to the Annual Implementation Plan, or related matters, in accordance with procedures issued by



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the Michigan Office of Services to the Aging in compliance with the requirements of the Older Michigianians Act and Administrative Rules.

11. That the Area Agency on Aging will coordinate planning, identification, assessment of needs, and provision of services for older individuals with disabilities, with particular attention to individuals with severe disabilities, and with agencies that develop or provide services for individuals with disabilities.

12. That the Area Agency on Aging has in place a grievance procedure for eligible individuals who are dissatisfied with or denied services.

13. That the Area Agency on Aging will send copies of the Annual Implementation Plan to all local units of government seeking approval as instructed in the Annual Plan Instructions.

14. That the Area Agency on Aging Governing Board and Advisory Council have reviewed and endorsed the Annual Implementation Plan.

15. That the Area Agency on Aging will comply with Federal Regulation 2 CFR part 180 and certifies to the best of its knowledge and belief that its employees and subcontractors are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department. Further, that to the best of its knowledge and belief its employees and subcontractors are not presently on the Department of Community Health (DCH) or State Bureau of Health Professionals excluded parties lists.

16. That the Area Agency on Aging will comply with all conditions and terms of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, and the Age Discrimination Act of 1975. The Applicant agrees that compliance with this assurance constitutes a condition of continued receipt of Federal financial assistance, and that it is binding upon the Applicant, its successors, transferees and assignees for the period during which such assistance is provided. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Applicant by the Department, this assurance shall obligate the Applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Applicant for the period during which it retains ownership or possession of the property. The Applicant further recognizes and agrees that the United States shall have the right to seek judicial enforcement of this assurance.

17. That the Area Agency on Aging will comply with all conditions and terms of The Elliot Larsen Civil Rights Act, PA 453 of 1976 and the Persons With Disabilities Civil Rights Act, PA 220 of 1976. The Applicant provides this assurance in consideration of and for the purpose of obtaining State of Michigan Federal grants, loans, contracts, property, discounts or other State and Federal financial assistance from the Michigan Office of Services to the Aging.

The signatory on the Signature Page indicates that the Area Agency on Aging is submitting the current Fiscal Year Annual or Multi-Year Implementation Plan that describes the initiatives and activities which will be undertaken on behalf of older persons within the planning and service area. We assure that these



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documents and subsequent Annual Implementation Plans represent a formal commitment to carry out administrative and programmatic responsibilities and to utilize federal and state funds as described.

ASSURANCE OF COMPLIANCE WITH THE ELLIOT LARSEN CIVIL RIGHTS ACT

Assurance of compliance with the Elliot Larsen Civil Rights Act, PA 453 of 1976 and the Persons With Disabilities Civil Rights Act, PA 220 of 1976.

The Applicant provides this assurance in consideration of and for the purpose of obtaining State of Michigan Federal grants, loans, contracts, property, discounts or other State and Federal financial assistance from the Michigan Office of Services to the Aging.

The Applicant hereby agrees that it will comply with:

Non-Discrimination: In the performance of any grant, contract, or purchase order resulting here from, the Contractor agrees not to discriminate against any employee or applicant for employment or service delivery and access, with respect to their hire, tenure, terms, conditions or privileges of employment, programs and services provided or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The Contractor further agrees that every subcontract entered into for the performance of any grant, contract, or purchase order resulting here from will contain a provision requiring non-discrimination in employment, service delivery and access, as herein specified binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2201 et seq, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended MCL 37.1101 et seq, and any breach thereof may be regarded as a material breach of the grant, contract, or purchase order.

FY 2013 AREA PLAN GRANT BUDGET-DRAFT

Agency: Senior Resources of West Michigan Budget Period: 10/01/12 to 09/30/13 Rev. 2/2012
 PSA: 14 Date: 04/23/12 Rev. No.: AIP-2013 Page 1 of 3

SERVICES SUMMARY			
FUND SOURCE	SUPPORTIVE SERVICES	NUTRITION SERVICES	TOTAL
1. Federal Title III-B Services	371,390		371,390
2. Fed. Title III-C1 (Congregate)		450,601	450,601
3. State Congregate Nutrition		8,605	8,605
4. Federal Title III-C2 (HDM)		227,794	227,794
5. State Home Delivered Meals		311,743	311,743
8. Fed. Title III-D (Prev. Health)	26,603		26,603
9. Federal Title III-E (NFCSP)	161,643		161,643
10. Federal Title VII-A	8,003		8,003
10. Federal Title VII-EAP	6,190		6,190
11. State Access	27,146		27,146
12. State In-Home	89,445		89,445
13. State Alternative Care	105,845		105,845
14. State Care Management	215,913		215,913
16. State N.H. Ombudsman	22,009		22,009
17. Local Match			
a. Cash	80,111	55,150	135,261
b. In-Kind	97,751	92,800	190,551
18. State Respite Care (Escheat)	58,526		58,526
19. Merit Award Trust Fund	140,153		140,153
20. NSIP		167,722	167,722
21. Program Income	52,127	321,250	373,377
TOTAL:	1,452,855	1,635,665	3,098,520

ADMINISTRATION			
Revenues	Local Cash	Local In-Kind	Total
Federal Administration	137,559	4,500	245,494
State Administration	23,841		23,841
MATF Administration	-		-
Other	17,473		17,473
Total:	178,873	4,500	286,808

Expenditures	
	FTEs
1. Salaries/Wages	2.12
2. Fringe Benefits	28,533
3. Office Operations	104,756
Total:	286,608

Cash Match Detail		In-Kind Match Detail	
Source	Amount	Source	Amount
County of Oceana	4,000	Volunteers	4,500
TWP Partners	99,435		
Total:	103,435	Total:	4,500

I certify that I am authorized to sign on behalf of the Area Agency on Aging. This budget represents necessary costs for implementation of the Area Plan. Adequate documentation and records will be maintained to support required program expenditures.

Wann Curtis
 Signature

Executive Director _____ Date 04/10/12

FY 2013 AREA AGENCY GRANT FUNDS - SUPPORT SERVICES DETAIL

Agency: Senior Resources of West Michigan
PSA: 14

Budget Period: 10/01/12 to 09/30/13
Date: 04/23/12

Rev. No.: AIP-2013
Rev. 2/2012
page 2 of 3

SERVICE CATEGORY	Title III-B	Title III-D	Title III - E	Title VII	State Access	State In-Home	St. Alt. Care	State Care Mgmt	State NHO	St. Respite (Escheat)	Ment Award Trust Fund	Medicaid CMP Fund	Program Income	Cash Match	In-Kind Match	TOTAL	
1. Access																	
a. Care Management	-							215,913				8,500		20,000	4,000		248,413
b. Case Coord/supp	119,122				27,146									25,000	18,330		189,558
c. Disaster Advocacy																	
d. Information & Assis	59,767		2,600														69,867
e. Outreach														7,500			7,500
f. Transportation	45,293		1,200										5,300	4,523	1,500	57,816	
2. In-Home																	
a. Chore																	
b. Home Care Assis																	
c. Home Injury Cntrl																	
d. Homemaking	30,423						105,845						8,200		21,100		213,013
e. Home Health Aide						47,445											
f. Medication Mgt	10,189																
g. Personal Care	1,960					42,000							700		1,900		12,789
h. Assistive Device & Tech	1,773												1,400		6,200		51,560
i. Respite Care			61,757							58,526	72,235		200		687		2,660
j. Friendly Reassurance													8,500		22,250		223,268
3. Legal Assistance	24,140																
4. Community Services																	
a. Adult Day Care			51,700										8,000		13,400		141,018
b. Dementia ADC																	
c. Disease Prevent																	
d. Health Screening			26,603														
e. Assisit to Deaf																	
f. Home Repair																	
g. LTC Ombudsman	4,445			8,003					22,009								
h. Sr Ctr Operations														2,351	589		47,974
i. Sr Ctr Staffing																	
j. Vision Services																	
k. Elder Abuse Prevnt				6,190													
l. Counseling																	
m. Spec Respite Care																	
n. Caregiver Support																	
o. Kinship Support			12,000														
q. Caregiver E.S.T			30,396														
5. Program Developp	74,278												750	8,034			83,062
6. Region Specific																	
a.																	
CLP/ADRC Services																	
MATF administration																	
SUPPRT SERV TOTAL	371,390	26,603	161,643	14,193	27,146	89,445	105,845	215,913	22,009	58,526	140,153	19,077	33,050	80,111	97,751	1,462,855	

FY 2013 Planned Services Summary Page for PSA:

Service	Budgeted Funds	Percent of the Total	Method of Provision		
			Purchased	Contract	Direct
ACCESS SERVICES					
Care Management	\$ 248,413	8%			X
Case Coordination & Support	\$ 189,598	6%		X	X
Disaster Advocacy & Outreach Program	\$ -	0%			
Information & Assistance	\$ 69,867	2%		X	X
Outreach	\$ 3,500	0%			
Transportation	\$ 57,816	2%	X	X	
IN-HOME SERVICES					
Chore	\$ -	0%			
Home Care Assistance	\$ -	0%			
Home Injury Control	\$ -	0%			
Homemaking	\$ 213,013	7%	X		
Home Delivered Meals	\$ 866,043	28%		X	
Home Health Aide	\$ -	0%			
Medication Management	\$ 12,789	0%	X		
Personal Care	\$ 51,560	2%	X		
Personal Emergency Response System	\$ 2,660	0%	X		
Respite Care	\$ 223,268	7%	X		
Friendly Reassurance	\$ -	0%			
COMMUNITY SERVICES					
Adult Day Services	\$ 141,018	5%	X		
Dementia Adult Day Care	\$ -	0%			
Congregate Meals	\$ 769,622	25%		X	
Nutrition Counseling	\$ -	0%			
Nutrition Education	\$ -	0%			
Disease Prevention/Health Promotion	\$ 29,803	1%	X		
Health Screening	\$ -	0%			
Assistance to the Hearing Impaired & Deaf	\$ -	0%			
Home Repair	\$ -	0%			
Legal Assistance	\$ 26,850	1%		X	
Long Term Care Ombudsman/Advocacy	\$ 47,974	2%		X	
Senior Center Operations	\$ -	0%			
Senior Center Staffing	\$ -	0%			
Vision Services	\$ -	0%			
Programs for Prevention of Elder Abuse,	\$ 7,285	0%		X	
Counseling Services	\$ -	0%			
Specialized Respite Care	\$ -	0%			
Caregiver Supplemental Services	\$ -	0%			
Kinship Support Services	\$ 13,788	0%		X	
Caregiver Education, Support, & Training	\$ 40,591	1%	X	X	X
AAA RD/Nutritionist	\$ -	0%			
PROGRAM DEVELOPMENT	\$ 83,062	3%			
REGION-SPECIFIC	\$ -	0%			
CLP/ADRC Services	\$ -	0%			X
MATF administration	\$ -	0%			
TOTAL PERCENT		100%	0%	0%	0%
TOTAL FUNDING	\$ 3,098,520		\$0	\$0	\$0

AREA AGENCY ON AGING--OPERATING BUDGET - D R A F T

PSA: 14 Budget Period: 10/01/12 Date of Budget: 04/23/12 Page 1 of 2
 Agency: Senior Resources of West Michigan Rev. No.: AIP-2013

Program Services/Activities

REVENUES	Operations		MMAP	IIIB CCS	Medicaid Waiver	State Care Mgt	St-Access CCS/OC	TOTAL
	Admin	Program Develop						
Federal Funds	137559	74278	69771	67822	9755523	9500		10114453
State Funds	23841				30000	215913	27146	296900
Local Cash	103435					20000		123435
Local In-Kind	4500	8034	44631	7540		5600	10790	81095
Interest Income	15000							15000
Fund Raising/Other	2473	750			19336	5000		27559
TOTAL	286808	83062	114402	75362	9804859	256013	37936	10658442

EXPENDITURES

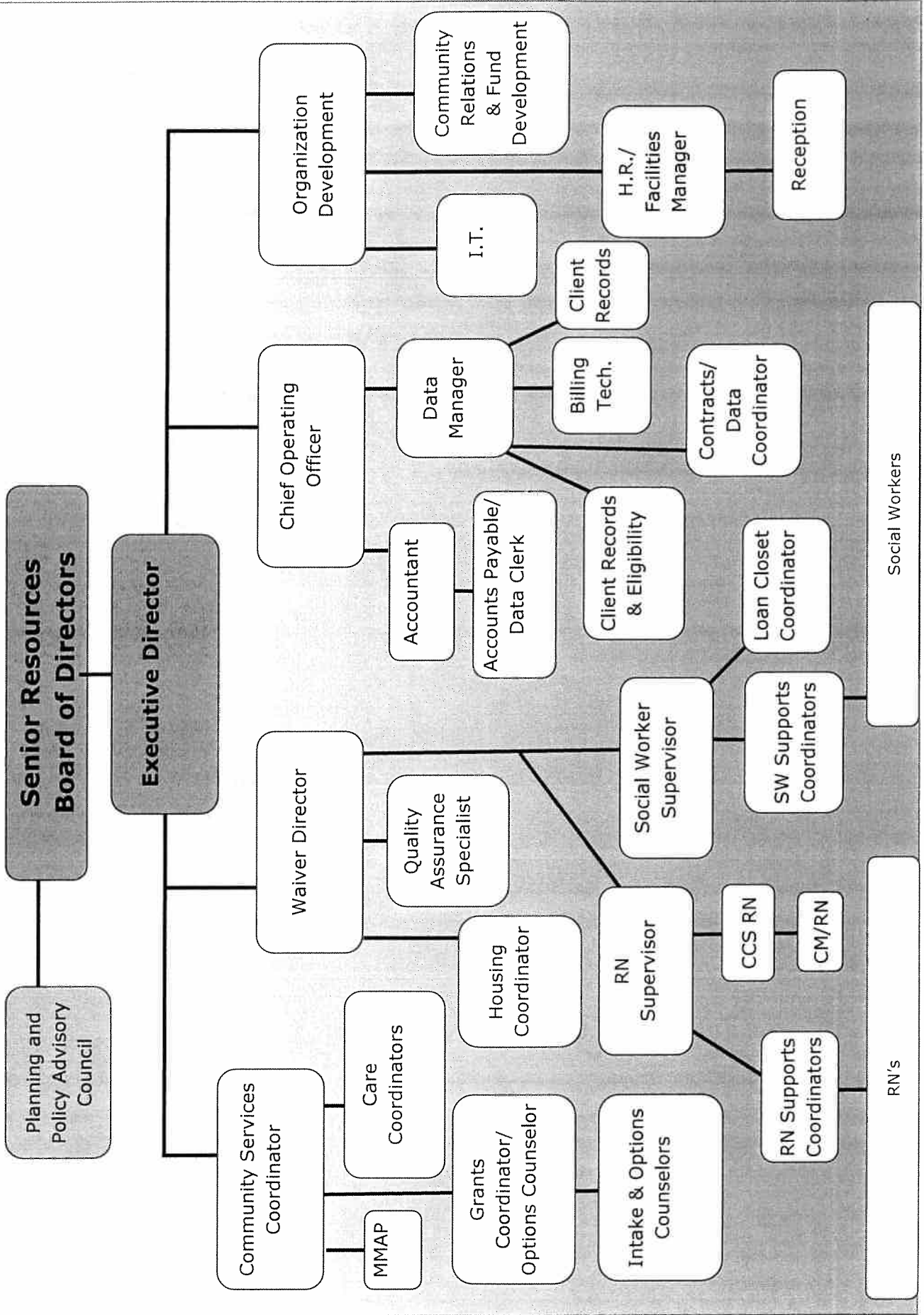
Contractual Services	950	1150	15000	225	33108	974	136		51543
Purchased Services	17473				7659203	24500			7701176
Wages and Salaries	153519	49417	17312	46002	1549497	160548	17997	0	1994292
Fringe Benefits	16789	6103	179	5682	175867	17420	2221		224261
Payroll Taxes	11744	3780	1324	3519	118537	12281	1377		152562
Professional Services	750	250	378	400	60550	1110	100		63538
Accounting & Audit Services	1500	825	575	850	17450	3125	100		24425
Legal Fees	2500	0	0	0	10000	750	0		13250
Occupancy	7050	2854	11700	1555	39925	7960	1215		72259
Insurance	900	275	350	250	6058	1000	125		8958
Office Equipment	2250	0	12500	1350	6000	3150	525		25775
Equip Maintenance & Repair	750	150	1500	150	2500	1000	100		6150
Office Supplies	1750	1600	653	789	24464	2300	450		32006
Printing & Publication	20500	500	0	150	500	200	200		22050
Postage	18623	2300	850	500	3000	1200	400		26873
Telephone	1500	700	1000	1200	21000	3200	500		29100
Travel	3460	2849	650	3200	37000	5620	1500		54179
Conferences	3900	1000	350	2000	7500	2925	200		17875
Memberships	13400	275			2200	750			16625
Special Events/Marketing	3000	1000	950		6500	500			11950
Other			4500		24000				28500
In-Kind	4500	8034	44631	7540		5600	10790		81095
TOTAL	286808	83062	114402	75362	9804859	256013	37936	0	10658442

AAA MMAP FY 2013 Op. Budget	
PSA:	14
Agency:	Senior Resources of West Michigan
Fiscal Year:	2012/13
Date:	4/2/2012

REVENUES	
Federal Funds	69771
State Funds	
Local Cash	
Local In-Kind	44631
MMAP Funds	
Fund Raising/Other	
TOTAL	114402

EXPENDITURES	
Wages and Salaries	17312
Fringe Benefits	0
Payroll Taxes	1503
Professional Services	4878
Accounting & Audit Services	575
Legal Fees	0
Occupancy	11700
Insurance	350
Office Equipment	12500
Equip Maintenance & Repair	1500
Office Supplies	653
Printing & Publication	0
Postage	850
Telephone	1000
Travel	650
Conferences/Trainings	350
Memberships	0
Special Events	950
Other: Contracted Providers	15000
In-Kind Expense	44631
TOTAL	114402

Senior Resources Organizational Chart 2012



Senior Resources of West Michigan, an Area Agency on Aging

Annual Implementation Plan Fiscal Year 2013
October 1, 2012 – September 30, 2013



Annual Implementation Plans are to include:

- A summary of services to be provided under the Plan.
- Highlights of FY'12 accomplishments for program development objectives.
- A description of goals for FY'13 and strategies for accomplishing them
- Advocacy efforts
- A description of special projects and partnerships.
- Budget Information.



Summary:

The mission of Senior Resources is to provide a comprehensive and coordinated system of services designed to promote the independence and dignity of older persons and their families in Muskegon, Oceana, and Ottawa counties – a mission compelling us to focus on older persons in greatest need and to advocate for all.



Accomplishments from Fiscal Year 2012:

- In 2012 Senior Resources hired three Options Counselors and have incorporated their service into the Intake Process.
- A program specifically designed to meet the needs of the working caregiver has been developed.
- Creating Confident Caregiver – specific for caregivers of dementia or Alzheimer's.
- Senior Resources has established chronic disease management programs throughout our three county area with 10 agencies and 30 lay leaders involved in facilitating programs to assist seniors in managing their chronic health conditions.
- Building relationships with community partners in an effort to become an emerging ADRC.
- Collaborated with the Muskegon County Sheriffs Office on Project Lifesaver.

State Plan Objective #1

Work to improve the health and nutrition of Older Adults

Desired Outcome 1

Community members will have and utilize regional meal sites that fulfill needs related to nutrition, socialization, health and wellness.

Desired Outcome 2

To increase utilization of congregate meal sites by older persons.

Desired Outcome 3

To support older adults in the management of their chronic disease



State Plan Objective #2

Ensure That Older Adults Have a Choice in Where They Live Through Increased Access to Information and Services

Desired Outcome 1

To ensure consumer choice and access to services.

Activities:

- All Supports Coordinators employed by Senior Resources and focal points will have the required training to provide fitting Community Living Supports and Options Counseling to consumers.
- The 211 Call Center/Senior Resources will use state/agency defined triggers to refer consumers to I&A/Options Counselors.
- All Supports Coordinators and Options Counselors will be trained in the Person Centered Thinking Process





Objective #3

Protect Older Adults from Abuse and Exploitation

Desired Outcome 1

Decrease elder abuse in Muskegon, Oceana and Ottawa Counties by increasing awareness and knowledge of what is elder abuse and how to report it.

Desired Outcome 2

Caregivers of older adults will recognize signs of impending abuse

Objective #4

Improve the Effectiveness, Efficiency, and Quality of Services Provided Through the Michigan Aging Network and its Partners.

Desired Outcome

Consumers will have "no wrong door" access to information regarding long term options for care. To ensure consumer choice and access to services.



Program Development Objectives (Regional)

Objective

Older adults with dementia, Alzheimer's, or traumatic brain injury who are prone to wander and their caregivers will have access to technology that will locate them in the event of wandering.

Desired Outcome

This technology will support expedient, cost efficient and safe returns home for adults and children who are at risk of wandering by using reliable personal tracking equipment with the secondary impact of providing peace of mind to their caregivers.

Objective

Encourage patients and their caregivers to take an active role in their care transition/setting with the secondary objective of reducing preventable hospital readmissions.

Desired Outcome

Safe, effective, and efficient care transitions and reduced risk of potentially preventable readmissions requiring cooperation among providers of medical services, social services, and support services in the community and in long-term care facilities.

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Administration

Submitted By: Greg Rappleye

Agenda Item: Resolution Opposing Changes to the Clean, Renewable and Efficient Energy Act of 2008

SUGGESTED MOTION:

To approve and authorize the Board Chair and Clerk to sign the resolution opposing changes in the 10% Retail Open Access Cap of the Clean, Renewable, and Efficient Energy Act of 2008.

SUMMARY OF REQUEST:

On April 10, 2012, Dennis McKee from Consumer's Energy appeared before the Board of Commissioners to discuss proposed amendments to the "Clean, Renewable and Efficient Energy Act of 2008" (Act 286 and Act 295 of 2008). The proposed changes would raise the 10% Retail Open Access Cap for purchases from alternate energy suppliers, thereby potentially shifting the burden of maintaining and expanding existing utility infrastructure onto a smaller group of industrial, business and family customers.

A Resolution to oppose the lifting of the ROA Cap at this time (without further study and analysis) is attached for your consideration.

I have also attached a copy of the materials submitted by Mr. McKee at the earlier meeting, and copies of Act 286 and Act 295.

FINANCIAL INFORMATION:

Total Cost: \$0.00 General Fund Cost: \$0.00 Included in Budget: Yes No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated Non-Mandated New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 3: To Contribute to a Healthy Physical, Economic, & Community Environment.

Objective: 3: Consider opportunities to improve economic development in the region.

ADMINISTRATION RECOMMENDATION: Recommended Not Recommended Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Planning and Policy Committee 6/14/2012

MEMORANDUM

TO: Ottawa County Planning & Policy Committee

FROM: Gregory Rappleye, Ottawa County Corporation Counsel

DATE: June 6, 2012

RE: Resolution Opposing Changes to the Clean, Renewable and Efficient Energy Act of 2008

On April 10, 2012, Dennis McKee from Consumer's Energy appeared before the Board of Commissioners to discuss proposed amendments to the "Clean, Renewable and Efficient Energy Act of 2008" (Act 286 and Act 295 of 2008). The proposed changes would raise the 10% Retail Open Access Cap for purchases from alternate energy suppliers, thereby potentially shifting the burden of maintaining and expanding existing utility infrastructure onto a smaller group of industrial, business and family customers.

A Resolution to oppose the lifting of the ROA Cap at this time (without further study and analysis) is attached for your consideration.

I have also attached a copy of the materials submitted by Mr. McKee at the earlier meeting, and copies of Act 286 and Act 295.

COUNTY OF OTTAWA

STATE OF MICHIGAN

RESOLUTION

At a regular meeting of the Board of Commissioners of the County of Ottawa, Michigan, held at the Fillmore Street Complex in the Township of Olive, Michigan on the ___ day of _____, 2012 at _____ o'clock p.m. local time.

PRESENT: Commissioners: _____

ABSENT: Commissioners: _____

It was moved by Commissioner _____ and supported by Commissioner _____ that the following Resolution be adopted:

WHEREAS, in Act 286 and Act 295 of the Public Acts of 2008 (hereinafter, collectively referred to as “the Clean, Renewable and Efficient Energy Act of 2008”), the Michigan Legislature adopted certain provisions to assure a comprehensive energy policy for Michigan’s future, designed, in relevant part, to encourage investment by Michigan’s utility companies in needed infrastructure while encouraging competition and innovation by reserving not more than ten percent (10%) of the energy market to alternative energy suppliers; and,

WHEREAS, this 10% reserve for alternative energy suppliers, often referred to as “the Retail Open Access Cap” (“the ROA Cap”) has worked well for Michigan,

providing both choice for customers and the assurance that Michigan's utilities will be able to secure financing for major infrastructure improvements in the State, such as the proposed \$800 upgrade of the Ludington Pumped Storage Plant; and,

WHEREAS, a proposal has been made to significantly raise the ROA Cap above the 10% limit set in the "Clean, Renewable and Efficient Energy Act of 2008"; and,

WHEREAS, raising the ROA Cap above 10%, at this time, could well result in an increase in energy costs to industries, businesses, and individual families, as the cost of maintaining and improving energy infrastructure within the State of Michigan would be shifted onto a smaller percentage of utility customers; and,

WHEREAS, the Ottawa County Board of Commissioners believes that any changes in the terms and implementation of the "Clean, Renewable and Efficient Energy Act of 2008" should be carefully and thoughtfully analyzed to maximize the economic health of the State of Michigan and to minimize any adverse consequences of such changes to industries, businesses, and Michigan families;

NOW THEREFORE BE IT RESOLVED that the Ottawa County Board of Commissioners opposes efforts to raise the 10% ROA Cap reserved for alternative energy suppliers as provided for in the "Clean, Renewable and Efficient Energy Act of 2008" (Act 286 and Act 295 of the Public Acts of 2008), until and unless the economic impact of such an amendment upon Michigan's public utilities, industries, businesses and Michigan families is fully analyzed, understood, and agreed to; and,

BE IT FURTHER RESOLVED, that copies of this Resolution be sent to Governor Rick Snyder, Senator Arlen Meekhof, Representative David Agema,

Representative Joseph Haveman, Representative Amanda Price, the Michigan Association of Counties, and the County Clerks of all Michigan Counties; and,

BE IT FURTHER RESOLVED, that all resolutions and parts of resolutions insofar as they conflict with this Resolution are hereby repealed.

YEAS: Commissioners: _____

NAYS: Commissioners: _____

ABSTENTIONS: Commissioners: _____

RESOLUTION ADOPTED:

Chairperson, Ottawa County
Board of Commissioners

Ottawa County Clerk

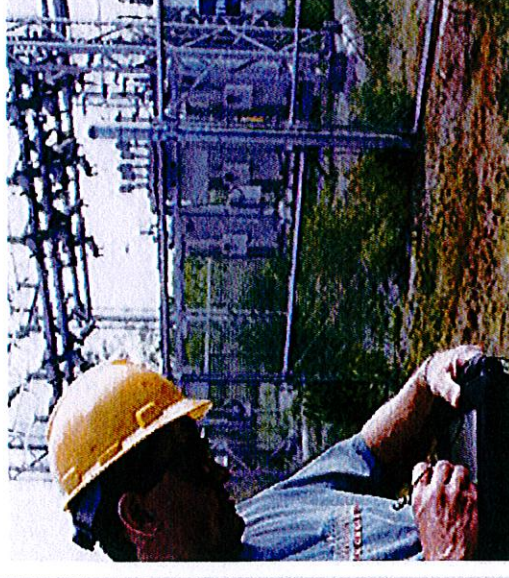
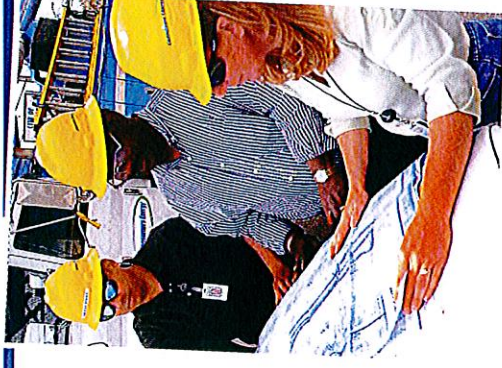


Consumers Energy

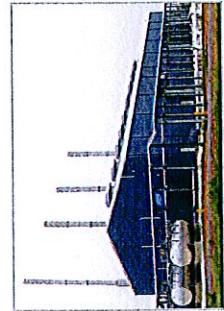
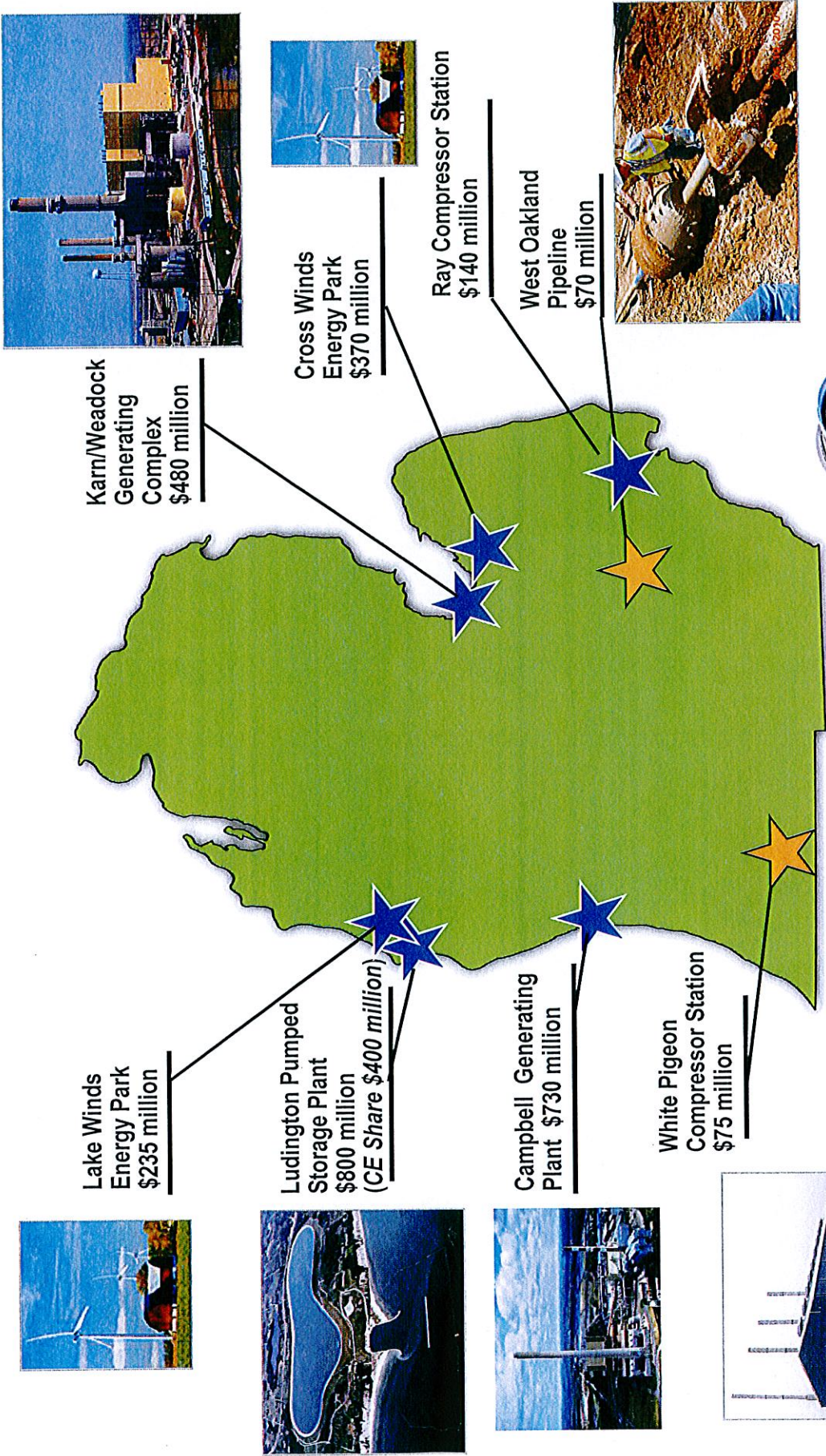
Count on Us

Consumers Energy – Committed to Michigan

- **Second largest investor in Michigan**
 - Invested \$2 billion in Michigan in 2009-10
 - Plan to invest more than \$6 billion over next five years
- **Seventh largest employer in Michigan**
 - 7,700 employees
 - 7,500 jobs supported by utility
- **Spent \$2 billion with Michigan suppliers and governmental agencies in 2010**



Consumers Energy's Major Investments

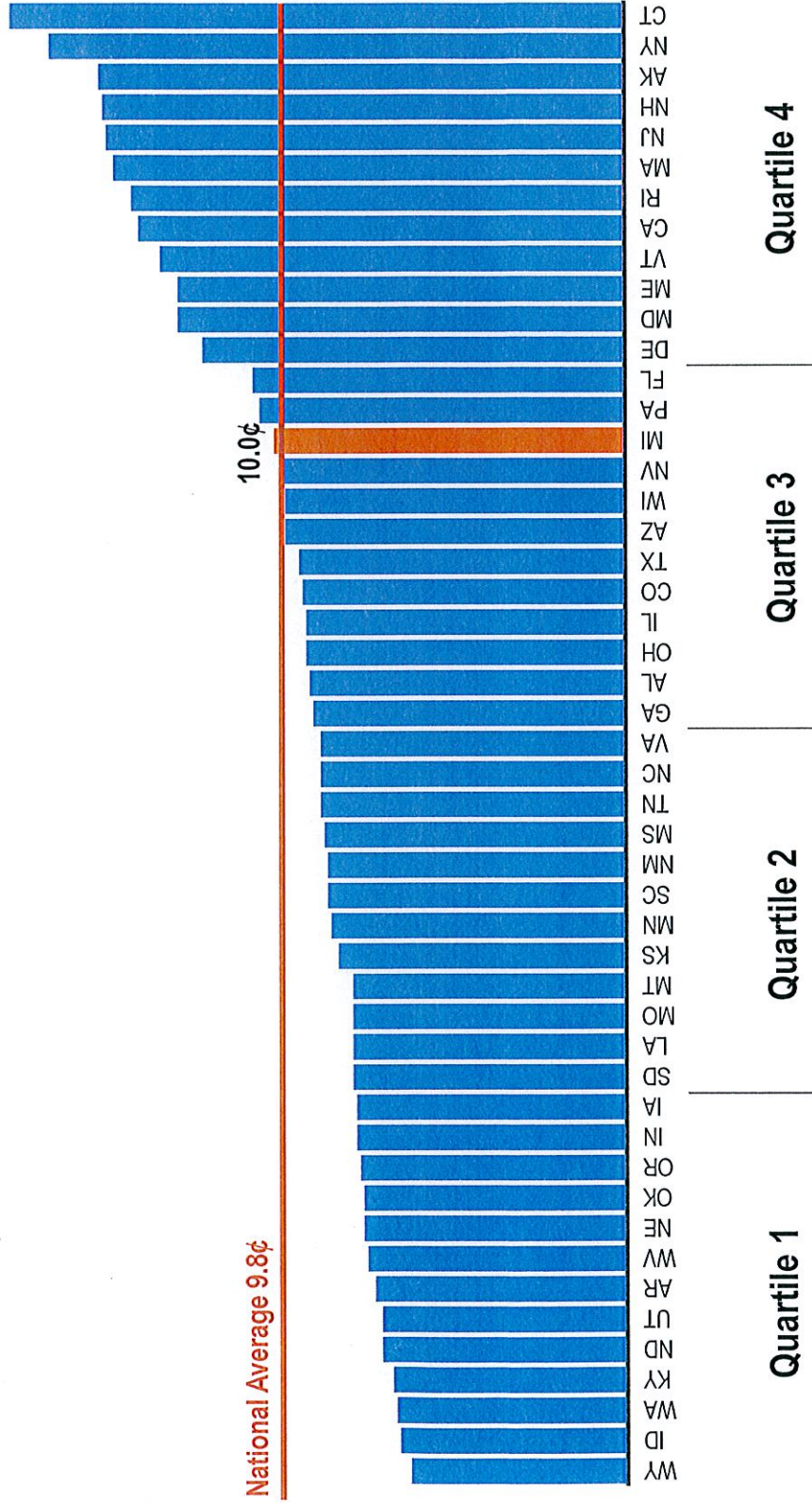


★ Complete ★ In Process/Planned

Benchmarking: 2010 National Electric Rates



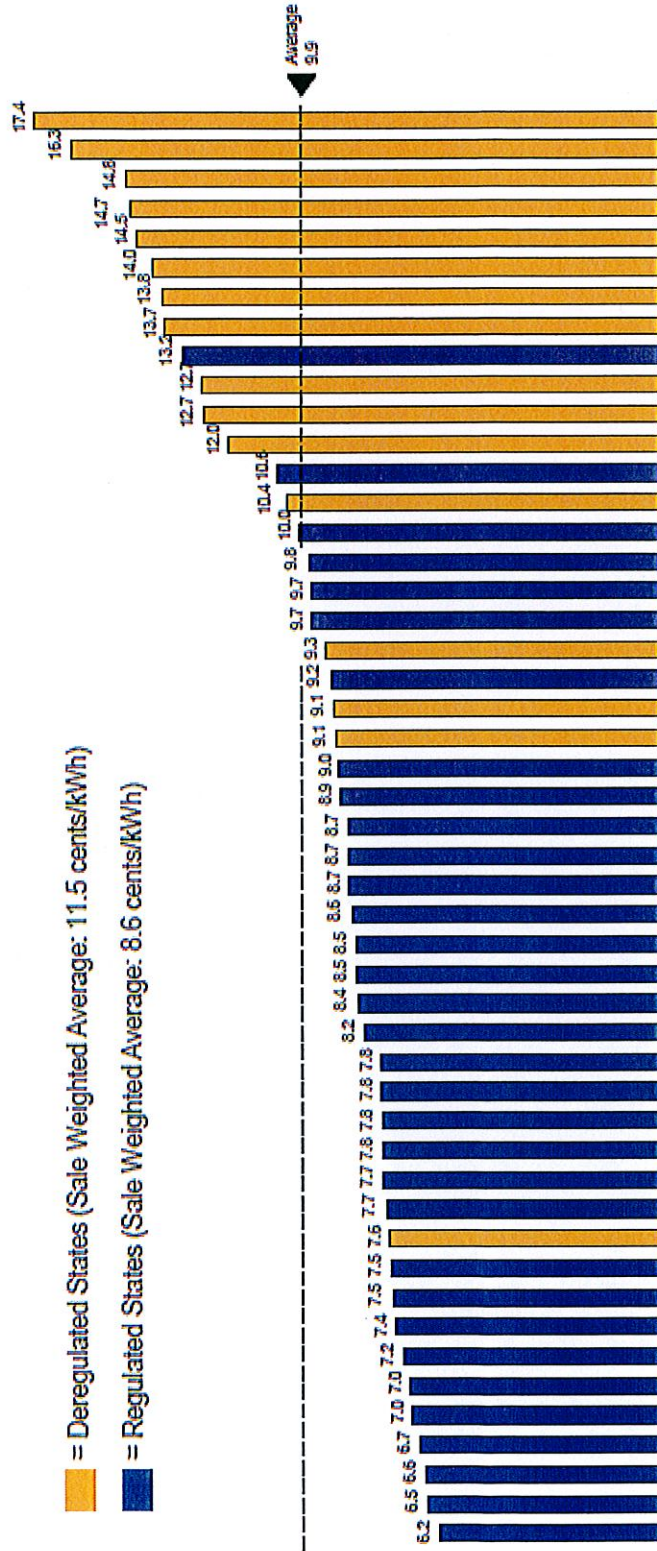
Total Electric Rates



Rate Impact of Deregulated States

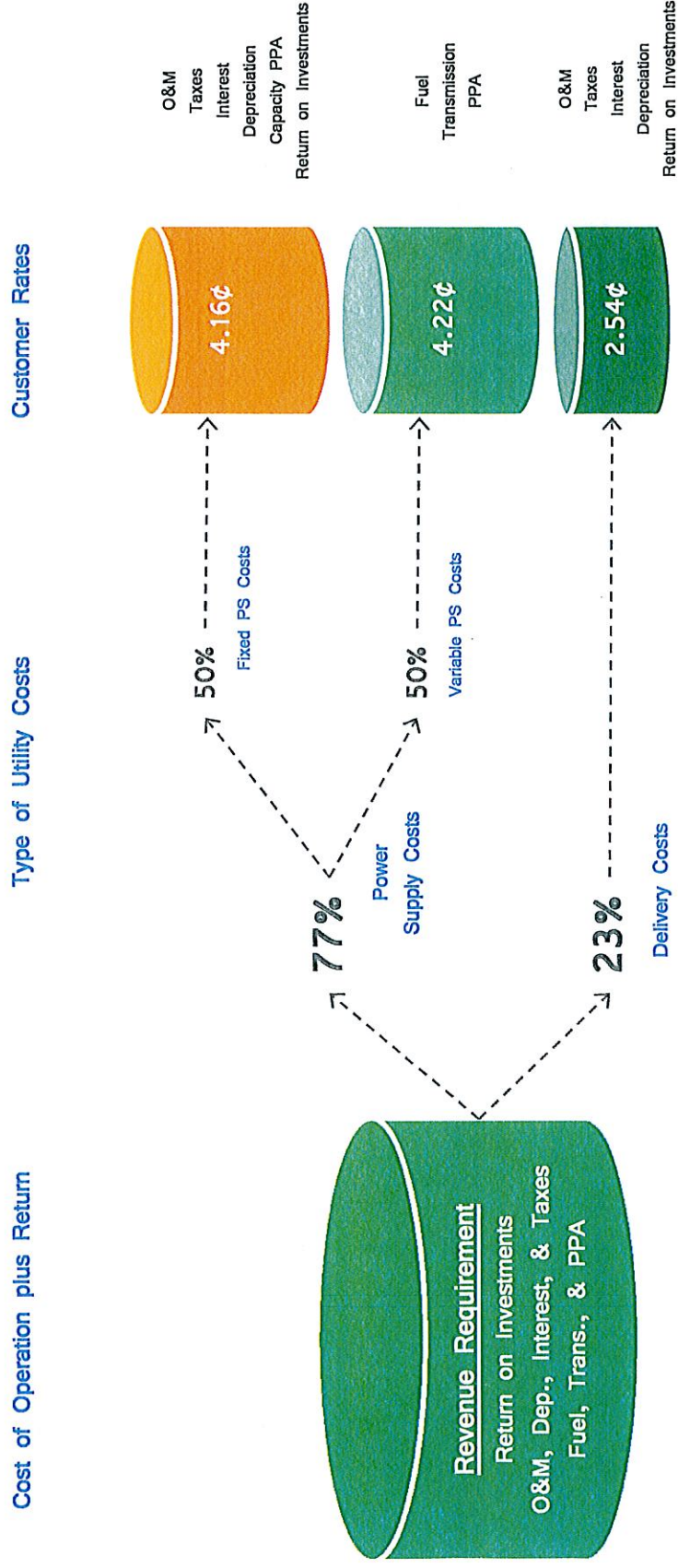
2010 Average Retail Prices
(cents / kWh)

- = Deregulated States (Sale Weighted Average: 11.5 cents/kWh)
- = Regulated States (Sale Weighted Average: 8.6 cents/kWh)



Source: Energy Information Administration Form 826 Sale and Revenue Spreadsheet

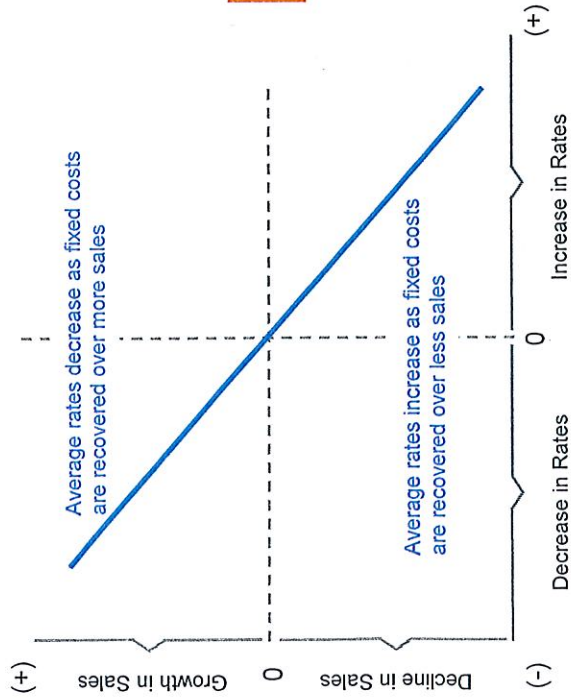
Electric Revenue Requirements



FIXED COSTS ARE NOT REDUCED WHEN CUSTOMERS TAKE ROA SERVICE

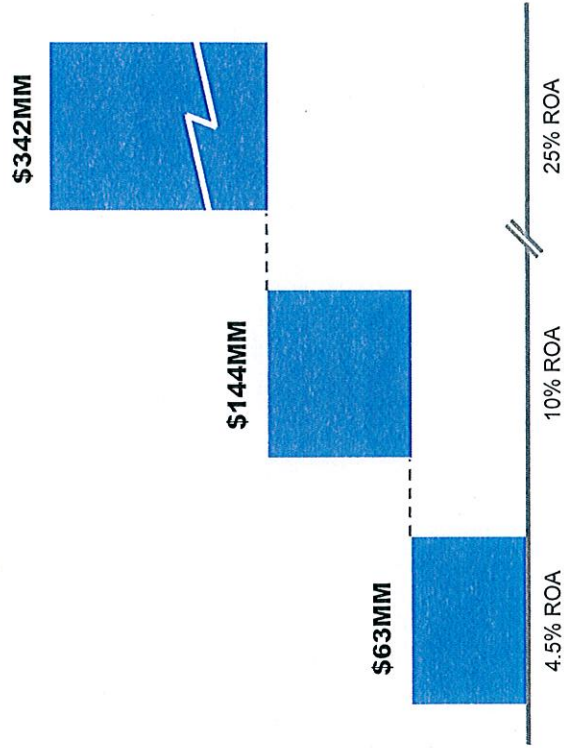
Impacts of Raising ROA: Rate Impacts

Correlation between Sales Growth and Average Electric Rates (economies of scale)



More than 50% of the Consumers Energy's power supply rates recover fixed costs

Cost Impacts to Bundled Customers from Increased Sales Migration to Electric Choice



\$13-\$15 million of fixed costs shifted to remaining bundled customers for every 1% decrease in sales

2008 Energy Laws are working for Michigan

- PA 286 reserved 10 percent of the electric market for alternative suppliers.
- New law functioning as designed: Providing energy certainty to encourage utilities to make job creating investments and to protect customers from price spikes
- Alternative Energy Suppliers: Primarily out-of-state power brokers with limited to no investment in Michigan
- Consumers Energy committed to Michigan here for the long run

	<u>Consumers Energy</u>	<u>AES</u>
◆ Obligation to Serve All Customers	Yes	No
◆ Energy Prices Regulated by MPSC	Yes	No
◆ Generation Assets in Michigan	Yes	Limited
◆ Pay Michigan Property Taxes	Yes	Limited
◆ Contract Oversight by MPSC	Yes	No
◆ Shut Off Protection	Yes	No
◆ Low Income Protection	Yes	No
◆ EO Programs Required	Yes	No
◆ RPS Required	Yes	Limited – REC Purchase
◆ Michigan Based	Yes	Limited

Act No. 286
Public Acts of 2008
Approved by the Governor
October 6, 2008
Filed with the Secretary of State
October 6, 2008
EFFECTIVE DATE: October 6, 2008

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008**

Introduced by Reps. Accavitti, Angerer, Mayes, Hopgood, Gaffney, LaJoy and Hune

ENROLLED HOUSE BILL No. 5524

AN ACT to amend 1939 PA 3, entitled "An act to provide for the regulation and control of public and certain private utilities and other services affected with a public interest within this state; to provide for alternative energy suppliers; to provide for licensing; to include municipally owned utilities and other providers of energy under certain provisions of this act; to create a public service commission and to prescribe and define its powers and duties; to abolish the Michigan public utilities commission and to confer the powers and duties vested by law on the public service commission; to provide for the continuance, transfer, and completion of certain matters and proceedings; to abolish automatic adjustment clauses; to prohibit certain rate increases without notice and hearing; to qualify residential energy conservation programs permitted under state law for certain federal exemption; to create a fund; to provide for a restructuring of the manner in which energy is provided in this state; to encourage the utilization of resource recovery facilities; to prohibit certain acts and practices of providers of energy; to allow for the securitization of stranded costs; to reduce rates; to provide for appeals; to provide appropriations; to declare the effect and purpose of this act; to prescribe remedies and penalties; and to repeal acts and parts of acts," by amending sections 6a, 10, 10a, 10b, 10d, 10g, 10p, 10r, 10x, and 10y (MCL 460.6a, 460.10, 460.10a, 460.10b, 460.10d, 460.10g, 460.10p, 460.10r, 460.10x, and 460.10y), section 6a as amended by 1992 PA 37, sections 10, 10b, 10p, 10r, 10x, and 10y as added by 2000 PA 141, section 10a as amended by 2004 PA 88, section 10d as amended by 2002 PA 609, and section 10g as amended by 2001 PA 48, and by adding sections 4a, 6q, 6s, 10dd, and 11.

The People of the State of Michigan enact:

Sec. 4a. (1) Except as otherwise provided under this act, the commission is subject to Executive Reorganization Order No. 2003-1, MCL 445.2011.

(2) Funding for the commission shall be as provided under 1972 PA 299, MCL 460.111 to 460.120, and as otherwise provided by law.

(3) The commission shall be an autonomous entity within the department of labor and economic growth. The statutory authority, powers, duties, and functions, including personnel, property, budgeting, records, procurement, and other management related functions, shall be retained by the commission. The department of labor and economic growth shall provide support and coordinated services as requested by the commission and shall be reimbursed for that service as provided under subsection (2).

(4) The chairperson of the commission shall be appointed as provided under section 2.

(5) Nothing in this section shall be construed to supersede the transfers of authority made under the following executive orders:

- (a) Executive Reorganization Order No. 2001-1, MCL 18.41.
- (b) Executive Reorganization Order No. 2002-13, MCL 18.321.
- (c) Executive Reorganization Order No. 2005-1, MCL 445.2021.
- (d) Executive Reorganization Order No. 2007-21, MCL 18.45.

(e) Executive Reorganization Order No. 2007-22, MCL 18.46.

(f) Executive Reorganization Order No. 2007-23, MCL 18.47.

Sec. 6a. (1) A gas or electric utility shall not increase its rates and charges or alter, change, or amend any rate or rate schedules, the effect of which will be to increase the cost of services to its customers, without first receiving commission approval as provided in this section. The utility shall place in evidence facts relied upon to support the utility's petition or application to increase its rates and charges, or to alter, change, or amend any rate or rate schedules. The commission shall require notice to be given to all interested parties within the service area to be affected, and all interested parties shall have a reasonable opportunity for a full and complete hearing. A utility may use projected costs and revenues for a future consecutive 12-month period in developing its requested rates and charges. The commission shall notify the utility within 30 days of filing, whether the utility's petition or application is complete. A petition or application is considered complete if it complies with the rate application filing forms and instructions adopted under subsection (6). A petition or application pending before the commission prior to the adoption of filing forms and instructions pursuant to subsection (6) shall be evaluated based upon the filing requirements in effect at the time the petition or application was filed. If the application is not complete, the commission shall notify the utility of all information necessary to make that filing complete. If the commission has not notified the utility within 30 days of whether the utility's petition or application is complete, the application is considered complete. If the commission has not issued an order within 180 days of the filing of a complete application, the utility may implement up to the amount of the proposed annual rate request through equal percentage increases or decreases applied to all base rates. For a petition or application pending before the commission prior to the effective date of the amendatory act that added this sentence, the 180-day period commences on the effective date of the amendatory act that added this sentence. If the utility uses projected costs and revenues for a future period in developing its requested rates and charges, the utility may not implement the equal percentage increases or decreases prior to the calendar date corresponding to the start of the projected 12-month period. For good cause, the commission may issue a temporary order preventing or delaying a utility from implementing its proposed rates or charges. If a utility implements increased rates or charges under this subsection before the commission issues a final order, that utility shall refund to customers, with interest, any portion of the total revenues collected through application of the equal percentage increase that exceed the total that would have been produced by the rates or charges subsequently ordered by the commission in its final order. The commission shall allocate any refund required by this section among primary customers based upon their pro rata share of the total revenue collected through the applicable increase, and among secondary and residential customers in a manner to be determined by the commission. The rate of interest for refunds shall equal 5% plus the London interbank offered rate (LIBOR) for the appropriate time period. For any portion of the refund which, exclusive of interest, exceeds 25% of the annual revenue increase awarded by the commission in its final order, the rate of interest shall be the authorized rate of return on the common stock of the utility during the appropriate period. Any refund or interest awarded under this subsection shall not be included, in whole or in part, in any application for a rate increase by a utility. Nothing in this section impairs the commission's ability to issue a show cause order as part of its rate-making authority. An alteration or amendment in rates or rate schedules applied for by a public utility that will not result in an increase in the cost of service to its customers may be authorized and approved without notice or hearing. There shall be no increase in rates based upon changes in cost of fuel or purchased gas unless notice has been given within the service area to be affected, and there has been an opportunity for a full and complete hearing on the cost of fuel or purchased gas. The rates charged by any utility pursuant to an automatic fuel or purchased gas adjustment clause shall not be altered, changed, or amended unless notice has been given within the service area to be affected, and there has been an opportunity for a full and complete hearing on the cost of the fuel or purchased gas.

(2) The commission shall adopt rules and procedures for the filing, investigation, and hearing of petitions or applications to increase or decrease utility rates and charges as the commission finds necessary or appropriate to enable it to reach a final decision with respect to petitions or applications within a period of 12 months from the filing of the complete petitions or applications. The commission shall not authorize or approve adjustment clauses that operate without notice and an opportunity for a full and complete hearing, and all such clauses shall be abolished. The commission may hold a full and complete hearing to determine the cost of fuel, purchased gas, or purchased power separately from a full and complete hearing on a general rate case and may be held concurrently with the general rate case. The commission shall authorize a utility to recover the cost of fuel, purchased gas, or purchased power only to the extent that the purchases are reasonable and prudent. As used in this section:

(a) "Full and complete hearing" means a hearing that provides interested parties a reasonable opportunity to present and cross-examine evidence and present arguments relevant to the specific element or elements of the request that are the subject of the hearing.

(b) "General rate case" means a proceeding initiated by a utility in an application filed with the commission that alleges a revenue deficiency and requests an increase in the schedule of rates or charges based on the utility's total cost of providing service.

(3) Except as otherwise provided in this subsection, if the commission fails to reach a final decision with respect to a completed petition or application to increase or decrease utility rates within the 12-month period following the filing

of the completed petition or application, the petition or application is considered approved. If a utility makes any significant amendment to its filing, the commission has an additional 12 months from the date of the amendment to reach a final decision on the petition or application. If the utility files for an extension of time, the commission shall extend the 12-month period by the amount of additional time requested by the utility.

(4) A utility shall not file a general rate case application for an increase in rates earlier than 12 months after the date of the filing of a complete prior general rate case application. A utility may not file a new general rate case application until the commission has issued a final order on a prior general rate case or until the rates are approved under subsection (3).

(5) The commission shall, if requested by a gas utility, establish load retention transportation rate schedules or approve gas transportation contracts as required for the purpose of retaining industrial or commercial customers whose individual annual transportation volumes exceed 500,000 decatherms on the gas utility's system. The commission shall approve these rate schedules or approve transportation contracts entered into by the utility in good faith if the industrial or commercial customer has the installed capability to use an alternative fuel or otherwise has a viable alternative to receiving natural gas transportation service from the utility, the customer can obtain the alternative fuel or gas transportation from an alternative source at a price which would cause them to cease using the gas utility's system, and the customer, as a result of their use of the system and receipt of transportation service, makes a significant contribution to the utility's fixed costs. The commission shall adopt accounting and rate-making policies to ensure that the discounts associated with the transportation rate schedules and contracts are recovered by the gas utility through charges applicable to other customers if the incremental costs related to the discounts are no greater than the costs that would be passed on to those customers as the result of a loss of the industrial or commercial customer's contribution to a utility's fixed costs.

(6) Within 90 days of the effective date of the amendatory act that added this subsection, the commission shall adopt standard rate application filing forms and instructions for use in all general rate cases filed by utilities whose rates are regulated by the commission. For cooperative electric utilities whose rates are regulated by the commission, in addition to rate applications filed under this section, the commission shall continue to allow for rate filings based on the cooperative's times interest earned ratio. The commission may, in its discretion, modify the standard rate application forms and instructions adopted under this subsection.

(7) If, on or before January 1, 2008, a merchant plant entered into a contract with an initial term of 20 years or more to sell electricity to an electric utility whose rates are regulated by the commission with 1,000,000 or more retail customers in this state and if, prior to January 1, 2008, the merchant plant generated electricity under that contract, in whole or in part, from wood or solid wood wastes, then the merchant plant shall, upon petition by the merchant plant, and subject to the limitation set forth in subsection (8), recover the amount, if any, by which the merchant plant's reasonably and prudently incurred actual fuel and variable operation and maintenance costs exceed the amount that the merchant plant is paid under the contract for those costs. This subsection does not apply to landfill gas plants, hydro plants, municipal solid waste plants, or to merchant plants engaged in litigation against an electric utility seeking higher payments for power delivered pursuant to contract.

(8) The total aggregate additional amounts recoverable by merchant plants pursuant to subsection (7) in excess of the amounts paid under the contracts shall not exceed \$1,000,000.00 per month for each affected electric utility. The \$1,000,000.00 per month limit specified in this subsection shall be reviewed by the commission upon petition of the merchant plant filed no more than once per year and may be adjusted if the commission finds that the eligible merchant plants reasonably and prudently incurred actual fuel and variable operation and maintenance costs exceed the amount that those merchant plants are paid under the contract by more than \$1,000,000.00 per month. The annual amount of the adjustments shall not exceed a rate equal to the United States consumer price index. An adjustment shall not be made by the commission unless each affected merchant plant files a petition with the commission. As used in this subsection, "United States consumer price index" means the United States consumer price index for all urban consumers as defined and reported by the United States department of labor, bureau of labor statistics. If the total aggregate amount by which the eligible merchant plants reasonably and prudently incurred actual fuel and variable operation and maintenance costs determined by the commission exceed the amount that the merchant plants are paid under the contract by more than \$1,000,000.00 per month, the commission shall allocate the additional \$1,000,000.00 per month payment among the eligible merchant plants based upon the relationship of excess costs among the eligible merchant plants. The \$1,000,000.00 limit specified in this subsection, as adjusted, shall not apply with respect to actual fuel and variable operation and maintenance costs that are incurred due to changes in federal or state environmental laws or regulations that are implemented after the effective date of the amendatory act that added this subsection. The \$1,000,000.00 per month payment limit under this subsection shall not apply to merchant plants eligible under subsection (7) whose electricity is purchased by a utility that is using wood or wood waste or fuels derived from those materials for fuel in their power plants.

(9) The commission shall issue orders to permit the recovery authorized under subsections (7) and (8) upon petition of the merchant plant. The merchant plant shall not be required to alter or amend the existing contract with the electric utility in order to obtain the recovery under subsections (7) and (8). The commission shall permit or require the electric utility whose rates are regulated by the commission to recover from its ratepayers all fuel and variable operation and

maintenance costs that the electric utility is required to pay to the merchant plant as reasonably and prudently incurred costs.

Sec. 6q. (1) A person shall not acquire, control, or merge, directly or indirectly, in whole or in part, with a jurisdictional regulated utility nor shall a jurisdictional regulated utility sell, assign, transfer, or encumber its assets to another person without first applying to and receiving the approval of the commission.

(2) After notice and hearing, the commission shall issue an order stating what constitutes acquisition, transfer of control, merger activities, or encumbrance of assets that are subject to this section. This section does not apply to the encumbrance, assignment, acquisition, or transfer of assets that are encumbered, assigned, acquired, transferred, or sold in the normal course of business or to the issuance of securities or other financing transactions not directly or indirectly involved in an acquisition, merger, encumbrance, or transfer of control that is governed by this section.

(3) The commission shall promulgate rules creating procedures for the application process required under this section. The application shall include, but is not limited to, all of the following information:

(a) A concise summary of the terms and conditions of the proposed acquisition, transfer, merger, or encumbrance.

(b) Copies of the material acquisition, transfer, merger, or encumbrance documents if available.

(c) A summary of the projected impacts of the acquisition, transfer, merger, or encumbrance on rates and electric service in this state.

(d) Pro forma financial statements that are relevant to the acquisition, transfer, merger, or encumbrance.

(e) Copies of the parties' public filings with other state or federal regulatory agencies regarding the same acquisition, transfer, merger, or encumbrance, including any regulatory orders issued by the agencies regarding the acquisition, transfer, merger, or encumbrance.

(4) Within 60 days from the date an application is filed under this section, interested parties, including the attorney general, may file comments with the commission on the proposed acquisition, transfer, merger, or encumbrance.

(5) After notice and hearing and within 180 days from the date an application is filed under this section, the commission shall issue an order approving or rejecting the proposed acquisition, transfer of control, merger, or encumbrance.

(6) All parties to an acquisition, transfer, merger, or encumbrance subject to this section shall provide the commission and the attorney general access to all books, records, accounts, documents, and any other data and information the commission considers necessary to effectively assess the impact of the proposed acquisition, transfer, merger, or encumbrance.

(7) The commission shall consider among other factors all of the following in its evaluation of whether or not to approve a proposed acquisition, transfer, merger, or encumbrance:

(a) Whether the proposed action would have an adverse impact on the rates of the customers affected by the acquisition, transfer, merger, or encumbrance.

(b) Whether the proposed action would have an adverse impact on the provision of safe, reliable, and adequate energy service in this state.

(c) Whether the action will result in the subsidization of a nonregulated activity of the new entity through the rates paid by the customers of the jurisdictional regulated utility.

(d) Whether the action will significantly impair the jurisdictional regulated utility's ability to raise necessary capital or to maintain a reasonable capital structure.

(e) Whether the action is otherwise inconsistent with public policy and interest.

(8) In approving an acquisition, transfer, merger, or encumbrance under this section, the commission may impose reasonable terms and conditions on the acquisition, transfer, merger, or encumbrance to protect the jurisdictional regulated utility, including the division and allocation of the utility's assets. A jurisdictional regulated utility may reject the terms and conditions imposed by the commission and not proceed with the transaction.

(9) In approving an acquisition, transfer, merger, or encumbrance under this section, the commission may impose reasonable terms and conditions on the acquisition, transfer, merger, or encumbrance to protect the customers of the jurisdictional regulated utility. A jurisdictional regulated utility may reject the terms and conditions imposed by the commission and not proceed with the transaction.

(10) Nonpublic information and materials submitted by a jurisdictional regulated utility under this section clearly designated by that utility as confidential are exempt from the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. The commission shall issue protective orders as necessary to protect information designated by that utility as confidential.

(11) Nothing in this section alters the authority of the attorney general to enforce federal and state antitrust laws.

(12) As used in this section:

(a) "Commission" means the Michigan public service commission.

(b) "Jurisdictional regulated utility" means a utility whose rates are regulated by the commission. Jurisdictional regulated utility does not include a telecommunication provider as defined in the Michigan telecommunications act, 1991 PA 179, MCL 484.2101 to 484.2604, or a motor carrier as defined in the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43.

(c) "Person" means an individual, corporation, association, partnership, utility, or any other legal private or public entity.

Sec. 6s. (1) An electric utility that proposes to construct an electric generation facility, make a significant investment in an existing electric generation facility, purchase an existing electric generation facility, or enter into a power purchase agreement for the purchase of electric capacity for a period of 6 years or longer may submit an application to the commission seeking a certificate of necessity for that construction, investment, or purchase if that construction, investment, or purchase costs \$500,000,000.00 or more and a portion of the costs would be allocable to retail customers in this state. A significant investment in an electric generation facility includes a group of investments reasonably planned to be made over a multiple year period not to exceed 6 years for a singular purpose such as increasing the capacity of an existing electric generation plant. The commission shall not issue a certificate of necessity under this section for any environmental upgrades to existing electric generation facilities or for a renewable energy system.

(2) The commission may implement separate review criteria and approval standards for electric utilities with less than 1,000,000 retail customers who seek a certificate of necessity for projects costing less than \$500,000,000.00.

(3) An electric utility submitting an application under this section may request 1 or more of the following:

(a) A certificate of necessity that the power to be supplied as a result of the proposed construction, investment, or purchase is needed.

(b) A certificate of necessity that the size, fuel type, and other design characteristics of the existing or proposed electric generation facility or the terms of the power purchase agreement represent the most reasonable and prudent means of meeting that power need.

(c) A certificate of necessity that the price specified in the power purchase agreement will be recovered in rates from the electric utility's customers.

(d) A certificate of necessity that the estimated purchase or capital costs of and the financing plan for the existing or proposed electric generation facility, including, but not limited to, the costs of siting and licensing a new facility and the estimated cost of power from the new or proposed electric generation facility, will be recoverable in rates from the electric utility's customers subject to subsection (4)(c).

(4) Within 270 days of the filing of an application under this section, the commission shall issue an order granting or denying the requested certificate of necessity. The commission shall hold a hearing on the application. The hearing shall be conducted as a contested case pursuant to chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287. The commission shall allow intervention by interested persons. Reasonable discovery shall be permitted before and during the hearing in order to assist parties and interested persons in obtaining evidence concerning the application, including, but not limited to, the reasonableness and prudence of the construction, investment, or purchase for which the certificate of necessity has been requested. The commission shall grant the request if it determines all of the following:

(a) That the electric utility has demonstrated a need for the power that would be supplied by the existing or proposed electric generation facility or pursuant to the proposed power purchase agreement through its approved integrated resource plan that complies with subsection (11).

(b) The information supplied indicates that the existing or proposed electric generation facility will comply with all applicable state and federal environmental standards, laws, and rules.

(c) The estimated cost of power from the existing or proposed electric generation facility or the price of power specified in the proposed power purchase agreement is reasonable. The commission shall find that the cost is reasonable if, in the construction or investment in a new or existing facility, to the extent it is commercially practicable, the estimated costs are the result of competitively bid engineering, procurement, and construction contracts, or in a power purchase agreement, the cost is the result of a competitive solicitation. Up to 150 days after an electric utility makes its initial filing, it may file to update its cost estimates if they have materially changed. No other aspect of the initial filing may be modified unless the application is withdrawn and refiled. A utility's filing updating its cost estimates does not extend the period for the commission to issue an order granting or denying a certificate of necessity. An affiliate of an electric utility that serves customers in this state and at least 1 other state may participate in the competitive bidding to provide engineering, procurement, and construction services to that electric utility for a project covered by this section.

(d) The existing or proposed electric generation facility or proposed power purchase agreement represents the most reasonable and prudent means of meeting the power need relative to other resource options for meeting power demand, including energy efficiency programs and electric transmission efficiencies.

(e) To the extent practicable, the construction or investment in a new or existing facility in this state is completed using a workforce composed of residents of this state as determined by the commission. This subdivision does not apply to a facility that is located in a county that lies on the border with another state.

(5) The commission may consider any other costs or information related to the costs associated with the power that would be supplied by the existing or proposed electric generation facility or pursuant to the proposed purchase agreement or alternatives to the proposal raised by intervening parties.

(6) In a certificate of necessity under this section, the commission shall specify the costs approved for the construction of or significant investment in the electric generation facility, the price approved for the purchase of the existing electric generation facility, or the price approved for the purchase of power pursuant to the terms of the power purchase agreement.

(7) The utility shall annually file, or more frequent if required by the commission, reports to the commission regarding the status of any project for which a certificate of necessity has been granted under subsection (4), including an update concerning the cost and schedule of that project.

(8) If the commission denies any of the relief requested by an electric utility, the electric utility may withdraw its application or proceed with the proposed construction, purchase, investment, or power purchase agreement without a certificate and the assurances granted under this section.

(9) Once the electric generation facility or power purchase agreement is considered used and useful or as otherwise provided in subsection (12), the commission shall include in an electric utility's retail rates all reasonable and prudent costs for an electric generation facility or power purchase agreement for which a certificate of necessity has been granted. The commission shall not disallow recovery of costs an electric utility incurs in constructing, investing in, or purchasing an electric generation facility or in purchasing power pursuant to a power purchase agreement for which a certificate of necessity has been granted, if the costs do not exceed the costs approved by the commission in the certificate. Once the electric generation facility or power purchase agreement is considered used and useful or as otherwise provided in subsection (12), the commission shall include in the electric utility's retail rates costs actually incurred by the electric utility that exceed the costs approved by the commission only if the commission finds that the additional costs are reasonable and prudent. If the actual costs incurred by the electric utility exceed the costs approved by the commission, the electric utility has the burden of proving by a preponderance of the evidence that the costs are reasonable and prudent. The portion of the cost of a plant, facility, or power purchase agreement which exceeds 110% of the cost approved by the commission is presumed to have been incurred due to a lack of prudence. The commission may include any or all of the portion of the cost in excess of 110% of the cost approved by the commission if the commission finds by a preponderance of the evidence that the costs were prudently incurred.

(10) Within 90 days of the effective date of the amendatory act that added this section, the commission shall adopt standard application filing forms and instructions for use in all requests for a certificate of necessity under this section. The commission may, in its discretion, modify the standard application filing forms and instructions adopted under this section.

(11) The commission shall establish standards for an integrated resource plan that shall be filed by an electric utility requesting a certificate of necessity under this section. An integrated resource plan shall include all of the following:

(a) A long-term forecast of the electric utility's load growth under various reasonable scenarios.

(b) The type of generation technology proposed for the generation facility and the proposed capacity of the generation facility, including projected fuel and regulatory costs under various reasonable scenarios.

(c) Projected energy and capacity purchased or produced by the electric utility pursuant to any renewable portfolio standard.

(d) Projected energy efficiency program savings under any energy efficiency program requirements and the projected costs for that program.

(e) Projected load management and demand response savings for the electric utility and the projected costs for those programs.

(f) An analysis of the availability and costs of other electric resources that could defer, displace, or partially displace the proposed generation facility or purchased power agreement, including additional renewable energy, energy efficiency programs, load management, and demand response, beyond those amounts contained in subdivisions (c) to (e).

(g) Electric transmission options for the electric utility.

(12) The commission shall allow financing interest cost recovery in an electric utility's base rates on construction work in progress for capital improvements approved under this section prior to the assets being considered used and useful. Regardless of whether or not the commission authorizes base rate treatment for construction work in progress financing interest expense, an electric utility shall be allowed to recognize, accrue, and defer the allowance for funds used during construction related to equity capital.

(13) As used in this section, "renewable energy system" means that term as defined in the clean, renewable, and efficient energy act.

Sec. 10. (1) Sections 10 through 10bb shall be known and may be cited as the “customer choice and electricity reliability act”.

(2) The purpose of sections 10a through 10bb is to do all of the following:

(a) To ensure that all retail customers in this state of electric power have a choice of electric suppliers.

(b) To allow and encourage the Michigan public service commission to foster competition in this state in the provision of electric supply and maintain regulation of electric supply for customers who continue to choose supply from incumbent electric utilities.

(c) To encourage the development and construction of merchant plants which will diversify the ownership of electric generation in this state.

(d) To ensure that all persons in this state are afforded safe, reliable electric power at a reasonable rate.

(e) To improve the opportunities for economic development in this state and to promote financially healthy and competitive utilities in this state.

(f) To maintain, foster, and encourage robust, reliable, and economic generation, distribution, and transmission systems to provide this state’s electric suppliers and generators an opportunity to access regional sources of generation and wholesale power markets and to ensure a reliable supply of electricity in this state.

Sec. 10a. (1) The commission shall issue orders establishing the rates, terms, and conditions of service that allow all retail customers of an electric utility or provider to choose an alternative electric supplier. The orders shall do all of the following:

(a) Provide that no more than 10% of an electric utility’s average weather-adjusted retail sales for the preceding calendar year may take service from an alternative electric supplier at any time.

(b) Set forth procedures necessary to administer and allocate the amount of load that will be allowed to be served by alternative electric suppliers, through the use of annual energy allotments awarded on a calendar year basis, and shall provide, among other things, that existing customers who are taking electric service from an alternative electric supplier at a facility on the effective date of the amendatory act that added this subdivision shall be given an allocated annual energy allotment for that service at that facility, that customers seeking to expand usage at a facility served through an alternative electric supplier will be given next priority, with the remaining available load, if any, allocated on a first-come first-served basis. The procedures shall also provide how customer facilities will be defined for the purpose of assigning the annual energy allotments to be allocated under this section. The commission shall not allocate additional annual energy allotments at any time when the total annual energy allotments for the utility’s distribution service territory is greater than 10% of the utility’s weather-adjusted retail sales in the calendar year preceding the date of allocation. If the sales of a utility are less in a subsequent year or if the energy usage of a customer receiving electric service from an alternative electric supplier exceeds its annual energy allotment for that facility, that customer shall not be forced to purchase electricity from a utility, but may purchase electricity from an alternative electric supplier for that facility during that calendar year.

(c) Notwithstanding any other provision of this section, customers seeking to expand usage at a facility that has been continuously served through an alternative electric supplier since April 1, 2008 shall be permitted to purchase electricity from an alternative electric supplier for both the existing and any expanded load at that facility as well as any new facility constructed or acquired after the effective date of the amendatory act that added this subdivision that is similar in nature if the customer owns more than 50% of the new facility.

(d) Notwithstanding any other provision of this section, any customer operating an iron ore mining facility, iron ore processing facility, or both, located in the Upper Peninsula of this state, shall be permitted to purchase all or any portion of its electricity from an alternative electric supplier, regardless of whether the sales exceed 10% of the serving electric utility’s average weather-adjusted retail sales.

(2) The commission shall issue orders establishing a licensing procedure for all alternative electric suppliers. To ensure adequate service to customers in this state, the commission shall require that an alternative electric supplier maintain an office within this state, shall assure that an alternative electric supplier has the necessary financial, managerial, and technical capabilities, shall require that an alternative electric supplier maintain records which the commission considers necessary, and shall ensure an alternative electric supplier’s accessibility to the commission, to consumers, and to electric utilities in this state. The commission also shall require alternative electric suppliers to agree that they will collect and remit to local units of government all applicable users, sales, and use taxes. An alternative electric supplier is not required to obtain any certificate, license, or authorization from the commission other than as required by this act.

(3) The commission shall issue orders to ensure that customers in this state are not switched to another supplier or billed for any services without the customer’s consent.

(4) No later than December 2, 2000, the commission shall establish a code of conduct that shall apply to all electric utilities. The code of conduct shall include, but is not limited to, measures to prevent cross-subsidization, information sharing, and preferential treatment, between a utility’s regulated and unregulated services, whether those services are

provided by the utility or the utility's affiliated entities. The code of conduct established under this subsection shall also be applicable to electric utilities and alternative electric suppliers consistent with section 10, this section, and sections 10b through 10cc.

(5) An electric utility may offer its customers an appliance service program. Except as otherwise provided by this section, the utility shall comply with the code of conduct established by the commission under subsection (4). As used in this section, "appliance service program" or "program" means a subscription program for the repair and servicing of heating and cooling systems or other appliances.

(6) A utility offering a program under subsection (5) shall do all of the following:

(a) Locate within a separate department of the utility or affiliate within the utility's corporate structure the personnel responsible for the day-to-day management of the program.

(b) Maintain separate books and records for the program, access to which shall be made available to the commission upon request.

(c) Not promote or market the program through the use of utility billing inserts, printed messages on the utility's billing materials, or other promotional materials included with customers' utility bills.

(7) All costs directly attributable to an appliance service program allowed under subsection (5) shall be allocated to the program as required by this subsection. The direct and indirect costs of employees, vehicles, equipment, office space, and other facilities used in the appliance service program shall be allocated to the program based upon the amount of use by the program as compared to the total use of the employees, vehicles, equipment, office space, and other facilities. The cost of the program shall include administrative and general expense loading to be determined in the same manner as the utility determines administrative and general expense loading for all of the utility's regulated and unregulated activities. A subsidy by a utility does not exist if costs allocated as required by this subsection do not exceed the revenue of the program.

(8) A utility may include charges for its appliance service program on its monthly billings to its customers if the utility complies with all of the following requirements:

(a) All costs associated with the billing process, including the postage, envelopes, paper, and printing expenses, are allocated as required under subsection (7).

(b) A customer's regulated utility service is not terminated for nonpayment of the appliance service program portion of the bill.

(c) Unless the customer directs otherwise in writing, a partial payment by a customer is applied first to the bill for regulated service.

(9) In marketing its appliance service program to the public, a utility shall do all of the following:

(a) The list of customers receiving regulated service from the utility shall be available to a provider of appliance repair service upon request within 2 business days. The customer list shall be provided in the same electronic format as such information is provided to the appliance service program. A new customer shall be added to the customer list within 1 business day of the date the customer requested to turn on service.

(b) Appropriately allocate costs as required under subsection (7) when personnel employed at a utility's call center provide appliance service program marketing information to a prospective customer.

(c) Prior to enrolling a customer into the program, the utility shall inform the potential customer of all of the following:

(i) That appliance service programs may be available from another provider.

(ii) That the appliance service program is not regulated by the commission.

(iii) That a new customer shall have 10 days after enrollment to cancel his or her appliance service program contract without penalty.

(iv) That the customer's regulated rates and conditions of service provided by the utility are not affected by enrollment in the program or by the decision of the customer to use the services of another provider of appliance repair service.

(d) The utility name and logo may be used to market the appliance service program provided that the program is not marketed in conjunction with a regulated service. To the extent that a program utilizes the utility's name and logo in marketing the program, the program shall include language on all material indicating that the program is not regulated by the commission. Costs shall not be allocated to the program for the use of the utility's name or logo.

(10) This section does not prohibit the commission from requiring a utility to include revenues from an appliance service program in establishing base rates. If the commission includes the revenues of an appliance service program in determining a utility's base rates, the commission shall also include all of the costs of the program as determined under this section.

(11) Except as otherwise provided in this section, the code of conduct with respect to an appliance service program shall not require a utility to form a separate affiliate or division to operate an appliance service program, impose further

restrictions on the sharing of employees, vehicles, equipment, office space, and other facilities, or require the utility to provide other providers of appliance repair service with access to utility employees, vehicles, equipment, office space, or other facilities.

(12) This act does not prohibit or limit the right of a person to obtain self-service power and does not impose a transition, implementation, exit fee, or any other similar charge on self-service power. A person using self-service power is not an electric supplier, electric utility, or a person conducting an electric utility business. As used in this subsection, "self-service power" means any of the following:

(a) Electricity generated and consumed at an industrial site or contiguous industrial site or single commercial establishment or single residence without the use of an electric utility's transmission and distribution system.

(b) Electricity generated primarily by the use of by-product fuels, including waste water solids, which electricity is consumed as part of a contiguous facility, with the use of an electric utility's transmission and distribution system, but only if the point or points of receipt of the power within the facility are not greater than 3 miles distant from the point of generation.

(c) A site or facility with load existing on June 5, 2000 that is divided by an inland body of water or by a public highway, road, or street but that otherwise meets this definition meets the contiguous requirement of this subdivision regardless of whether self-service power was being generated on June 5, 2000.

(d) A commercial or industrial facility or single residence that meets the requirements of subdivision (a) or (b) meets this definition whether or not the generation facility is owned by an entity different from the owner of the commercial or industrial site or single residence.

(13) This act does not prohibit or limit the right of a person to engage in affiliate wheeling and does not impose a transition, implementation, exit fee, or any other similar charge on a person engaged in affiliate wheeling. As used in this section:

(a) "Affiliate" means a person or entity that directly, or indirectly through 1 or more intermediates, controls, is controlled by, or is under common control with another specified entity. As used in this subdivision, "control" means, whether through an ownership, beneficial, contractual, or equitable interest, the possession, directly or indirectly, of the power to direct or to cause the direction of the management or policies of a person or entity or the ownership of at least 7% of an entity either directly or indirectly.

(b) "Affiliate wheeling" means a person's use of direct access service where an electric utility delivers electricity generated at a person's industrial site to that person or that person's affiliate at a location, or general aggregated locations, within this state that was either 1 of the following:

(i) For at least 90 days during the period from January 1, 1996 to October 1, 1999, supplied by self-service power, but only to the extent of the capacity reserved or load served by self-service power during the period.

(ii) Capable of being supplied by a person's cogeneration capacity within this state that has had since January 1, 1996 a rated capacity of 15 megawatts or less, was placed in service before December 31, 1975, and has been in continuous service since that date. A person engaging in affiliate wheeling is not an electric supplier, an electric utility, or conducting an electric utility business when a person engages in affiliate wheeling.

(14) The rights of parties to existing contracts and agreements in effect as of January 1, 2000 between electric utilities and qualifying facilities, including the right to have the charges recovered from the customers of an electric utility, or its successor, shall not be abrogated, increased, or diminished by this act, nor shall the receipt of any proceeds of the securitization bonds by an electric utility be a basis for any regulatory disallowance. Further, any securitization or financing order issued by the commission that relates to a qualifying facility's power purchase contract shall fully consider that qualifying facility's legal and financial interests.

(15) A customer who elects to receive service from an alternative electric supplier may subsequently provide notice to the electric utility of the customer's desire to receive standard tariff service from the electric utility. The procedures in place for each electric utility as of January 1, 2008 that set forth the terms pursuant to which a customer receiving service from an alternative electric supplier may return to full service from the electric utility are ratified and shall remain in effect and may be amended by the commission as needed. If an electric utility did not have the procedures in place as of January 1, 2008, the commission shall adopt those procedures.

(16) The commission shall authorize rates that will ensure that an electric utility that offered retail open access service from 2002 through the effective date of the amendatory act that added this subsection fully recovers its restructuring costs and any associated accrued regulatory assets. This includes, but is not limited to, implementation costs, stranded costs, and costs authorized pursuant to section 10d(4) as it existed prior to the effective date of the amendatory act that added this subsection, that have been authorized for recovery by the commission in orders issued prior to the effective date of the amendatory act that added this subsection. The commission shall approve surcharges that will ensure full recovery of all such costs within 5 years of the effective date of the amendatory act that added this subsection.

(17) As used in subsections (1) and (15):

(a) "Customer" means the building or facilities served through a single existing electric billing meter and does not mean the person, corporation, partnership, association, governmental body, or other entity owning or having possession of the building or facilities.

(b) "Standard tariff service" means, for each regulated electric utility, the retail rates, terms, and conditions of service approved by the commission for service to customers who do not elect to receive generation service from alternative electric suppliers.

Sec. 10b. (1) The commission shall establish rates, terms, and conditions of electric service that promote and enhance the development of new generation, transmission, and distribution technologies.

(2) No later than 1 year from June 5, 2000, each electric utility shall file an application with the commission to unbundle its existing commercial and industrial rate schedules and separately identify and charge for their discrete services. No earlier than 1 year from June 5, 2000, the commission may order the electric utility to file an application to unbundle existing residential rate schedules. The commission may allow the unbundled rates to be expressed on residential billings in terms of percentages in order to simplify residential billing. The commission shall allow recovery by electric utilities of all just and reasonable costs incurred by electric utilities to implement and administer the provisions of this subsection.

(3) The orders issued under this act shall include, but are not limited to, the providing of reliable and lower cost competitive rates for all customers in this state.

(4) An electric utility is obligated, with commission oversight, to provide standby generation service for open access load on a best efforts basis until December 31, 2001 or the date established under section 10d(2) as it existed prior to the effective date of the amendatory act that added this sentence, whichever is later. The pricing for the electric generation standby service is equal to the retail market price of comparable standby service allowed under subsection (5). An electric utility is not required to interrupt firm off-system sales or firm service customers to provide standby generation service. Until the date established under section 10d(2) as it existed prior to the effective date of the amendatory act that added this sentence, standby generation service shall continue to be provided to nonopen access customers under regulated tariffs.

(5) The methodology for identifying the retail market price for electric generation service to be applied under this section shall be determined by the commission based upon market indices commonly relied upon in the electric generation industry, adjusted as appropriate to reflect retail market prices in the relevant market.

Sec. 10d. (1) If an electric utility serving less than 1,000,000 retail customers in this state as of May 1, 2000 issues securitization bonds as allowed under this act, it shall have the same rights, duties, and obligations under this section as an electric utility serving 1,000,000 or more retail customers in this state as of May 1, 2000.

(2) The commission shall take the necessary steps to ensure that all electrical power generating facilities in this state comply with all rules, regulations, and standards of the federal environmental protection agency regarding mercury emissions.

(3) A covered utility may apply to the commission to recover enhanced security costs for an electric generating facility through a security recovery factor. If the commission action under subsection (5) is approval of a security recovery factor, the covered utility may recover those enhanced security costs.

(4) The commission shall require that notice of the application filed under subsection (3) be published by the covered utility within 30 days from the date the application was filed. The initial hearing by the commission shall be held within 20 days of the date the notice was published in newspapers of general circulation in the service territory of the covered utility.

(5) The commission may issue an order approving, rejecting, or modifying the security recovery factor. If the commission issues an order approving a security recovery factor, that order shall be issued within 120 days of the initial hearing required under subsection (4). In determining the security recovery factor, the commission shall only include costs that the commission determines are reasonable and prudent and that are jurisdictionally assigned to retail customers of the covered utility in this state. The costs included shall be net of any proceeds that have been or will be received from another source, including, but not limited to, any applicable insurance settlements received by the covered utility or any grants or other emergency relief from federal, state, or local governmental agencies for the purpose of defraying enhanced security costs. In its order, the commission shall designate a period for recovery of enhanced security costs, including a reasonable return on the unamortized balance, over a period not to exceed 5 years. The security recovery factor shall not be less than zero.

(6) No later than February 18, 2003, the commission shall by order prescribe the form for the filing of an application for a security recovery factor under subsection (3). If the commission or its designee determines that a filing is incomplete, it shall notify the covered utility within 10 days of the filing.

(7) Records or other information supplied by the covered utility in an application for recovery of security costs under subsection (3) that describe security measures, including, but not limited to, emergency response plans, risk planning

documents, threat assessments, domestic preparedness strategies, and other plans for responding to acts of terrorism are not subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and shall be treated as confidential by the commission.

(8) The commission shall issue protective orders as are necessary to protect the information found by the commission to be confidential under this section.

(9) As used in this section:

(a) "Act of terrorism" means a willful and deliberate act that is all of the following:

(i) An act that would be a violent felony under the laws of this state, whether or not committed in this state.

(ii) An act that the person knows or has reason to know is dangerous to human life.

(iii) An act that is intended to intimidate or coerce a civilian population or influence or affect the conduct of government or a unit of government through intimidation or coercion.

(b) "Covered utility" means an electric utility with 1,000,000 or more retail customers in this state as of May 1, 2000 or an electric utility subject to the rate provisions of commission orders in case numbers U-11181-R and U-12204.

(c) "Enhanced security costs" means reasonable and prudent costs of new and enhanced security measures incurred before January 1, 2006 for an electric generating facility by a covered utility that are required by federal or state regulatory security requirements issued after September 11, 2001 or determined to be necessary by the commission to provide reasonable security from an act of terrorism. Enhanced security costs include increases in the cost of insurance that are attributable to an increased terror related risk and the costs of maintaining or restoring electric service as the result of an act of terrorism.

(d) "Security recovery factor" means an unbundled charge for all retail customers, except for customers of alternative electric suppliers, to recover enhanced security costs that have been approved by the commission.

Sec. 10g. (1) As used in sections 10 through 10bb:

(a) "Alternative electric supplier" means a person selling electric generation service to retail customers in this state. Alternative electric supplier does not include a person who physically delivers electricity directly to retail customers in this state. An alternative electric supplier is not a public utility.

(b) "Commission" means the Michigan public service commission created in section 1.

(c) "Electric utility" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(d) "Independent transmission owner" means an independent transmission company as that term is defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(e) "Merchant plant" means electric generating equipment and associated facilities with a capacity of more than 100 kilowatts located in this state that are not owned and operated by an electric utility.

(f) "Relevant market" means either the Upper Peninsula or the Lower Peninsula of this state.

(g) "Renewable energy source" means energy generated by solar, wind, geothermal, biomass, including waste-to-energy and landfill gas, or hydroelectric.

(2) A school district aggregating electricity for school properties or an exclusive aggregator for public or private school properties is not an electric utility or a public utility for the purpose of that aggregation.

Sec. 10p. (1) Each electric utility operating in this state shall establish an industry worker transition program that shall, in consultation with employees or applicable collective bargaining representatives, provide skills upgrades, apprenticeship and training programs, voluntary separation packages consistent with reasonable business practices, and job banks to coordinate and assist placement of employees into comparable employment at no less than the wage rates and substantially equivalent fringe benefits received before the transition.

(2) The costs resulting from subsection (1) shall include audited and verified employee-related restructuring costs that are incurred as a result of the amendatory act that added this section or as a result of prior commission restructuring orders, including employee severance costs, employee retraining programs, early retirement programs, outplacement programs, and similar costs and programs, that have been approved and found to be prudently incurred by the commission.

(3) In the event of a sale, purchase, or any other transfer of ownership of 1 or more Michigan divisions or business units, or generating stations or generating units, of an electric utility, to either a third party or a utility subsidiary, the electric utility's contract and agreements with the acquiring entity or persons shall require all of the following for a period of at least 30 months:

(a) That the acquiring entity or persons hire a sufficient number of nonsupervisory employees to safely and reliably operate and maintain the station, division, or unit by making offers of employment to the nonsupervisory workforce of the electric utility's division, business unit, generating station, or generating unit.

(b) That the acquiring entity or persons not employ nonsupervisory employees from outside the electric utility's workforce unless offers of employment have been made to all qualified nonsupervisory employees of the acquired business unit or facility.

(c) That the acquiring entity or persons have a dispute resolution mechanism culminating in a final and binding decision by a neutral third party for resolving employee complaints or disputes over wages, fringe benefits, and working conditions.

(d) That the acquiring entity or persons offer employment at no less than the wage rates and substantially equivalent fringe benefits and terms and conditions of employment that are in effect at the time of transfer of ownership of the division, business unit, generating station, or generating unit. The wage rates and substantially equivalent fringe benefits and terms and conditions of employment shall continue for at least 30 months from the time of the transfer of ownership unless the employees, or where applicable collective bargaining representative, and the new employer mutually agree to different terms and conditions of employment within that 30-month period.

(4) The electric utility shall offer a transition plan to those employees who are not offered jobs by the entity because the entity has a need for fewer workers. If there is litigation concerning the sale, or other transfer of ownership of the electric utility's divisions, business units, generating stations, or generating units, the 30-month period under subsection (3) begins on the date the acquiring entity or persons take control or management of the divisions, business units, generating stations, or generating units of the electric utility.

(5) The commission shall adopt generally applicable service quality and reliability standards for the transmission, generation, and distribution systems of electric utilities and other entities subject to its jurisdiction, including, but not limited to, standards for service outages, distribution facility upgrades, repairs and maintenance, telephone service, billing service, operational reliability, and public and worker safety. In setting service quality and reliability standards, the commission shall consider safety, costs, local geography and weather, applicable codes, national electric industry practices, sound engineering judgment, and experience. The commission shall also include provisions to upgrade the service quality of distribution circuits that historically have experienced significantly below-average performance in relationship to similar distribution circuits.

(6) Annually, each jurisdictional utility or entity shall file its report with the commission detailing actions to be taken to comply with the service quality and reliability standards during the next calendar year and its performance in relation to the service quality and reliability standards during the prior calendar year. The annual reports shall contain that data as required by the commission, including the estimated cost of achieving improvements in the jurisdictional utility's or entity's performance with respect to the service quality and reliability standards.

(7) The commission shall analyze the data to determine whether the jurisdictional entities are properly operating and maintaining their systems and take corrective action if needed.

(8) The commission shall submit a report to the governor and the legislature by September 1, 2009. In preparing the report, the commission should review and consider relevant existing customer surveys and examine what other states have done. This report shall include all of the following:

(a) An assessment of the major types of end-use customer power quality disturbances, including, but not limited to, voltage sags, overvoltages, oscillatory transients, voltage swells, distortion, power frequency variations, and interruptions, caused by both the distribution and transmission systems within this state.

(b) An assessment of utility power plant generating cost efficiency, including, but not limited to, operational efficiency, economic generating cost efficiency, and schedules for planned and unplanned outages.

(c) Current efforts employed by the commission to monitor or enforce standards pertaining to end-use customer power quality disturbances and utility power plant generating cost efficiency either through current practice, statute, policy, or rule.

(d) Recommendations for use of common characteristics, measures, and indices to monitor power quality disturbances and power plant generating cost efficiency, such as expert customer service assessments, frequency of disturbance occurrence, duration of disturbance, and voltage magnitude.

(e) Recommendations for statutory changes that would be necessary to enable the commission to properly monitor and enforce standards to optimize power plant generating cost efficiency and minimize power quality disturbances. These recommendations shall include recommendations to provide methods to ensure that this state can obtain optimal and cost-effective end-use customer power quality to attract economic development and investment into the state.

(9) By December 31, 2009, the commission shall, based on its findings in subsection (8), review its existing rules under this section and amend the rules, if needed, under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement performance standards for generation facilities and for distribution facilities to protect end-use customers from power quality disturbances.

(10) Any standards or rules developed under this section shall be designed to do the following, as applicable:

(a) Establish different requirements for each customer class, whenever those different requirements are appropriate to carry out the provisions of this section, and to reflect different load and service characteristics of each customer class.

(b) Consider the availability and associated cost of necessary equipment and labor required to maintain or upgrade distribution and generating facilities.

(c) Ensure that the most cost-effective means of addressing power quality disturbances are promoted for each utility, including consideration of the installation of equipment or adoption of operating practices at the end-user's location.

(d) Take into account the extent to which the benefits associated with achieving a specified standard or improvement are offset by the incremental capital, fuel, and operation and maintenance expenses associated with meeting the specified standard or improvement.

(e) Carefully consider the time frame for achieving a specified standard, taking into account the time required to implement needed investments or modify operating practices.

(11) The commission shall also create benchmarks for individual jurisdictional entities within their rate-making process in order to accomplish the goals of this section to alleviate end-use customer power quality disturbances and promote power plant generating cost efficiency.

(12) The commission shall establish a method for gathering data from the industrial customer class to assist in monitoring power quality and reliability standards related to service characteristics of the industrial customer class.

(13) The commission is authorized to levy financial incentives and penalties upon any jurisdictional entity which exceeds or fails to meet the service quality and reliability standards.

(14) As used in this section, "jurisdictional utility" or "jurisdictional entity" means jurisdictional regulated utility as that term is defined in section 6q.

Sec. 10r. (1) The commission shall establish minimum standards for the form and content of all disclosures, explanations, or sales information disseminated by a person selling electric service to ensure that the person provides adequate, accurate, and understandable information about the service that enables a customer to make an informed decision relating to the source and type of electric service purchased. The standards shall be developed to do all of the following:

(a) Not be unduly burdensome.

(b) Not unnecessarily delay or inhibit the initiation and development of competition for electric generation service in any market.

(c) Establish different requirements for disclosures, explanations, or sales information relating to different services or similar services to different classes of customers, whenever the different requirements are appropriate to carry out the purposes of this section.

(2) The commission shall require that, starting January 1, 2002, all electric suppliers disclose in standardized, uniform format on the customer's bill with a bill insert, on customer contracts, or, for cooperatives, in periodicals issued by an association of rural electric cooperatives, information about the environmental characteristics of electricity products purchased by the customer, including all of the following:

(a) The average fuel mix, including categories for oil, gas, coal, solar, hydroelectric, wind, biofuel, nuclear, solid waste incineration, biomass, and other fuel sources. If a source fits into the other category, the specific source must be disclosed. A regional average, determined by the commission, may be used only for that portion of the electricity purchased by the customer for which the fuel mix cannot be discerned. For the purposes of this subdivision, "biomass" means dedicated crops grown for energy production and organic waste.

(b) The average emissions, in pounds per megawatt hour, sulfur dioxide, carbon dioxide, and oxides of nitrogen. An emissions default, determined by the commission, may be used if the regional average fuel mix is being disclosed.

(c) The average of the high-level nuclear waste generated in pounds per megawatt hour.

(d) The regional average fuel mix and emissions profile as referenced in subdivisions (a), (b), and (c).

(3) The information required by subsection (2) shall be provided no more than twice annually, and be based on a rolling annual average. Emissions factors will be based on annual publicly available data by generation source.

(4) All of the information required to be provided under subsection (1) shall also be provided to the commission to be included on the commission's internet site.

(5) The commission shall establish the Michigan renewables energy program. The program shall be designed to inform customers in this state of the availability and value of using renewable energy generation and the potential of reduced pollution. The program shall also be designed to promote the use of existing renewable energy sources and encourage the development of new facilities.

(6) Within 2 years of the effective date of the amendatory act that added this subsection, the commission shall conduct a study and report to the governor and the house and senate standing committees with oversight of public utilities issues on the advisability of separating electric distribution and generation within electric utilities, taking into account the costs, benefits, efficiencies to be gained or lost, effects on customers, effects on reliability or quality of service, and other factors which the commission determines are appropriate. The report shall include, but is not limited

to, the advisability of locating within separate departments of the utility the personnel responsible for the day-to-day management of electric distribution and generation and maintaining separate books and records for electric distribution and generation.

(7) Two years after the effective date of the amendatory act that added this subsection, the commission shall conduct a study and report to the governor and the house and senate standing committees with oversight of public utilities issues on whether the state would benefit from the creation of a purchasing pool in which electric generation in this state is purchased and then resold. The report shall include, but is not limited to, whether the purchasing pool shall be a separate entity from electric utilities, the impact of such a pool on electric utilities' management of their electrical generating assets, and whether ratepayers would benefit from spreading the cost of new electric generation across all or a portion of this state.

(8) Within 270 days of the effective date of the amendatory act that added this subsection, each electric utility regulated by the commission shall file with the commission a plan for utilizing dispatchable customer-owned distributed generation within the context of its integrated resource planning process. Included in the utility's filing shall be proposals for enrolling and compensating customers for the utility's right to dispatch at-will the distributed generation assets owned by those customers and provisions requiring the customer to maintain these assets in a dispatchable condition. If an electric utility already has programs addressing the subject of the filing required under this subsection, the utility may refer to and take credit for those existing programs in its proposed plan.

Sec. 10x. (1) Any retail customer of a cooperative with a peak load of 1 megawatt or greater shall be provided the opportunity to choose an alternative electric supplier subject to the provisions in section 10a.

(2) The commission shall not require a cooperative electric utility or an independent investor-owned utility with fewer than 60 employees to maintain separate facilities, operations, or personnel, used to deliver electricity to retail customers, provide retail electric service, or to be an alternative electric supplier.

(3) Any debt service recovery charge, or other charge approved by the commission for a cooperative electric utility serving primarily at wholesale may, upon application by its member cooperative or cooperatives, be assessed by and collected through its member cooperative or cooperatives.

(4) The commission shall not prohibit a cooperative electric utility from metering and billing its customers for electric services provided by the cooperative electric utility.

Sec. 10y. (1) The governing body of a municipally owned utility shall determine whether it will permit retail customers receiving delivery service from the municipally owned utility the opportunity of choosing an alternative electric supplier, subject to the implementation of rates, charges, terms, and conditions referred to in subsection (5).

(2) Except with the written consent of the municipally owned utility, a person shall not provide delivery service or customer account service to a retail customer that was receiving that service from a municipally owned utility as of June 5, 2000, or is receiving the service from a municipally owned utility. For purposes of this subsection, "customer" means the building or facilities served rather than the individual, association, partnership, corporation, governmental body, or any other entity taking service.

(3) With respect to any electric utility regarding delivery service to customers located outside of the municipal boundaries of the municipality that owns the utility, a governing body of a municipally owned utility may elect to operate in compliance with R 460.3411 of the Michigan administrative code, as in effect on June 5, 2000. However, compliance with R 460.3411(13) of the Michigan administrative code is not required for the municipally owned utility. Concurrent with the filing of an election under this subsection with the commission, the municipally owned utility shall serve a copy of the election on the electric utility. Beginning 30 days after service of the copy of the election, the electric utility shall, as to the electing municipally owned utility, be subject to the terms of R 460.3411 of the Michigan administrative code as in effect on June 5, 2000. The commission shall decide disputes arising under this subsection subject to judicial review and enforcement.

(4) A municipally owned utility and an electric utility that provides delivery service in the same municipality as the municipally owned utility may enter into a written agreement to define the territorial boundaries of each utility's delivery service area and any other terms and conditions as necessary to provide delivery service. The agreement is not effective unless approved by the governing body of the municipally owned utility and the commission. The governing body of the municipally owned utility and the commission shall annually review and supervise compliance with the terms of the agreement. At the request of a party to the agreement, disputes arising under the agreement shall be decided by the commission subject to judicial review and enforcement.

(5) If the governing body of a municipally owned utility establishes a program to permit any of its customers the opportunity to choose an alternative electric supplier, the governing body of the municipally owned utility shall have exclusive jurisdiction to do all of the following:

(a) Set delivery service rates applicable to services provided by the municipally owned utility that shall not be unduly discriminatory.

(b) Determine the amount and types of, and recovery mechanism for, stranded and transition costs that will be charged.

(c) Establish rules, terms of access, and conditions that it considers appropriate for the implementation of a program to allow customers the opportunity of choosing an alternative electric supplier.

(6) Complaints alleging unduly discriminatory rates or other noncompliance arising under subsection (5) shall be filed in the circuit court for the county in which the municipally owned utility is located.

(7) This section does not prevent or limit a municipally owned utility from selling electricity at wholesale. A municipally owned utility selling at wholesale is not considered to be an alternative electric supplier and is not subject to regulation by the commission.

(8) This section shall not be construed to impair the contractual rights of a municipally owned utility or customer under an existing contract.

(9) Contracts or other records pertaining to the sale of electricity by a municipally owned utility that are in the possession of a public body and that contain specific pricing or other confidential or proprietary information may be exempted from public disclosure requirements by the governing body of a municipally owned utility. Upon a showing of good cause, disclosure subject to appropriate confidentiality provisions may be ordered by a court or the commission.

(10) This section does not affect the validity of the order relating to the terms and conditions of service in the Traverse City area that was issued August 25, 1994, by the commission at the request of consumers power company and the light and power board of the city of Traverse City.

(11) As provided in section 6, the commission does not have jurisdiction over a municipally owned utility.

(12) As used in this section:

(a) "Delivery service" means the providing of electric transmission or distribution to a retail customer.

(b) "Municipality" means any city, village, or township.

(c) "Customer account services" means billing and collection, provision of a meter, meter maintenance and testing, meter reading, and other administrative activity associated with maintaining a customer account.

(13) In the event that an entity purchases 1 or more divisions or business units, or generating stations or generating units, of a municipal electric utility, the acquiring entity's contract and agreements with the selling municipality shall require all of the following for a period of at least 30 months:

(a) That the acquiring entity or persons hires a sufficient number of employees to safely and reliably operate and maintain the station, division, or unit by first making offers of employment to the workforce of the municipal electric utility's division, business unit, or generating unit.

(b) That the acquiring entity or persons not employ employees from outside the municipal electric utility's workforce unless offers of employment have been made to all qualified employees of the acquired business unit or facility.

(c) That the acquiring entity or persons have a dispute resolution mechanism culminating in a final and binding decision by a neutral third party for resolving employee complaints or disputes over wages, fringe benefits, and working conditions.

(d) That the acquiring entity or persons offer employment at no less than the wage rates and substantially equivalent fringe benefits and terms and conditions of employment that are in effect at the time of transfer of ownership of the division, business unit, generating station, or generating unit. The wage rates and substantially equivalent fringe benefits and terms and conditions of employment shall continue for at least 30 months from the time of the transfer of ownership unless the employees, or where applicable collective bargaining representative, and the new employer mutually agree to different terms and conditions of the employment within that 30-month period.

(e) An acquiring entity is exempt from the obligations in this subsection if the selling municipality transfers all displaced municipal electric utility employees to positions of employment within the municipality at no less than the wage rates and substantially equivalent fringe benefits and terms and conditions of employment that are in effect at the time of transfer. The wage rates and substantially equivalent fringe benefits and terms and conditions of employment shall continue for at least 30 months from the time of the transfer unless the employees, or where applicable collective bargaining representative, and the municipality mutually agree to different terms and conditions of the employment within that 30-month period.

Sec. 10dd. For the fiscal year ending September 30, 2009, there is appropriated to the commission from the assessments imposed under 1972 PA 299, MCL 460.111 to 460.120, the amount of \$2,500,000.00 to hire 25.0 full-time equated positions to implement the provisions of the amendatory act that added this section.

Sec. 11. (1) This subsection applies beginning January 1, 2009. Except as otherwise provided in this subsection, the commission shall phase in electric rates equal to the cost of providing service to each customer class over a period of 5 years from the effective date of the amendatory act that added this section. If the commission determines that the rate impact on industrial metal melting customers will exceed the 2.5% limit in subsection (2), the commission may

phase in cost-based rates for that class over a longer period. The cost of providing service to each customer class shall be based on the allocation of production-related and transmission costs based on using the 50-25-25 method of cost allocation. The commission may modify this method to better ensure rates are equal to the cost of service if this method does not result in a greater amount of production-related and transmission costs allocated to primary customers.

(2) The commission shall ensure that the impact on residential and industrial metal melting rates due to the cost of service requirement in subsection (1) is no more than 2.5% per year.

(3) Notwithstanding any other provision of this act, the commission may establish eligible low-income customer or eligible senior citizen customer rates. Upon filing of a rate increase request, a utility shall include proposed eligible low-income customer and eligible senior citizen customer rates and a method to allocate the revenue shortfall attributed to the implementation of those rates upon all customer classes. As used in this subsection, "eligible low-income customer" and "eligible senior citizen customer" mean those terms as defined in section 10t.

(4) Notwithstanding any other provision of this section, the commission shall establish rate schedules which ensure that public and private schools, universities, and community colleges are charged retail electric rates that reflect the actual cost of providing service to those customers. Not later than 90 days after the effective date of the amendatory act that added this section, electric utilities regulated under this section shall file with the commission tariffs to ensure that public and private schools, universities, and community colleges are charged electric rates as provided in this subsection.

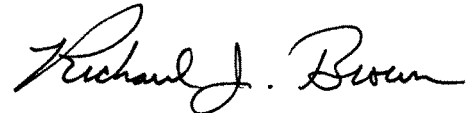
(5) Subsections (1) to (4) apply only to electric utilities with 1,000,000 or more retail customers in this state.

(6) This subsection applies beginning January 1, 2009. The commission shall approve rates equal to the cost of providing service to customers of electric utilities serving less than 1,000,000 retail customers in this state. The rates shall be approved by the commission in each utility's first general rate case filed after passage of the amendatory act that added this section. If, in the judgment of the commission, the impact of imposing cost of service rates on customers of a utility would have a material impact, the commission may approve an order that implements those rates over a suitable number of years. The commission shall ensure that any impact on rates due to the cost of service requirement in this subsection is not more than 2.5% per year.

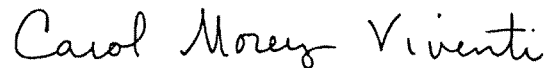
(7) The commission shall annually retain an independent consultant to verify that the requirements of this section are being satisfied for each electric utility. The costs of this service shall be recoverable in the utility's electric rates. This subsection does not apply after December 31, 2015.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 213 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor

CLEAN, RENEWABLE, AND EFFICIENT ENERGY ACT
Act 295 of 2008

AN ACT to require certain providers of electric service to establish renewable energy programs; to require certain providers of electric or natural gas service to establish energy optimization programs; to authorize the use of certain energy systems to meet the requirements of those programs; to provide for the approval of energy optimization service companies; to provide for certain charges on electric and natural gas bills; to promote energy conservation 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 a net metering program and the responsibilities of certain providers of electric service and customers with respect to 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; and to provide for civil sanctions, remedies, and penalties.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

The People of the State of Michigan enact:

PART 1.
GENERAL PROVISIONS

460.1001 Short title; purpose of act.

Sec. 1. (1) This act shall be known and may be cited as the "clean, renewable, and efficient energy act".

(2) The purpose of this act is to promote the development of clean energy, renewable energy, and energy optimization through the implementation of a clean, renewable, and energy efficient standard that will cost-effectively do all of the following:

(a) Diversify the resources used to reliably meet the energy needs of consumers in this state.

(b) Provide greater energy security through the use of indigenous energy resources available within the state.

(c) Encourage private investment in renewable energy and energy efficiency.

(d) Provide improved air quality and other benefits to energy consumers and citizens of this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1003 Definitions; A to C.

Sec. 3. As used in this act:

(a) "Advanced cleaner energy" means electricity generated using an advanced cleaner energy system.

(b) "Advanced cleaner energy credit" means a credit certified under section 43 that represents generated advanced cleaner energy.

(c) "Advanced cleaner energy system" means any of the following:

(i) A gasification facility.

(ii) An industrial cogeneration facility.

(iii) A coal-fired electric generating facility if 85% or more of the carbon dioxide emissions are captured and permanently geologically sequestered.

(iv) An electric generating facility or system that uses technologies not in commercial operation on the effective date of this act.

(d) "Affiliated transmission company" means that term as defined in the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(e) "Applicable regional transmission organization" means a nonprofit, member-based organization governed by an independent board of directors that serves as the federal energy regulatory commission-approved regional transmission organization with oversight responsibility for the region that includes the provider's service territory.

(f) "Biomass" means any organic matter that is not derived from fossil fuels, that can be converted to usable fuel for the production of energy, and that replenishes over a human, not a geological, time frame, including, but not limited to, all of the following:

(i) Agricultural crops and crop wastes.

- (ii) Short-rotation energy crops.
- (iii) Herbaceous plants.
- (iv) Trees and wood, but only if derived from sustainably managed forests or procurement systems, as defined in section 261c of the management and budget act, 1984 PA 431, MCL 18.1261c.
- (v) Paper and pulp products.
- (vi) Precommercial wood thinning waste, brush, or yard waste.
- (vii) Wood wastes and residues from the processing of wood products or paper.
- (viii) Animal wastes.
- (ix) Wastewater sludge or sewage.
- (x) Aquatic plants.
- (xi) Food production and processing waste.
- (xii) Organic by-products from the production of biofuels.
- (g) "Board" means the wind energy resource zone board created under section 143.
- (h) "Carbon dioxide emissions benefits" means that the carbon dioxide emissions per megawatt hour of electricity generated by the advanced cleaner energy system are at least 85% less or, for an integrated gasification combined cycle facility, 70% less than the average carbon dioxide emissions per megawatt hour of electricity generated from all coal-fired electric generating facilities operating in this state on January 1, 2008.
- (i) "Commission" means the Michigan public service commission.
- (j) "Customer meter" means an electric meter of a provider's retail customer. Customer meter does not include a municipal water pumping meter or additional meters at a single site that were installed specifically to support interruptible air conditioning, interruptible water heating, net metering, or time-of-day tariffs.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1005 Definitions; E, F.

Sec. 5. As used in this act:

- (a) "Electric provider", subject to sections 21(1), 23(1), and 25(1), means any of the following:
 - (i) Any person or entity that is regulated by the commission for the purpose of selling electricity to retail customers in this state.
 - (ii) A municipally-owned electric utility in this state.
 - (iii) A cooperative electric utility in this state.
 - (iv) Except as used in subpart B of part 2, an alternative electric supplier licensed under section 10a of 1939 PA 3, MCL 460.10a.
- (b) "Eligible electric generator" means that a methane digester or renewable energy system with a generation capacity limited to the customer's electric need and that does not exceed the following:
 - (i) For a renewable energy system, 150 kilowatts of aggregate generation at a single site.
 - (ii) For a methane digester, 550 kilowatts of aggregate generation at a single site.
- (c) "Energy conservation" means the reduction of customer energy use through the installation of measures or changes in energy usage behavior. Energy conservation does not include the use of advanced cleaner energy systems.
- (d) "Energy efficiency" means a decrease in customer consumption of electricity or natural gas achieved through measures or programs that target customer behavior, equipment, devices, or materials without reducing the quality of energy services.
- (e) "Energy optimization", subject to subdivision (f), means all of the following:
 - (i) Energy efficiency.
 - (ii) Load management, to the extent that the load management reduces overall energy usage.
 - (iii) Energy conservation, but only to the extent that the decreases in the consumption of electricity produced by energy conservation are objectively measurable and attributable to an energy optimization plan.
- (f) Energy optimization does not include electric provider infrastructure projects that are approved for cost recovery by the commission other than as provided in this act.
- (g) "Energy optimization credit" means a credit certified pursuant to section 87 that represents achieved energy optimization.
- (h) "Energy optimization plan" or "EO plan" means a plan under section 71.
- (i) "Energy optimization standard" means the minimum energy savings required to be achieved under section 77.
- (j) "Energy star" means the voluntary partnership among the United States department of energy, the

United States environmental protection agency, product manufacturers, local utilities, and retailers to help promote energy efficient products by labeling with the energy star logo, educate consumers about the benefits of energy efficiency, and help promote energy efficiency in buildings by benchmarking and rating energy performance.

(k) "Federal approval" means approval by the applicable regional transmission organization or other federal energy regulatory commission approved transmission planning process of a transmission project that includes the transmission line. Federal approval may be evidenced in any of the following manners:

(i) The proposed transmission line is part of a transmission project included in the applicable regional transmission organization's board-approved transmission expansion plan.

(ii) The applicable regional transmission organization has informed the electric utility, affiliated transmission company, or independent transmission company that a transmission project submitted for an out-of-cycle project review has been approved by the applicable regional transmission organization, and the approved transmission project includes the proposed transmission line.

(iii) If, after the effective date of this act, the applicable regional transmission organization utilizes another approval process for transmission projects proposed by an electric utility, affiliated transmission company, or independent transmission company, the proposed transmission line is included in a transmission project approved by the applicable regional transmission organization through the approval process developed after the effective date of this act.

(iv) Any other federal energy regulatory commission approved transmission planning process for a transmission project.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1007 Definitions; G to M.

Sec. 7. As used in this act:

(a) "Gasification facility" means a facility located in this state that uses a thermochemical process that does not involve direct combustion to produce synthesis gas, composed of carbon monoxide and hydrogen, from carbon-based feedstocks (such as coal, petroleum coke, wood, biomass, hazardous waste, medical waste, industrial waste, and solid waste, including, but not limited to, municipal solid waste, electronic waste, and waste described in section 11514 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11514) and that uses the synthesis gas or a mixture of the synthesis gas and methane to generate electricity for commercial use. Gasification facility includes the transmission lines, gas transportation lines and facilities, and associated property and equipment specifically attributable to such a facility. Gasification facility includes, but is not limited to, an integrated gasification combined cycle facility and a plasma arc gasification facility.

(b) "Incremental costs of compliance" means the net revenue required by an electric provider to comply with the renewable energy standard, calculated as provided under section 47.

(c) "Independent transmission company" means that term as defined in section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562.

(d) "Industrial cogeneration facility" means a facility that generates electricity using industrial thermal energy or industrial waste energy.

(e) "Industrial thermal energy" means thermal energy that is a by-product of an industrial or manufacturing process and that would otherwise be wasted. For the purposes of this subdivision, industrial or manufacturing process does not include the generation of electricity.

(f) "Industrial waste energy" means exhaust gas or flue gas that is a by-product of an industrial or manufacturing process and that would otherwise be wasted. For the purposes of this subdivision, industrial or manufacturing process does not include the generation of electricity.

(g) "Integrated gasification combined cycle facility" means a gasification facility that uses a thermochemical process, including high temperatures and controlled amounts of air and oxygen, to break substances down into their molecular structures and that uses exhaust heat to generate electricity.

(h) "LEED" means the leadership in energy and environmental design green building rating system developed by the United States green building council.

(i) "Load management" means measures or programs that target equipment or devices to result in decreased peak electricity demand such as by shifting demand from a peak to an off-peak period.

(j) "Modified net metering" means a utility billing method that applies the power supply component of the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered

quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4). Standby charges for modified net metering customers on an energy rate schedule shall be equal to the retail distribution charge applied to the imputed customer usage during the billing period. The imputed customer usage is calculated as the sum of the metered on-site generation and the net of the bidirectional flow of power across the customer interconnection during the billing period. The commission shall establish standby charges for modified net metering customers on demand-based rate schedules that provide an equivalent contribution to utility system costs.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1009 Definitions; N to Q.

Sec. 9. As used in this act:

(a) "Natural gas provider" means an investor-owned business engaged in the sale and distribution of natural gas within this state whose rates are regulated by the commission. However, as used in subpart B of part 2, natural gas provider does not include an alternative gas supplier licensed under section 9b of 1939 PA 3, MCL 460.9b.

(b) "Plasma arc gasification facility" means a gasification facility that uses a plasma torch to break substances down into their molecular structures.

(c) "Provider" means an electric provider or a natural gas provider.

(d) "PURPA" means the public utility regulatory policies act of 1978, Public Law 95-617.

(e) "Qualifying small power production facility" means that term as defined in 16 USC 824a-3.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1011 Definitions; R.

Sec. 11. As used in this act:

(a) "Renewable energy" means electricity generated using a renewable energy system.

(b) "Renewable energy capacity portfolio" means the number of megawatts calculated under section 27(2) for a particular year.

(c) "Renewable energy contract" means a contract to acquire renewable energy and the associated renewable energy credits from 1 or more renewable energy systems.

(d) "Renewable energy credit" means a credit granted pursuant to section 41 that represents generated renewable energy.

(e) "Renewable energy credit portfolio" means the sum of the renewable energy credits achieved by a provider for a particular year.

(f) "Renewable energy credit standard" means a minimum renewable energy portfolio required under section 27.

(g) "Renewable energy generator" means a person that, together with its affiliates, has constructed or has owned and operated 1 or more renewable energy systems with combined gross generating capacity of at least 10 megawatts.

(h) "Renewable energy plan" or "plan", means a plan approved under section 21 or 23 or found to comply with this act under section 25, with any amendments adopted under this act.

(i) "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, water power, or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, 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) Municipal solid waste.

(vii) Landfill gas produced by municipal solid waste.

(j) "Renewable energy standard" means the minimum renewable energy capacity portfolio, if applicable, and the renewable energy credit portfolio required to be achieved under section 27.

(k) "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. 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 the effective date of this act unless the dam is a repair or replacement of a dam in existence on the effective date of this act or an upgrade of a dam in existence on the effective date of this act 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, that was brought into service before the effective date of this act, including any of the following:

(A) Any upgrade of such an incinerator that increases energy efficiency.

(B) Any expansion of such an incinerator before the effective date of this act.

(C) Any expansion of such an incinerator on or after the effective date of this act to an approximate design rated capacity of not more than 950 tons per day pursuant to the terms of a final request for proposals issued on or before October 1, 1986.

(l) "Revenue recovery mechanism" means the mechanism for recovery of incremental costs of compliance established under section 21.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1013 Definitions; S to W.

Sec. 13. As used in this act:

(a) "Site" means a contiguous site, regardless of the number of meters at that site. A site that would be contiguous but for the presence of a street, road, or highway shall be considered to be contiguous for the purposes of this subdivision.

(b) "Transmission line" means all structures, equipment, and real property necessary to transfer electricity at system bulk supply voltage of 100 kilovolts or more.

(c) "True net metering" means a utility billing method that applies the full retail rate to the net of the bidirectional flow of kilowatt hours across the customer interconnection with the utility distribution system, during a billing period or time-of-use pricing period. A negative net metered quantity during the billing period or during each time-of-use pricing period within the billing period reflects net excess generation for which the customer is entitled to receive credit under section 177(4).

(d) "Utility system resource cost test" means a standard that is met for an investment in energy optimization if, on a life cycle basis, the total avoided supply-side costs to the provider, including representative values for electricity or natural gas supply, transmission, distribution, and other associated costs, are greater than the total costs to the provider of administering and delivering the energy optimization program, including net costs for any provider incentives paid by customers and capitalized costs recovered under section 89.

(e) "Wind energy conversion system" means a renewable energy system that uses 1 or more wind turbines to generate electricity and has a nameplate capacity of 100 kilowatts or more.

(f) "Wind energy resource zone" or "wind zone" means an area designated by the commission under section 147.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 2.

ENERGY STANDARDS

SUBPART A.

RENEWABLE ENERGY

460.1021 Electric providers; regulation of rates by commission; applicability of section; filing of proposed renewable energy plan; requirements; establishment of nonvolumetric

mechanism; revenue recovery mechanism; agreement with customer to participate in commission-approved voluntary renewable energy program; reserve funds; contested case hearing on proposed plan; approval; determination; initial approval; review; amendment; rejection of proposed plan or amendment.

Sec. 21. (1) This section applies only to electric providers whose rates are regulated by the commission.

(2) Each electric provider shall file a proposed renewable energy plan with the commission within 90 days after the commission issues a temporary order under section 171. The proposed plan shall meet all of the following requirements:

(a) Describe how the electric provider will meet the renewable energy standards.

(b) Specify whether the number of megawatt hours of electricity used in the calculation of the renewable energy credit portfolio will be weather-normalized or based on 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. Once the plan is approved by the commission, this option shall not be changed.

(c) Include the expected incremental cost of compliance with the renewable energy standards for a 20-year period beginning when the plan is approved by the commission.

(d) For an electric provider that had 1,000,000 or more retail customers in this state on January 1, 2008, describe the bidding process to be used by the electric provider under section 33. The description shall include measures to be employed in the preparation of requests for proposals and the handling and evaluation of proposals received to ensure that any bidder that is an affiliate of the electric utility is not afforded a competitive advantage over any other bidder and that each bidder, including any bidder that is an affiliate of the electric provider, is treated in a fair and nondiscriminatory manner.

(3) The proposed plan shall establish a nonvolumetric mechanism for the recovery of the incremental costs of compliance within the electric provider's customer rates. The revenue recovery mechanism shall not result in rate impacts that exceed the monthly maximum retail rate impacts specified under section 45. The revenue recovery mechanism is subject to adjustment under sections 47(4) and 49. A customer participating in a commission-approved voluntary renewable energy program under an agreement in effect on the effective date of this act shall not incur charges under the revenue recovery mechanism unless the charges under the revenue recovery mechanism exceed the charges the customer is incurring for the voluntary renewable energy program. In that case, the customer shall only incur the difference between the charge assessed under the revenue recovery mechanism and the charges the customer is incurring for the voluntary renewable energy program. The limitation on charges applies only during the term of the agreement, not including automatic agreement renewals, or until 1 year after the effective date of this act, whichever is later. Before entering an agreement with a customer to participate in a commission-approved voluntary renewable energy program and before the last automatic monthly renewal of such an agreement that will occur less than 1 year after the effective date of this act, an electric provider shall notify the customer that the customer will be responsible for the full applicable charges under the revenue recovery mechanism and under the voluntary renewable energy program as provided under this subsection.

(4) If proposed by the electric provider in its proposed plan, the revenue recovery mechanism shall result in an accumulation of reserve funds in advance of expenditure and the creation of a regulatory liability that accrues interest at the average short-term borrowing rate available to the electric provider during the appropriate period. If proposed by the electric provider in its proposed plan, the commission shall establish a minimum balance of accumulated reserve funds for the purposes of section 47(4).

(5) The commission shall conduct a contested case hearing on the proposed plan filed under subsection (2), pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. If a renewable energy generator files a petition to intervene in the contested case in the manner prescribed by the commission's rules for interventions generally, the commission shall grant the petition. Subject to subsections (6) and (10), after the hearing and within 90 days after the proposed plan is filed with the commission, the commission shall approve, with any changes consented to by the electric provider, or reject the plan.

(6) The commission shall not approve an electric provider's plan unless the commission determines both of the following:

(a) That the plan is reasonable and prudent. In making this determination, the commission shall take into consideration projected costs and whether or not projected costs included in prior plans were exceeded.

(b) That the life-cycle cost of renewable energy acquired or generated under the plan less the projected life-cycle net savings associated with the provider's energy optimization plan does not exceed the expected life-cycle cost of electricity generated by a new conventional coal-fired facility. In determining the expected life-cycle cost of electricity generated by a new conventional coal-fired facility, the commission shall consider data from this state and the states of Ohio, Indiana, Illinois, Wisconsin, and Minnesota, including, if

applicable, the life-cycle costs of the renewable energy system and new conventional coal-fired facilities. When determining the life-cycle costs of the renewable energy system and new conventional coal-fired facilities, the commission shall use a methodology that includes, but is not limited to, consideration of the value of energy, capacity, and ancillary services. The commission shall also consider other costs such as transmission, economic benefits, and environmental costs, including, but not limited to, greenhouse gas constraints or taxes. In performing its assessment, the commission may utilize other available data, including national or regional reports and data published by federal or state governmental agencies, industry associations, and consumer groups.

(7) An electric provider shall not begin recovery of the incremental costs of compliance within its rates until the commission has approved its proposed plan.

(8) Every 2 years after initial approval of a plan under subsection (5), the commission shall review the plan. The commission shall conduct a contested case hearing on the plan pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The annual renewable cost reconciliation under section 49 for that year may be joined with the overall plan review in the same contested case hearing. Subject to subsections (6) and (10), after the hearing, the commission shall approve, with any changes consented to by the electric provider, or reject the plan and any proposed amendments to the plan.

(9) If an electric provider proposes to amend its plan at a time other than during the biennial review process under subsection (8), the electric provider shall file the proposed amendment with the commission. If the proposed amendment would modify the revenue recovery mechanism, the commission shall conduct a contested case hearing on the amendment pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The annual renewable cost reconciliation under section 49 may be joined with the plan amendment in the same contested case proceeding. Subject to subsections (6) and (10), after the hearing and within 90 days after the amendment is filed, the commission shall approve, with any changes consented to by the electric provider, or reject the plan and the proposed amendment or amendments to the plan.

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

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:

"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

In subsection (2), the reference to "section 171" evidently should read "section 191".

460.1023 Alternative electric suppliers and cooperative electric utilities; applicability of section; filing of proposed renewable energy plan; requirements; public comment; initial approval; review; amendment; rejection of proposed plan or amendment.

Sec. 23. (1) This section applies only to alternative electric suppliers and cooperative electric utilities that have elected to become member-regulated under the electric cooperative member-regulation act, 2008 PA 167, MCL 460.31 to 460.39.

(2) Each alternative electric supplier or cooperative electric utility shall file a proposed renewable energy plan with the commission within 90 days or 120 days, respectively, after the commission issues a temporary order under section 171. The proposed plan shall meet all of the following requirements:

(a) Describe how the electric provider will meet the renewable energy standards.

(b) Specify whether the number of megawatt hours of electricity used in the calculation of the renewable energy portfolio will be weather-normalized or based on 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. Once the plan is approved by the commission, this option shall not be changed.

(3) The commission shall provide an opportunity for public comment on the proposed plan filed under subsection (2). After the opportunity for public comment and within 90 days after the proposed plan is filed with the commission, the commission shall approve, with any changes consented to by the electric provider, or reject the plan.

(4) Every 2 years after initial approval of a plan under subsection (3), the commission shall review the plan. The commission shall provide an opportunity for public comment on the plan. After the opportunity for public comment, the commission shall approve, with any changes consented to by the electric provider, or reject any proposed amendments to the plan.

(5) If an electric provider proposes to amend its plan at a time other than during the biennial review process under subsection (4), the electric provider shall file the proposed amendment with the commission. The commission shall provide an opportunity for public comment on the amendment. After the opportunity for public comment and within 90 days after the amendment is filed, the commission shall approve, with any

changes consented to by the electric provider, or reject the amendment.

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

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:
"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."
In subsection (2), the reference to "section 171" evidently should read "section 191".

460.1025 Municipally-owned electric utilities; applicability of section; filing of renewable energy plan; requirements; public comment; initial approval; review; amendment; determination of noncompliance.

Sec. 25. (1) This section applies only to municipally-owned electric utilities.

(2) Each electric provider shall file a proposed renewable energy plan with the commission within 120 days after the commission issues a temporary order under section 171. Two or more electric providers that each serve fewer than 15,000 customers may file jointly. The proposed plan shall meet all of the following requirements:

(a) Describe how the provider will meet the renewable energy standards.

(b) Specify whether the number of megawatt hours of electricity used in the calculation of the renewable energy credit portfolio will be weather-normalized or based on 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. Once the commission determines that the proposed plan complies with this act, this option shall not be changed.

(c) Include the expected incremental cost of compliance with the renewable energy standards.

(d) Describe the manner in which the provider will allocate costs.

(3) Subject to subsection (6), the commission shall provide an opportunity for public comment on the proposed plan filed under subsection (2). After the applicable opportunity for public comment and within 90 days after the proposed plan is filed with the commission, the commission shall determine whether the proposed plan complies with this act.

(4) Every 2 years after the commission initially determines under subsection (3) that a renewable energy plan complies with this act, the commission shall review the plan. Subject to subsection (6), the commission shall provide an opportunity for public comment on the plan. After the applicable opportunity for public comment, the commission shall determine whether any amendment to the plan proposed by the provider complies with this act. The proposed amendment is adopted if the commission determines that it complies with this act.

(5) If a provider proposes to amend its renewable energy plan at a time other than during the biennial review process under subsection (4), the provider shall file the proposed amendment with the commission. Subject to subsection (6), the commission shall provide an opportunity for public comment on the amendment. After the applicable opportunity for public comment and within 90 days after the amendment is filed, the commission shall determine whether the proposed amendment to the plan complies with this act. The proposed amendment is adopted if the commission determines that it complies with this act.

(6) The commission need not provide an opportunity for public comment under subsection (3), (4), or (5) if the governing body of the provider has already provided an opportunity for public comment and filed the comments with the commission.

(7) If the commission determines that a proposed plan or amendment under this section does not comply with this act, the commission shall explain in writing the reasons for its determination.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:
"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."
In subsection (2), the reference to "section 171" evidently should read "section 191".

460.1027 Electric utility with 1,000,000 or more retail customers; renewable energy capacity portfolio; renewable energy credit portfolio; standards; substitution of energy optimization credits, advanced cleaner energy credits, or combination; rates.

Sec. 27. (1) Subject to sections 31 and 45, and in addition to the requirements of subsection (3), an electric provider that is an electric utility with 1,000,000 or more retail customers in this state as of January 1, 2008 shall achieve a renewable energy capacity portfolio of not less than the following:

(a) For an electric provider with more than 1,000,000 but less than 2,000,000 retail electric customers in this state on January 1, 2008, a renewable energy capacity portfolio of 200 megawatts by December 31, 2013

and 500 megawatts by December 31, 2015.

(b) For an electric provider with more than 2,000,000 retail electric customers in this state on January 1, 2008, a renewable energy capacity portfolio of 300 megawatts by December 31, 2013 and 600 megawatts by December 31, 2015.

(2) An electric provider's renewable energy capacity portfolio shall be calculated by adding the following:

(a) The nameplate capacity in megawatts of renewable energy systems owned by the electric provider that were not in commercial operation before the effective date of this act.

(b) The capacity in megawatts of renewable energy that the electric provider is entitled to purchase under contracts that were not in effect before the effective date of this act.

(3) Subject to sections 31 and 45, an electric provider shall achieve a renewable energy credit portfolio as follows:

(a) In 2012, 2013, 2014, and 2015, a renewable energy credit portfolio based on the sum of the following:

(i) The number of renewable energy credits from electricity generated in the 1-year period preceding the effective date of this act that would have been transferred to the electric provider pursuant to section 35(1), if this act had been in effect during that 1-year period.

(ii) The number of renewable energy credits equal to the number of megawatt hours of electricity produced or obtained by the electric provider in the 1-year period preceding the effective date of this act from renewable energy systems for which recovery in electric rates was approved on the effective date of this act.

(iii) Renewable energy credits in an amount calculated as follows:

(A) Taking into account the number of renewable energy credits under subparagraphs (i) and (ii), determine the number of additional renewable energy credits that the electric provider would need to reach a 10% renewable energy portfolio in that year.

(B) Multiply the number under sub-subparagraph (A) by 20% for 2012, 33% for 2013, 50% for 2014, and 100% for 2015.

(b) In 2016 and each year thereafter, maintain a renewable energy credit portfolio that consists of at least the same number of renewable energy credits as were required in 2015 under subdivision (a).

(4) An electric provider's renewable energy credit portfolio 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.

(5) Subject to subsection (6), 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.

(6) An electric provider may substitute energy optimization credits, advanced cleaner energy credits with or without the associated advanced cleaner energy, or a combination thereof for renewable energy credits otherwise required to meet the renewable energy credit standards if the substitution is approved by the commission. However, commission approval is not required to substitute advanced cleaner energy from industrial cogeneration for renewable energy credits. The commission shall not approve a substitution unless the commission determines that the substitution is cost-effective compared to other sources of renewable energy credits and, if the substitution involves advanced cleaner energy credits, that the advanced cleaner energy system provides carbon dioxide emissions benefits. In determining whether the substitution of advanced cleaner energy credits is cost-effective, the commission shall include as part of the costs of the system the environmental costs attributed to the advanced cleaner energy system, including the costs of environmental control equipment or greenhouse gas constraints or taxes. The commission's determinations shall be made after a contested case hearing that includes consultation with the department of environmental quality on the issue of carbon dioxide emissions benefits, if relevant, and environmental costs.

(7) Under subsection (6), energy optimization credits, advanced cleaner energy credits, or a combination thereof shall not be used by a provider to meet more than 10% of the renewable energy credit standards. Advanced cleaner energy from advanced cleaner energy systems in existence on January 1, 2008 shall not be used by a provider to meet more than 70% of this 10% limit. This 10% limit does not apply to advanced

cleaner energy credits from plasma arc gasification.

(8) Substitutions under subsection (6) shall be made at the following rates per renewable energy credit:

(a) One energy optimization credit.

(b) One advanced cleaner energy credit from plasma arc gasification or industrial cogeneration.

(c) Ten advanced cleaner energy credits other than from plasma arc gasification or industrial cogeneration.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1029 Renewable energy system location; requirements.

Sec. 29. (1) Subject to subsection (2), a renewable energy system that is the source of renewable energy credits used to satisfy the renewable energy standards shall be either located outside of this state in the retail electric customer service territory of any provider that is not an alternative electric supplier or located anywhere in this state. For the purposes of this subsection, a retail electric customer service territory shall be considered to be the territory recognized by the commission on January 1, 2008 and any expansion of retail electric customer service territory recognized by the commission after January 1, 2008 under 1939 PA 3, MCL 460.1 to 460.10cc. The commission may also expand a service territory for the purposes of this subsection if a lack of transmission lines limits the ability to obtain sufficient renewable energy from renewable energy systems that meet the location requirement of this subsection.

(2) The renewable energy system location requirements in subsection (1) do not apply if 1 or more of the following requirements are met:

(a) The renewable energy system is a wind energy conversion system and the electricity generated by the wind energy system, or the renewable energy credits associated with that electricity, is being purchased under a contract in effect on January 1, 2008. If the electricity and associated renewable energy credits purchased under such a contract are used by an electric provider to meet renewable energy requirements established after January 1, 2008 by the legislature of the state in which the wind energy conversion system is located, the electric provider may, for the purpose of meeting the renewable energy credit standard under this act, obtain, by any means authorized under section 27, up to the same number of replacement renewable energy credits from any other wind energy conversion systems located in that state. This subdivision shall not be utilized by an alternative electric supplier unless the alternative electric supplier was licensed in this state on January 1, 2008. Renewable energy credits from a renewable energy system under a contract with an alternative electric supplier under this subdivision shall not be used by another electric provider to meet its requirements under this part.

(b) The renewable energy system is a wind energy conversion system that was under construction or operational and owned by an electric provider on January 1, 2008. This subdivision shall not be utilized by an alternative electric supplier.

(c) The renewable energy system is a wind energy conversion system that includes multiple wind turbines, at least 1 of the wind turbines meets the location requirements of this section, and the remaining wind turbines are within 15 miles of a wind turbine that is part of that wind energy conversion system and that meets the location requirements of this section.

(d) Before January 1, 2008, an electric provider serving not more than 75,000 retail electric customers in this state filed an application for a certificate of authority for the renewable energy system with a state regulatory commission in another state that is also served by the electric provider. However, renewable energy credits shall not be granted under this subdivision for electricity generated using more than 10.0 megawatts of nameplate capacity of the renewable energy system.

(e) Electricity generated from the renewable energy system is sold by a not-for-profit entity located in Indiana or Wisconsin to a municipally-owned electric utility in this state or cooperative electric utility in this state under a contract in effect on January 1, 2008, and the electricity is not being used to meet another state's standard for renewable energy.

(f) Electricity generated from the renewable energy system is sold by a not-for-profit entity located in Ohio to a municipally-owned electric utility in this state under a contract approved by resolution of the governing body of the municipally-owned electric utility by January 1, 2008, and the electricity is not being used to meet another state's standard for renewable energy. However, renewable energy credits shall not be granted for electricity generated using more than 13.4 megawatts of nameplate capacity of the renewable energy system.

(g) All of the following requirements are met:

(i) The renewable energy system is a wind energy system, is interconnected to the electric provider's transmission system, and is located in a state in which the electric provider has service territory.

(ii) The electric provider competitively bid any contract for engineering, procurement, or construction of

the renewable energy system, if the electric provider owns the renewable energy system, or for purchase of the renewable energy and associated renewable energy credits from the renewable energy system, if the provider does not own the renewable energy system, in a process open to renewable energy systems sited in this state.

(iii) The renewable energy credits from the renewable energy system are only used by that electric provider to meet the renewable energy standard.

(iv) The electric provider is not an alternative electric supplier.

(3) Advanced cleaner energy systems that are the source of the advanced cleaner energy credits used under section 27 shall be either located outside this state in the service territory of any electric provider that is not an alternative electric supplier or located anywhere in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1031 Extensions of 2015 renewable energy standard deadline; establishment of revised renewable energy standard; compliance; "good cause" defined.

Sec. 31. (1) Upon petition by an electric provider, the commission may for good cause grant 2 extensions of the 2015 renewable energy standard deadline under section 27. Each extension shall be for up to 1 year.

(2) If 2 extensions of the 2015 renewable energy standard deadline have been granted to an electric provider under subsection (1), upon subsequent petition by the electric provider at least 3 months before the expiration of the second extended deadline, the commission shall, after consideration of prior extension requests under this section and for good cause, establish a revised renewable energy standard attainable by the electric provider. If the electric provider achieves the revised renewable energy standard, the provider is considered to be in compliance with this subpart.

(3) An electric provider that makes a good faith effort to spend the full amount of incremental costs of compliance as outlined in its approved renewable energy plan and that complies with its approved plan, subject to any approved extensions or revisions, shall be considered to be in compliance with this subpart.

(4) As used in this section, "good cause" includes, but is not limited to, the electric provider's inability, as determined by the commission, to meet a renewable energy standard because of a renewable energy system feasibility limitation including, but not limited to, any of the following:

(a) Renewable energy system site requirements, zoning, siting, land use issues, permits, including environmental permits, any certificate of need process under section 6s of 1939 PA 3, MCL 460.6s, or any other necessary governmental approvals that effectively limit availability of renewable energy systems, if the electric provider exercised reasonable diligence in attempting to secure the necessary governmental approvals. For purposes of this subdivision, "reasonable diligence" includes, but is not limited to, submitting timely applications for the necessary governmental approvals and making good faith efforts to ensure that the applications are administratively complete and technically sufficient.

(b) Equipment cost or availability issues including electrical equipment or renewable energy system component shortages or high costs that effectively limit availability of renewable energy systems.

(c) Cost, availability, or time requirements for electric transmission and interconnection.

(d) Projected or actual unfavorable electric system reliability or operational impacts.

(e) Labor shortages that effectively limit availability of renewable energy systems.

(f) An order of a court of competent jurisdiction that effectively limits the availability of renewable energy systems.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1033 Electric provider with 1,000,000 or more retail customers; obtaining renewable energy credits to meet standard in 2015; exception; submission of contract for approval.

Sec. 33. (1) Subject to subsections (2) and (3), an electric provider that had 1,000,000 or more retail customers in this state on January 1, 2008 shall obtain the renewable energy credits that are necessary to meet the renewable energy credit standard in 2015 and thereafter as follows:

(a) At the electric provider's option, up to but no more than 50% of the renewable energy credits shall be from any of the following:

(i) Renewable energy systems that were developed by and are owned by the electric provider. An electric provider shall competitively bid any contract for engineering, procurement, or construction of any new renewable energy systems described in this subdivision. However, an electric provider may consider

unsolicited proposals presented to it by a renewable energy system developer outside of a competitive bid process. If the provider determines that such an unsolicited proposal provides opportunities that may not otherwise be available or commercially practical, the provider may enter into a contract with the developer.

(ii) Renewable energy systems that were developed by 1 or more third parties pursuant to a contract with the electric provider under which the ownership of the renewable energy system may be transferred to the electric provider, but only after the renewable energy system begins commercial operation. Any such contract shall be executed after a competitive bidding process conducted pursuant to guidelines issued by the commission. However, an electric provider may consider unsolicited proposals presented to it by a renewable energy system developer outside of a competitive bid process. If the provider determines that such an unsolicited proposal provides opportunities that may not otherwise be available or commercially practical, the provider may enter into a contract with the developer. An affiliate of the electric provider may submit a proposal in response to a request for proposals, subject to the code of conduct under section 10a(4) of 1939 PA 3, MCL 460.10a, and the sanctions for violation of the code under section 10c of 1939 PA 3, MCL 460.10c.

(b) At least 50% of the renewable energy credits shall be from renewable energy contracts that do not require transfer of ownership of the applicable renewable energy system to the electric provider or from contracts for the purchase of renewable energy credits without the associated renewable energy. A renewable energy contract or contract for the purchase of renewable energy credits under this subdivision shall be executed after a competitive bidding process conducted pursuant to guidelines issued by the commission. However, an electric provider may consider unsolicited proposals presented to it outside of a competitive bid process by a renewable energy system developer that is not affiliated with the electric provider. If the provider determines that such an unsolicited proposal provides opportunities that may not otherwise be available or commercially practical, the provider may enter into a contract with the developer. The contract is subject to review and approval by the commission under section 21. An electric provider or its affiliate may not submit a proposal in response to its own request for proposals under this subdivision. If an electric provider selects a bid other than the lowest price conforming bid from a qualified bidder, the electric provider shall promptly notify the commission. The commission shall determine in the manner provided under section 37 whether the electric provider had good cause for selecting that bid. If the commission determines that the electric provider did not have good cause, the commission shall disapprove the contract.

(2) Subsection (1) does not apply to either of the following:

(a) Renewable energy credits that are transferred to the electric provider pursuant to section 35(1).

(b) Renewable energy credits that are produced or obtained by the electric provider from renewable energy systems for which recovery in electric rates was approved as of the effective date of this act, including renewable energy credits resulting from biomass co-firing of electric generation facilities in existence on the effective date of this act, except to the extent the number of megawatt hours of electricity annually generated by biomass co-firing exceeds the number of megawatt hours generated during the 1-year period immediately preceding the effective date of this act.

(3) An electric provider shall submit a contract entered into pursuant to subsection (1) to the commission for review and approval. If the commission approves the contract, it shall be considered to be 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.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1035 Resale of renewable energy under PURPA; investor-owned electric utility with less than 20,000 customers, a municipally-owned electric utility, or cooperative electric utility; resale under power purchase agreement or existing agreements; determination of number of renewable energy credits.

Sec. 35. (1) If an electric provider obtains renewable energy for resale to retail or wholesale customers under an agreement under PURPA, ownership of the associated renewable energy credits shall be as provided by the PURPA agreement. If the PURPA agreement does not provide for ownership of the renewable energy credits, then:

(a) Except to the extent that a separate agreement governs under subdivision (b), for the duration of the PURPA agreement, for every 5 renewable energy credits associated with the renewable energy, ownership of 4 of the renewable energy credits is transferred to the electric provider with the renewable energy, and ownership of 1 renewable energy credit remains with the qualifying small power production facility.

(b) If a separate agreement in effect on January 1, 2008 provides for the ownership of the renewable attributes of the generated electricity, the separate agreement shall govern until January 1, 2013 or until expiration of the separate agreement, whichever occurs first.

(2) If an investor-owned electric utility with less than 20,000 customers, a municipally-owned electric utility, or cooperative electric utility obtains all or substantially all of its electricity for resale under a power purchase agreement or agreements in existence on the effective date of this act, ownership of any associated renewable energy credits shall be considered to be transferred to the electric provider purchasing the electricity. The number of renewable energy credits associated with the purchased electricity shall be determined by multiplying the total number of renewable energy credits associated with the total power supply of the seller during the term of the agreement by a fraction, the numerator of which is the amount of energy purchased under the agreement or agreements and the denominator of which is the total power supply of the seller during the term of the agreement. This subsection does not apply unless 1 or more of the following occur:

(a) The seller and the electric provider purchasing the electricity agree that this subsection applies.

(b) For a seller that is an investor-owned electric utility whose rates are regulated by the commission, the commission reduces the number of renewable energy credits required under the renewable energy credit standard for the seller by the number of renewable energy credits to be transferred to the electric provider purchasing the electricity under this subsection.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1037 Renewable energy contract without associated renewable energy; determination of compliance with retail rate impact limits.

Sec. 37. If, after the effective date of this act, an electric provider whose rates are regulated by the commission enters a renewable energy contract or a contract to purchase renewable energy credits without the associated renewable energy, the commission shall determine whether the contract provides reasonable and prudent terms and conditions and complies with the retail rate impact limits under section 45. In making this determination, the commission shall consider the contract price and term. If the contract is a renewable energy contract, the commission shall also consider at least all of the following:

(a) The cost to the electric provider and its customers of the impacts of accounting treatment of debt and associated equity requirements imputed by credit rating agencies and lenders attributable to the renewable energy contract. The commission shall use standard rating agency, lender, and accounting practices for electric utilities in determining these costs, unless the impacts for the electric provider are known.

(b) Subject to section 45, the life-cycle cost of the renewable energy contract to the electric provider and customers including costs, after expiration of the renewable energy contract, of maintaining the same renewable energy output in megawatt hours, whether by purchases from the marketplace, by extension or renewal of the renewable energy contract, or by the electric provider purchasing the renewable energy system and continuing its operation.

(c) Electric provider and customer price and cost risks if the renewable energy systems supporting the renewable energy contract move from contracted pricing to market-based pricing after expiration of the renewable energy contract.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1039 Granting 1 renewable energy credit for each megawatt hour of electricity generated from renewable energy system; conditions; granting Michigan incentive renewable energy credits; expiration.

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, the number of renewable energy credits granted shall be based on the percentage of the electricity generated from the renewable energy resource.

(b) A renewable energy credit shall not be granted for renewable energy generated from a municipal solid waste incinerator to the extent that the renewable energy was generated by operating the incinerator in excess of the greater of the following, as applicable:

- (i) The incinerator's nameplate capacity rating on January 1, 2008.
- (ii) If the incinerator is expanded after the effective date of this act to an approximate continuous design rated capacity of not more than 950 tons per day pursuant to the terms of a final request for proposals issued not later than October 1986, the nameplate capacity rating required to accommodate that expansion.
- (c) 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) Subject to subsection (3), 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.
- (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 number 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) 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) 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 credit standard.
- (b) When substituted for an energy optimization credit under section 77.
- (c) Three years after the end of the month in which the renewable energy credit was generated.
- (4) A renewable energy credit associated with renewable energy generated within 120 days after the start of a calendar year may be used to satisfy the prior year's renewable energy standard and expires when so used.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1041 Renewable energy credits; trade, sale, or transfer; demonstration of compliance; establishment of energy credit certification and tracking program; use not required in state.

Sec. 41. (1) Renewable energy credits may be traded, sold, or otherwise transferred.

(2) An electric provider is responsible for demonstrating that a renewable energy credit used to comply with a renewable energy credit standard is derived from a renewable energy source and that the electric provider has not previously used or traded, sold, or otherwise transferred the renewable energy credit.

(3) The same renewable energy credit may be used by an electric provider to comply with both a federal standard for renewable energy and the renewable energy standard under this subpart. An electric provider that uses a renewable energy credit to comply with another state's standard for renewable energy shall not use the same renewable energy credit to comply with the renewable energy credit standard under this subpart.

(4) The commission shall establish a renewable energy credit certification and tracking program. The certification and tracking program may be contracted to and performed by a third party through a system of competitive bidding. The program shall include all of the following:

(a) A process to certify renewable energy systems, including all existing renewable energy systems operating on the effective date of this act, as eligible to receive renewable energy credits.

(b) A process for verifying that the operator of a renewable energy system is in compliance with state and federal law applicable to the operation of the renewable energy system when certification is granted. If a renewable energy system becomes noncompliant with state or federal law, renewable energy credits shall not be granted for renewable energy generated by that renewable energy system during the period of noncompliance.

(c) A method for determining the date on which a renewable energy credit is generated and valid for transfer.

- (d) A method for transferring renewable energy credits.
 - (e) A method for ensuring that each renewable energy credit transferred under this act is properly accounted for under this act.
 - (f) If the system is established by the commission, allowance for issuance, transfer, and use of renewable energy credits in electronic form.
 - (g) A method for ensuring that both a renewable energy credit and an advanced cleaner energy credit are not awarded for the same megawatt hour of energy.
- (5) A renewable energy credit purchased from a renewable energy system in this state is not required to be used in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1043 Granting 1 advanced cleaner energy credit for each megawatt hour of electricity generated from advanced cleaner energy system; expiration; trade, sale, or transfer; establishment of advanced cleaner energy credit certification and tracking program; use not required in state.

Sec. 43. (1) One advanced cleaner energy credit shall be granted to the owner of an advanced cleaner energy system for each megawatt hour of electricity generated from the advanced cleaner energy system. However, if an advanced cleaner energy system uses both an advanced cleaner energy technology and an energy technology that is not an advanced cleaner energy technology to generate electricity, the number of advanced cleaner energy credits granted shall be based on the percentage of the electricity generated from the advanced cleaner energy technology. If a facility or system, such as a gasification facility using biomass as feedstock, qualifies as both an advanced cleaner energy system and a renewable energy system, at the owner's option, either an advanced cleaner energy credit or a renewable energy credit, but not both, may be granted for any given megawatt hour of electricity generated by the facility or system.

(2) An advanced cleaner energy credit expires at the earliest of the following times:

(a) When substituted for a renewable energy credit under section 27 or an energy optimization credit under section 77.

(b) 3 years after the end of the month in which the advanced cleaner energy credit was generated.

(3) Advanced cleaner energy credits may be traded, sold, or otherwise transferred.

(4) The commission shall establish an advanced cleaner energy credit certification and tracking program. The certification and tracking program may be contracted to and performed by a third party through a system of competitive bidding. The program shall include all of the following:

(a) A process to certify advanced cleaner energy systems, including all existing advanced cleaner energy systems operating on the effective date of this act, as eligible to receive advanced cleaner energy credits.

(b) A process for verifying that the operator of an advanced cleaner energy system is in compliance with state and federal law applicable to the operation of the advanced cleaner energy system when certification is granted. If an advanced cleaner energy system becomes noncompliant with state or federal law, advanced cleaner energy credits shall not be granted for advanced cleaner energy generated by that advanced cleaner energy system during the period of noncompliance.

(c) A method for determining the date on which an advanced cleaner energy credit is generated and valid for transfer.

(d) A method for transferring advanced cleaner energy credits.

(e) A method for ensuring that each advanced cleaner energy credit transferred is properly accounted for.

(f) Allowance for issuance, transfer, and use of advanced cleaner energy credits in electronic form.

(g) A method for ensuring that both a renewable energy credit and an advanced cleaner energy credit are not awarded for the same megawatt hour of electricity.

(5) An advanced cleaner energy credit purchased from an advanced cleaner energy system in this state is not required to be used in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1045 Charges for electric provider's tariffs that permit recovery of incremental costs of compliance; calculation; report to residential customer in billing statement; values; determining long-term, life-cycle, levelized costs of building and operating and acquiring nonrenewable electric generating capacity and energy.

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) An electric provider shall recover the incremental cost of compliance with the renewable energy standards by an itemized charge on the customer's bill for billing periods beginning not earlier than 90 days after the commission approves the electric provider's renewable energy plan under section 21 or 23 or determines under section 25 that the plan complies with this act. 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 a retail rate impact that exceeds 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 and shall be recovered on a levelized basis.

(5) In its billing statements for a residential customer, each provider shall report to the residential customer all of the following in a format consistent with other information on the customer bill:

(a) An itemized monthly charge, expressed in dollars and cents, collected from the customer for implementing the renewable energy program requirements of this act. In the first bill issued after the close of the previous year, an electric provider shall notify each residential customer that the customer may be entitled to an income tax credit to offset some of the annual amounts collected for the renewable energy program.

(b) An itemized monthly charge, expressed in dollars and cents, collected from the customer for implementing the energy optimization program requirements of this act.

(c) An estimated monthly savings, expressed in dollars and cents, for that customer to reflect the reductions in the monthly energy bill produced by the energy optimization program under this act.

(d) An estimated monthly savings, expressed in dollars and cents, for that customer to reflect the long-term, life-cycle, levelized costs of building and operating new conventional coal-fired electric generating power plants avoided under this act as determined by the commission.

(e) The website address at which the commission's annual report under section 51 is posted.

(6) For the first year of the programs under this part, the values reported under subsection (5) shall be estimates by the commission. The values in following years shall be based on the provider's actual customer experiences. If the provider is unable to provide customer-specific information under subsection (5)(b) or (c), it shall instead specify the state average itemized charge or savings, as applicable, for residential customers. The provider shall make this calculation based on a method approved by the commission.

(7) In determining long-term, life-cycle, levelized costs of building and operating and acquiring nonrenewable electric generating capacity and energy for the purpose of subsection (5)(d), the commission shall consider historic and predicted costs of financing, construction, operation, maintenance, fuel supplies, environmental protection, and other appropriate elements of energy production. For purposes of this comparison, the capacity of avoided new conventional coal-fired electric generating facilities shall be expressed in megawatts and avoided new conventional coal-fired electricity generation shall be expressed in megawatt hours. Avoided costs shall be measured in cents per kilowatt hour.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1047 Cost of service to be recovered by electric provider; recovery of incremental costs of compliance; calculation; modification of revenue recovery mechanism; excess costs; refund to customer classes; certain actual costs considered as costs of service.

Sec. 47. (1) Subject to the retail rate impact limits under section 45, the commission shall consider all actual costs reasonably and prudently incurred in good faith to implement a commission-approved renewable energy plan by an electric provider whose rates are regulated by the commission to be a cost of service to be recovered by the electric provider. Subject to the retail rate impact limits under section 45, an electric provider whose rates are regulated by the commission shall recover through its retail electric rates all of the electric provider's incremental costs of compliance during the 20-year period beginning when the electric provider's plan is approved by the commission and all reasonable and prudent ongoing costs of compliance during and after that period. The recovery shall include, but is not limited to, the electric provider's authorized rate of return on equity for costs approved under this section, which shall remain fixed at the rate of return and debt

to equity ratio that was in effect in the electric provider's base rates when the electric provider's renewable energy plan was approved.

(2) Incremental costs of compliance shall be calculated as follows:

(a) Determine the sum of the following costs to the extent those costs are reasonable and prudent and not already approved for recovery in electric rates as of the effective date of this act:

(i) Capital, operating, and maintenance costs of renewable energy systems or advanced cleaner energy systems, including property taxes, insurance, and return on equity associated with an electric provider's renewable energy systems or advanced cleaner energy systems, including the electric provider's renewable energy portfolio established to achieve compliance with the renewable energy standards and any additional renewable energy systems or advanced cleaner energy systems, that are built or acquired by the electric provider to maintain compliance with the renewable energy standards during the 20-year period beginning when the electric provider's plan is approved by the commission.

(ii) Financing costs attributable to capital, operating, and maintenance costs of capital facilities associated with renewable energy systems or advanced cleaner energy systems used to meet the renewable energy standard.

(iii) Costs that are not otherwise recoverable in rates approved by the federal energy regulatory commission and that are related to the infrastructure required to bring renewable energy systems or advanced cleaner energy systems used to achieve compliance with the renewable energy standards on to the transmission system, including interconnection and substation costs for renewable energy systems or advanced cleaner energy systems used to meet the renewable energy standard.

(iv) Ancillary service costs determined by the commission to be necessarily incurred to ensure the quality and reliability of renewable energy or advanced cleaner energy used to meet the renewable energy standards, regardless of the ownership of a renewable energy system or advanced cleaner energy technology.

(v) Except to the extent the costs are allocated under a different subparagraph, all of the following:

(A) The costs of renewable energy credits purchased under this act.

(B) The costs of contracts described in section 33(1).

(vi) Expenses incurred as a result of state or federal governmental actions related to renewable energy systems or advanced cleaner energy systems attributable to the renewable energy standards, including changes in tax or other law.

(vii) Any additional electric provider costs determined by the commission to be necessarily incurred to ensure the quality and reliability of renewable energy or advanced cleaner energy used to meet the renewable energy standards.

(b) Subtract from the sum of costs not already included in electric rates determined under subdivision (a) the sum of the following revenues:

(i) Revenue derived from the sale of environmental attributes associated with the generation of renewable energy or advanced cleaner energy systems attributable to the renewable energy standards. Such revenue shall not be considered in determining power supply cost recovery factors under section 6j of 1939 PA 3, MCL 460.6j.

(ii) Interest on regulatory liabilities.

(iii) Tax credits specifically designed to promote renewable energy or advanced cleaner energy.

(iv) Revenue derived from the provision of renewable energy or advanced cleaner energy to retail electric customers subject to a power supply cost recovery clause under section 6j of 1939 PA 3, MCL 460.6j, of an electric provider whose rates are regulated by the commission. After providing an opportunity for a contested case hearing for an electric provider whose rates are regulated by the commission, the commission shall annually establish a price per megawatt hour. In addition, an electric provider whose rates are regulated by the commission may at any time petition the commission to revise the price. In setting the price per megawatt hour under this subparagraph, the commission shall consider factors including, but not limited to, projected capacity, energy, maintenance, and operating costs; information filed under section 6j of 1939 PA 3, MCL 460.6j; and information from wholesale markets, including, but not limited to, locational marginal pricing. This price shall be multiplied by the sum of the number of megawatt hours of renewable energy and the number of megawatt hours of advanced cleaner energy used to maintain compliance with the renewable energy standard. The product shall be considered a booked cost of purchased and net interchanged power transactions under section 6j of 1939 PA 3, MCL 460.6j. For energy purchased by such an electric provider under a renewable energy contract or advanced cleaner energy contract, the price shall be the lower of the amount established by the commission or the actual price paid and shall be multiplied by the number of megawatt hours of renewable energy or advanced cleaner energy purchased. The resulting value shall be considered a booked cost of purchased and net interchanged power under section 6j of 1939 PA 3, MCL 460.6j.

(v) Revenue from wholesale renewable energy sales and advanced cleaner energy sales. Such revenue shall not be considered in determining power supply cost recovery factors under section 6j of 1939 PA 3, MCL 460.6j.

(vi) Any additional electric provider revenue considered by the commission to be attributable to the renewable energy standards.

(vii) Any revenues recovered in rates for renewable energy costs that are included under subdivision (a).

(3) The commission shall authorize an electric provider whose rates are regulated by the commission to spend in any given month more to comply with this act and implement an approved renewable energy plan than the revenue actually generated by the revenue recovery mechanism. An electric provider whose rates are regulated by the commission shall recover its commission approved pre-tax rate of return on regulatory assets during the appropriate period. An electric provider whose rates are regulated by the commission shall record interest on regulatory liabilities at the average short-term borrowing rate available to the electric provider during the appropriate period. Any regulatory assets or liabilities resulting from the recovery costs of renewable energy or advanced cleaner energy attributable to renewable energy standards through the power supply cost recovery clause under section 6j of 1939 PA 3, MCL 460.6j, shall continue to be reconciled under that section.

(4) If an electric provider's incremental costs of compliance in any given month during the 20-year period beginning when the electric provider's plan is approved by the commission are in excess of the revenue recovery mechanism as adjusted under section 49 and in excess of the balance of any accumulated reserve funds, subject to the minimum balance established under section 21, the electric provider shall immediately notify the commission. The commission shall promptly commence a contested case hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, and modify the revenue recovery mechanism so that the minimum balance is restored. However, if the commission determines that recovery of the incremental costs of compliance would otherwise exceed the maximum retail rate impacts specified under section 45, it shall set the revenue recovery mechanism for that electric provider to correspond to the maximum retail rate impacts. Excess costs shall be accrued and deferred for recovery. Not later than the expiration of the 20-year period beginning when the electric provider's plan is approved by the commission, for an electric provider whose rates are regulated by the commission, the commission shall determine the amount of deferred costs to be recovered under the revenue recovery mechanism and the recovery period, which shall not extend more than 5 years beyond the expiration of the 20-year period beginning when the electric provider's plan is approved by the commission. The recovery of excess costs shall be proportional to the retail rate impact limits in section 45 for each customer class. The recovery of excess costs alone, or, if begun before the expiration of the 20-year period, in combination with the recovery of incremental costs of compliance under the revenue recovery mechanism, shall not exceed the retail rate impact limits of section 45 for each customer class.

(5) If, at the expiration of the 20-year period beginning when the electric provider's plan is approved by the commission, an electric provider whose rates are regulated by the commission has a regulatory liability, the refund to customer classes shall be proportional to the amounts paid by those customer classes under the revenue recovery mechanism.

(6) After achieving compliance with the renewable energy standard for 2015, the actual costs reasonably and prudently incurred to continue to comply with this subpart both during and after the conclusion of the 20-year period beginning when the electric provider's plan is approved by the commission shall be considered costs of service. The commission shall determine a mechanism for an electric provider whose rates are regulated by the commission to recover these costs in its retail electric rates, subject to the retail rate impact limits in section 45. Remaining and future regulatory assets shall be recovered consistent with subsections (2) and (3) and section 49.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1049 Renewable cost reconciliation; commencement; contested case proceeding; discovery; modifications of revenue recovery mechanism; reconciliation of revenues with amounts actually expensed and projected; duties of commission; interest accrual.

Sec. 49. (1) This section applies only to an electric provider whose rates are regulated by the commission. Concurrent with the submission of each report under section 51, the commission shall commence an annual proceeding, to be known as a renewable cost reconciliation, for each electric provider whose rates are regulated by the commission. The renewable cost reconciliation proceeding shall be conducted as a contested case pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Reasonable

discovery shall be permitted before and during the reconciliation proceeding to assist in obtaining evidence concerning reconciliation issues including, but not limited to, the reasonableness and prudence of expenditures and the amounts collected pursuant to the revenue recovery mechanism.

(2) At the renewable cost reconciliation, an electric provider may propose any necessary modifications of the revenue recovery mechanism to ensure the electric provider's recovery of its incremental cost of compliance with the renewable energy standards.

(3) The commission shall reconcile the pertinent revenues recorded and the allowance for the nonvolumetric revenue recovery mechanism with the amounts actually expensed and projected according to the electric provider's plan for compliance. The commission shall consider any issue regarding the reasonableness and prudence of expenses for which customers were charged in the relevant reconciliation period. In its order, the commission shall do all of the following:

(a) Make a determination of an electric provider's compliance with the renewable energy standards, subject to section 31.

(b) Adjust the revenue recovery mechanism for the incremental costs of compliance. The commission shall ensure that the retail rate impacts under this renewable cost reconciliation revenue recovery mechanism do not exceed the maximum retail rate impacts specified under section 45. The commission shall ensure that the recovery mechanism is projected to maintain a minimum balance of accumulated reserve so that a regulatory asset does not accrue.

(c) Establish the price per megawatt hour for renewable energy and advanced cleaner energy capacity and for renewable energy and advanced cleaner energy to be recovered through the power supply cost recovery clause under section 6j of 1939 PA 3, MCL 460.6j, as outlined in section 47(2)(b)(iv).

(d) Adjust, if needed, the minimum balance of accumulated reserve funds established under section 21.

(4) If an electric provider has recorded a regulatory liability in any given month during the 20-year period beginning when the electric provider's plan is approved by the commission, interest on the regulatory liability balance shall be accrued at the average short-term borrowing rate available to the electric provider during the appropriate period, and shall be used to fund incremental costs of compliance incurred in subsequent periods within the 20-year period beginning when the electric provider's plan is approved by the commission.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1051 Compliance with renewable energy standards; submission of annual report by each electric provider; information; submission of report summary to customers of certain electric utilities; monitoring reports; submission of report to legislative committees; maintenance of report by department of energy, labor, and economic growth.

Sec. 51. (1) By a time determined by the commission, each electric provider shall submit to the commission an annual report that provides information relating to the actions taken by the electric provider to comply with the renewable energy standards. Concurrently, a municipally-owned electric utility shall submit a copy of the report to the governing body of the municipally-owned electric utility, and a cooperative electric utility shall submit a copy of the report to its board of directors.

(2) An annual report under subsection (1) shall include all of the following information:

(a) The amount of electricity and renewable energy credits that the electric provider generated or acquired from renewable energy systems during the reporting period and the amount of renewable energy credits that the electric provider acquired, sold, traded, or otherwise transferred during the reporting period.

(b) The amount of electricity that the electric provider generated or acquired from advanced cleaner energy systems pursuant to this act during the reporting period.

(c) The capacity of each renewable energy system and advanced cleaner energy system owned, operated, or controlled by the electric provider, the total amount of electricity generated by each renewable energy system or advanced cleaner energy system during the reporting period, and the percentage of that total amount of electricity from each renewable energy system that was generated directly from renewable energy.

(d) Whether, during the reporting period, the electric provider began construction on, acquired, or placed into operation a renewable energy system or advanced cleaner energy system.

(e) Expenditures made in the past year and anticipated future expenditures to comply with this subpart.

(f) Any other information that the commission determines necessary.

(3) Concurrent with the submission of each report under subsection (1), a municipally-owned electric utility shall submit a summary of the report to its customers in their bills with a bill insert and to its governing body. If, together with the summary required under this subsection, a municipally-owned electric utility submits to its residential customers the information required pursuant to section 45(5) for the year covered by

the summary under this subsection, the municipally-owned electric utility shall be considered to be in compliance with the itemized billing requirements of section 45(2) and the reporting requirements of section 45(5) for that year. Concurrent with the submission of each report under subsection (1), a cooperative electric utility shall submit a summary of the report to its members in a periodical issued by an association of rural electric cooperatives and to its board of directors. A municipally-owned electric utility or cooperative electric provider shall make a copy of the report available at its office and shall post a copy of the report on its website. A summary under this section shall indicate that a copy of the report is available at the office or website.

(4) The commission shall monitor reports submitted under subsection (1) and ensure that actions taken under this act by electric providers serving customers in the same distribution territory do not create an unfair competitive advantage for any of those electric providers.

(5) By February 15, 2011 and each year thereafter, the commission shall submit to the standing committees of the senate and house of representatives with primary responsibility for energy and environmental issues a report that does all of the following:

(a) Summarizes data collected under this section.

(b) Discusses the status of renewable energy and advanced cleaner energy in this state and the effect of this subpart and subpart B on electricity prices.

(c) For each of the different types of renewable energy sold at retail in this state, specifies the difference between the cost of the renewable energy and the cost of electricity generated from new conventional coal-fired electric generating facilities.

(d) Discusses how the commission is fulfilling the requirements of subsection (4).

(e) Evaluates whether this subpart has been cost-effective.

(f) Provides a comparison of the cost effectiveness of the methods of an electric utility with 1,000,000 or more retail customers in this state as of January 1, 2008 obtaining renewable energy credits under the options described in section 33.

(g) Describes the impact of this subpart on employment in this state. The commission shall consult with other appropriate agencies of the department of energy, labor, and economic growth in the development of this information.

(h) Describes the effect of the percentage limits under section 27(7) on the development of advanced cleaner energy.

(i) Makes any recommendations the commission may have concerning amendments to this subpart, including changes in the percentage limits under section 27(7), or changes in the definition of renewable energy resource or renewable energy system to reflect environmentally preferable technology.

(6) The department of energy, labor, and economic growth shall maintain on the department's website a copy of the commission's most recent report under subsection (5).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2010, Act 174, Imd. Eff. Sept. 30, 2010.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1053 Failure to meet renewable energy credit standard by deadline; civil action; contested case; final order.

Sec. 53. (1) If an electric provider whose rates are regulated by the commission fails to meet a renewable energy credit standard by the applicable deadline, subject to any extensions under section 31, both of the following apply:

(a) The electric provider shall purchase sufficient renewable energy credits necessary to meet the renewable energy credit standard.

(b) The electric provider shall not recover from its ratepayers the cost of purchasing renewable energy credits under subdivision (a) if the commission finds that the electric provider did not make a good faith effort to meet the renewable energy standard, subject to any extensions under section 31.

(2) The attorney general or any customer of a cooperative electric utility that has elected to become member-regulated under the electric cooperative member-regulation act, 2008 PA 167, MCL 460.31 to 460.39, may commence a civil action for injunctive relief against such a cooperative electric utility if the electric provider fails to meet the applicable requirements of this subpart or an order issued or rule promulgated under this subpart.

(3) An action under subsection (2) shall be commenced in the circuit court for the circuit in which the principal office of the cooperative electric utility that has elected to become member-regulated is located. An action shall not be filed under subsection (2) unless the prospective plaintiff has given the prospective defendant and the commission at least 60 days' written notice of the prospective plaintiff's intent to sue, the

basis for the suit, and the relief sought. Within 30 days after the prospective defendant receives written notice of the prospective plaintiff's intent to sue, the prospective defendant and plaintiff shall meet and make a good faith attempt to determine if there is a credible basis for the action. If both parties agree that there is a credible basis for the action, the prospective defendant shall take all reasonable and prudent steps necessary to comply with the applicable requirements of this subpart within 90 days of the meeting.

(4) In issuing a final order in an action brought under subsection (2), the court may award costs of litigation, including reasonable attorney and expert witness fees, to the prevailing or substantially prevailing party.

(5) Upon receipt of a complaint by an alternative electric supplier's customer or on the commission's own motion, the commission may conduct a contested case to review allegations that the alternative electric supplier has violated this subpart or an order issued or rule promulgated under this subpart. If the commission finds, after notice and hearing, that an alternative electric supplier has violated this subpart or an order issued or rule promulgated under this subpart, the commission shall do 1 or more of the following:

(a) Revoke the license of the alternative electric supplier.

(b) Issue a cease and desist order.

(c) Order the alternative electric supplier to pay a civil fine of not less than \$5,000.00 or more than \$50,000.00 for each violation.

(6) Upon receipt of a complaint by any customer of a municipally-owned electric utility or upon the commission's own motion, the commission may review allegations that the municipally-owned electric utility has violated this subpart or an order issued or rule promulgated under this subpart. If the commission finds, after notice and hearing, that a municipally-owned electric utility has violated this subpart or an order issued or rule promulgated under this subpart, the commission shall advise the attorney general. The attorney general may commence a civil action for injunctive relief against the municipally-owned electric utility in the circuit court for the circuit in which the principal office of the municipally-owned electric utility is located.

(7) In issuing a final order in an action brought under subsection (6), the court may award costs of litigation, including reasonable attorney and expert witness fees, to the prevailing or substantially prevailing party.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

SUBPART B. ENERGY OPTIMIZATION

460.1071 Proposed energy optimization plan; filing; time period; goal; combining with renewable energy plan; provisions; limitation on expenditures.

Sec. 71. (1) A provider shall file a proposed energy optimization plan with the commission within the following time period:

(a) For a provider whose rates are regulated by the commission, 90 days after the commission enters a temporary order under section 171.

(b) For a cooperative electric utility that has elected to become member-regulated under the electric cooperative member regulation act, 2008 PA 167, MCL 460.31 to 460.39, or a municipally-owned electric utility, 120 days after the commission enters a temporary order under section 171.

(2) The overall goal of an energy optimization plan shall be to reduce the future costs of provider service to customers. In particular, an EO plan shall be designed to delay the need for constructing new electric generating facilities and thereby protect consumers from incurring the costs of such construction. The proposed energy optimization plan shall be subject to approval in the same manner as an electric provider's renewable energy plan under subpart A. A provider may combine its energy optimization plan with its renewable energy plan.

(3) An energy optimization plan shall do all of the following:

(a) Propose a set of energy optimization programs that include offerings for each customer class, including low income residential. The commission shall allow providers flexibility to tailor the relative amount of effort devoted to each customer class based on the specific characteristics of their service territory.

(b) Specify necessary funding levels.

(c) Describe how energy optimization program costs will be recovered as provided in section 89(2).

(d) Ensure, to the extent feasible, that charges collected from a particular customer rate class are spent on energy optimization programs for that rate class.

(e) Demonstrate that the proposed energy optimization programs and funding are sufficient to ensure the

achievement of applicable energy optimization standards.

(f) Specify whether the number of megawatt hours of electricity or decatherms or MCFs of natural gas used in the calculation of incremental energy savings under section 77 will be weather-normalized or based on the average number of megawatt hours of electricity or decatherms or MCFs of natural gas sold by the provider annually during the previous 3 years to retail customers in this state. Once the plan is approved by the commission, this option shall not be changed.

(g) Demonstrate that the provider's energy optimization programs, excluding program offerings to low income residential customers, will collectively be cost-effective.

(h) Provide for the practical and effective administration of the proposed energy optimization programs. The commission shall allow providers flexibility in designing their energy optimization programs and administrative approach. A provider's energy optimization programs or any part thereof, may be administered, at the provider's option, by the provider, alone or jointly with other providers, by a state agency, or by an appropriate experienced nonprofit organization selected after a competitive bid process.

(i) Include a process for obtaining an independent expert evaluation of the actual energy optimization programs to verify the incremental energy savings from each energy optimization program for purposes of section 77. All such evaluations shall be subject to public review and commission oversight.

(4) Subject to subsection (5), an energy optimization plan may do 1 or more of the following:

(a) Utilize educational programs designed to alter consumer behavior or any other measures that can reasonably be used to meet the goals set forth in subsection (2).

(b) Propose to the commission measures that are designed to meet the goals set forth in subsection (1) and that provide additional customer benefits.

(5) Expenditures under subsection (4) shall not exceed 3% of the costs of implementing the energy optimization plan.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:

"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

In subdivisions (a) and (b) of subsection (1), the references to "section 171" evidently should read "section 191".

460.1073 Energy optimization plan; approval by commission.

Sec. 73. (1) A provider's energy optimization plan shall be filed, reviewed, and approved or rejected by the commission and enforced subject to the same procedures that apply to a renewable energy plan.

(2) The commission shall not approve a proposed energy optimization plan unless the commission determines that the EO plan meets the utility system resource cost test and is reasonable and prudent. In determining whether the EO plan is reasonable and prudent, the commission shall review each element and consider whether it would reduce the future cost of service for the provider's customers. In addition, the commission shall consider at least all of the following:

(a) The specific changes in customers' consumption patterns that the proposed EO plan is attempting to influence.

(b) The cost and benefit analysis and other justification for specific programs and measures included in a proposed EO plan.

(c) Whether the proposed EO plan is consistent with any long-range resource plan filed by the provider with the commission.

(d) Whether the proposed EO plan will result in any unreasonable prejudice or disadvantage to any class of customers.

(e) The extent to which the EO plan provides programs that are available, affordable, and useful to all customers.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1075 Energy optimization plan; exceeding standard; authorization for commensurate financial incentive; payment; limitation.

Sec. 75. An energy optimization plan of a provider whose rates are regulated by the commission may authorize a commensurate financial incentive for the provider for exceeding the energy optimization performance standard. Payment of any financial incentive authorized in the EO plan is subject to the approval of the commission. The total amount of a financial incentive shall not exceed the lesser of the following amounts:

(a) 25% of the net cost reductions experienced by the provider's customers as a result of implementation of

the energy optimization plan.

(b) 15% percent of the provider's actual energy efficiency program expenditures for the year.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides:

"Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

In subdivision (b), "15% percent" evidently should read "15%".

460.1077 Energy savings; minimum energy optimization standards to be met by natural gas provider; determination of incremental energy savings; calculations; basis; substitution; limitations.

Sec. 77. (1) Except as provided in section 81 and subject to the sales revenue expenditure limits in section 89, an electric provider's energy optimization programs under this subpart shall collectively achieve the following minimum energy savings:

(a) Biennial incremental energy savings in 2008-2009 equivalent to 0.3% of total annual retail electricity sales in megawatt hours in 2007.

(b) Annual incremental energy savings in 2010 equivalent to 0.5% of total annual retail electricity sales in megawatt hours in 2009.

(c) Annual incremental energy savings in 2011 equivalent to 0.75% of total annual retail electricity sales in megawatt hours in 2010.

(d) Annual incremental energy savings in 2012, 2013, 2014, and 2015 and, subject to section 97, each year thereafter equivalent to 1.0% of total annual retail electricity sales in megawatt hours in the preceding year.

(2) If an electric provider uses load management to achieve energy savings under its energy optimization plan, the minimum energy savings required under subsection (1) shall be adjusted by an amount such that the ratio of the minimum energy savings to the sum of maximum expenditures under section 89 and the load management expenditures remains constant.

(3) A natural gas provider shall meet the following minimum energy optimization standards using energy efficiency programs under this subpart:

(a) Biennial incremental energy savings in 2008-2009 equivalent to 0.1% of total annual retail natural gas sales in decatherms or equivalent MCFs in 2007.

(b) Annual incremental energy savings in 2010 equivalent to 0.25% of total annual retail natural gas sales in decatherms or equivalent MCFs in 2009.

(c) Annual incremental energy savings in 2011 equivalent to 0.5% of total annual retail natural gas sales in decatherms or equivalent MCFs in 2010.

(d) Annual incremental energy savings in 2012, 2013, 2014, and 2015 and, subject to section 97, each year thereafter equivalent to 0.75% of total annual retail natural gas sales in decatherms or equivalent MCFs in the preceding year.

(4) Incremental energy savings under subsection (1) or (3) for the 2008-2009 biennium or any year thereafter shall be determined for a provider by adding the energy savings expected to be achieved during a 1-year period by energy optimization measures implemented during the 2008-2009 biennium or any year thereafter under any energy efficiency programs consistent with the provider's energy efficiency plan.

(5) For purposes of calculations under subsection (1) or (3), total annual retail electricity or natural gas sales in a year shall be based on 1 of the following at the option of the provider as specified in its energy optimization plan:

(a) The number of weather-normalized megawatt hours or decatherms or equivalent MCFs sold by the provider to retail customers in this state during the year preceding the biennium or year for which incremental energy savings are being calculated.

(b) The average number of megawatt hours or decatherms or equivalent MCFs sold by the provider during the 3 years preceding the biennium or year for which incremental energy savings are being calculated.

(6) For any year after 2012, an electric provider may substitute renewable energy credits associated with renewable energy generated that year from a renewable energy system constructed after the effective date of this act, advanced cleaner energy credits other than credits from industrial cogeneration using industrial waste energy, load management that reduces overall energy usage, or a combination thereof for energy optimization credits otherwise required to meet the energy optimization performance standard, if the substitution is approved by the commission. The commission shall not approve a substitution unless the commission determines that the substitution is cost-effective and, if the substitution involves advanced cleaner energy credits, that the advanced cleaner energy system provides carbon dioxide emissions benefits. In determining whether the substitution of advanced cleaner energy credits is cost-effective compared to other available energy optimization measures, the commission shall consider the environmental costs related to the advanced

cleaner energy system, including the costs of environmental control equipment or greenhouse gas constraints or taxes. The commission's determinations shall be made after a contested case hearing that includes consultation with the department of environmental quality on the issue of carbon dioxide emissions benefits, if relevant, and environmental costs.

(7) Renewable energy credits, advanced cleaner energy credits, load management that reduces overall energy usage, or a combination thereof shall not be used by a provider to meet more than 10% of the energy optimization standard. Substitutions for energy optimization credits shall be made at the following rates per energy optimization credit:

- (a) 1 renewable energy credit.
- (b) 1 advanced cleaner energy credit from plasma arc gasification.
- (c) 4 advanced cleaner energy credits other than from plasma arc gasification.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1079 Advanced cleaner energy systems; location.

Sec. 79. Advanced cleaner energy systems that are the source of the advanced cleaner energy credits used under section 77 shall be either located outside this state in the service territory of any electric provider that is not an alternative electric supplier or located anywhere in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1081 Applicability of section to certain electric providers; establishment of alternative energy optimization standards; petition.

Sec. 81. (1) This section applies to electric providers that meet both of the following requirements:

- (a) Serve not more than 200,000 customers in this state.
- (b) Had average electric rates for residential customers using 1,000 kilowatt hours per month that are less than 75% of the average electric rates for residential customers using 1,000 kilowatt hours per month for all electric utilities in this state, according to the January 1, 2007, "comparison of average rates for MPSC-regulated electric utilities in Michigan" compiled by the commission.

(2) Beginning 2 years after a provider described in subsection (1) begins implementation of its energy optimization plan, the provider may petition the commission to establish alternative energy optimization standards. The petition shall identify the efforts taken by the provider to meet the electric provider energy optimization standards and demonstrate why the energy optimization standards cannot reasonably be met with energy optimization programs that are collectively cost-effective. If the commission finds that the petition meets the requirements of this subsection, the commission shall revise the energy optimization standards as applied to that electric provider to a level that can reasonably be met with energy optimization programs that are collectively cost-effective.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1083 Energy optimization credit; grant; expiration; carrying forward excess credits.

Sec. 83. (1) One energy optimization credit shall be granted to a provider for each megawatt hour of annual incremental energy savings achieved through energy optimization.

(2) An energy optimization credit expires as follows:

- (a) When used by a provider to comply with its energy optimization performance standard.
- (b) When substituted for a renewable energy credit under section 27.
- (c) As provided in subsection (3).

(3) If a provider's incremental energy savings in the 2008-2009 biennium or any year thereafter exceed the applicable energy optimization standard, the associated energy optimization credits may be carried forward and applied to the next year's energy optimization standard. However, all of the following apply:

(a) The number of energy optimization credits carried forward shall not exceed 1/3 of the next year's standard. Any energy optimization credits carried forward to the next year shall expire that year. Any remaining energy optimization credits shall expire at the end of the year in which the incremental energy savings were achieved, unless substituted, by an electric provider, for renewable energy credits under section 27.

(b) Energy optimization credits shall not be carried forward if, for its performance during the same biennium or year, the provider accepts a financial incentive under section 75. The excess energy optimization credits shall expire at the end of the year in which the incremental energy savings were achieved, unless substituted, by an electric provider, for renewable energy credits under section 27.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1085 Energy optimization credit not transferable; program for transferability of credits; recommendations.

Sec. 85. (1) An energy optimization credit is not transferable to another entity.

(2) The commission, in the 2011 report under section 97, shall make recommendations concerning a program for transferability of energy optimization credits.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1087 Certification and tracking program.

Sec. 87. The commission shall establish an energy optimization credit certification and tracking program. The certification and tracking program may be contracted to and performed by a third party through a system of competitive bidding. The program shall include all of the following:

(a) A determination of the date after which energy optimization must be achieved to be eligible for an energy optimization credit.

(b) A method for ensuring that each energy optimization credit substituted for a renewable energy credit under section 27 or carried forward under section 83 is properly accounted for.

(c) If the system is established by the commission, allowance for issuance and use of energy optimization credits in electronic form.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1089 Recovery of costs; limitation; capitalization costs; funding level for low income residential programs; authorization of natural gas provider to implement revenue decoupling mechanism; limitation on expenditures of total utility retail sales revenues; percentages.

Sec. 89. (1) The commission shall allow a provider whose rates are regulated by the commission to recover the actual costs of implementing its approved energy optimization plan. However, costs exceeding the overall funding levels specified in the energy optimization plan are not recoverable unless those costs are reasonable and prudent and meet the utility system resource cost test. Furthermore, costs for load management undertaken pursuant to an energy optimization plan are not recoverable as energy optimization program costs under this section, but may be recovered as described in section 95.

(2) Under subsection (1), costs shall be recovered from all natural gas customers and from residential electric customers by volumetric charges, from all other metered electric customers by per-meter charges, and from unmetered electric customers by an appropriate charge, applied to utility bills as an itemized charge.

(3) For the electric primary customer rate class customers of electric providers and customers of natural gas providers with an aggregate annual natural gas billing demand of more than 100,000 decatherms or equivalent MCFs for all sites in the natural gas utility's service territory, the cost recovery under subsection (1) shall not exceed 1.7% of total retail sales revenue for that customer class. For electric secondary customers and for residential customers, the cost recovery shall not exceed 2.2% of total retail sales revenue for those customer classes.

(4) Upon petition by a provider whose rates are regulated by the commission, the commission shall authorize the provider to capitalize all energy efficiency and energy conservation equipment, materials, and installation costs with an expected economic life greater than 1 year incurred in implementing its energy optimization plan, including such costs paid to third parties, such as customer rebates and customer incentives. The provider shall also propose depreciation treatment with respect to its capitalized costs in its energy optimization plan, and the commission shall order reasonable depreciation treatment related to these capitalized costs. A provider shall not capitalize payments made to an independent energy optimization program administrator under section 91.

(5) The established funding level for low income residential programs shall be provided from each customer rate class in proportion to that customer rate class's funding of the provider's total energy optimization programs. Charges shall be applied to distribution customers regardless of the source of their electricity or natural gas supply.

(6) The commission shall authorize a natural gas provider that spends a minimum of 0.5% of total natural gas retail sales revenues, including natural gas commodity costs, in a year on commission-approved energy optimization programs to implement a symmetrical revenue decoupling true-up mechanism that adjusts for sales volumes that are above or below the projected levels that were used to determine the revenue requirement authorized in the natural gas provider's most recent rate case. In determining the symmetrical revenue decoupling true-up mechanism utilized for each provider, the commission shall give deference to the proposed mechanism submitted by the provider. The commission may approve an alternative mechanism if the commission determines that the alternative mechanism is reasonable and prudent. The commission shall authorize the natural gas provider to decouple rates regardless of whether the natural gas provider's energy optimization programs are administered by the provider or an independent energy optimization program administrator under section 91.

(7) A natural gas provider or an electric provider shall not spend more than the following percentage of total utility retail sales revenues, including electricity or natural gas commodity costs, in any year to comply with the energy optimization performance standard without specific approval from the commission:

- (a) In 2009, 0.75% of total retail sales revenues for 2007.
- (b) In 2010, 1.0% of total retail sales revenues for 2008.
- (c) In 2011, 1.5% of total retail sales revenues for 2009.
- (d) In 2012 and each year thereafter, 2.0% of total retail sales revenues for the 2 years preceding.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1091 Alternative compliance payment.

Sec. 91. (1) Except for section 89(6), sections 71 to 89 do not apply to a provider that pays the following percentage of total utility sales revenues, including electricity or natural gas commodity costs, each year to an independent energy optimization program administrator selected by the commission:

- (a) In 2009, 0.75% of total retail sales revenues for 2007.
- (b) In 2010, 1.0% of total retail sales revenues for 2008.
- (c) In 2011, 1.5% of total retail sales revenues for 2009.
- (d) In 2012 and each year thereafter, 2.0% of total retail sales revenues for the 2 years preceding.

(2) An alternative compliance payment received from a provider by the energy optimization program administrator under subsection (1) shall be used to administer energy efficiency programs for the provider. Money unspent in a year shall be carried forward to be spent in the subsequent year.

(3) The commission shall allow a provider to recover an alternative compliance payment under subsection (1). This cost shall be recovered from residential customers by volumetric charges, from all other metered customers by per-meter charges, and from unmetered customers by an appropriate charge, applied to utility bills.

(4) An alternative compliance payment under subsection (1) shall only be used to fund energy optimization programs for that provider's customers. To the extent feasible, charges collected from a particular customer rate class and paid to the energy optimization program administrator under subsection (1) shall be devoted to energy optimization programs and services for that rate class.

(5) Money paid to the energy optimization program administrator under subsection (1) and not spent by the administrator that year shall remain available for expenditure the following year, subject to the requirements of subsection (4).

(6) The commission shall select a qualified nonprofit organization to serve as an energy optimization program administrator under this section, through a competitive bid process.

(7) The commission shall arrange for a biennial independent audit of the energy optimization program administrator.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1093 Self-directed energy optimization plan.

Sec. 93. (1) An eligible electric customer is exempt from charges the customer would otherwise incur as an

electric customer under section 89 or 91 if the customer files with its electric provider and implements a self-directed energy optimization plan as provided in this section.

(2) Subject to subsection (3), an electric customer is not eligible under subsection (1) unless it is a commercial or industrial electric customer and meets all of the following requirements:

(a) In 2009 or 2010, the customer must have had an annual peak demand in the preceding year of at least 2 megawatts at each site to be covered by the self-directed plan or 10 megawatts in the aggregate at all sites to be covered by the plan.

(b) In 2011, 2012, or 2013, the customer or customers must have had an annual peak demand in the preceding year of at least 1 megawatt at each site to be covered by the self-directed plan or 5 megawatts in the aggregate at all sites to be covered by the plan.

(c) In 2014 or any year thereafter, the customer or customers must have had an annual peak demand in the preceding year of at least 1 megawatt in the aggregate at all sites to be covered by the self-directed plan.

(3) The eligibility requirements of subsection (2) do not apply to a commercial or industrial customer that installs or modifies an electric energy efficiency improvement under a property assessed clean energy program pursuant to the property assessed clean energy act.

(4) The commission shall by order establish the rates, terms, and conditions of service for customers related to this subpart.

(5) The commission shall by order do all of the following:

(a) Require a customer to utilize the services of an energy optimization service company to develop and implement a self-directed plan. This subdivision does not apply to a customer that had an annual peak demand in the preceding year of at least 2 megawatts at each site to be covered by the self-directed plan or 10 megawatts in the aggregate at all sites to be covered by the self-directed plan.

(b) Provide a mechanism to recover from customers under subdivision (a) the costs for provider level review and evaluation.

(c) Provide a mechanism to cover the costs of the low income energy optimization program under section 89.

(6) All of the following apply to a self-directed energy optimization plan under subsection (1):

(a) The self-directed plan shall be a multiyear plan for an ongoing energy optimization program.

(b) The self-directed plan shall provide for aggregate energy savings that each year meet or exceed the energy optimization standards based on the electricity purchases in the previous year for the site or sites covered by the self-directed plan.

(c) Under the self-directed plan, energy optimization shall be calculated based on annual electricity usage. Annual electricity usage shall be normalized so that none of the following are included in the calculation of the percentage of incremental energy savings:

(i) Changes in electricity usage because of changes in business activity levels not attributable to energy optimization.

(ii) Changes in electricity usage because of the installation, operation, or testing of pollution control equipment.

(d) The self-directed plan shall specify whether electricity usage will be weather-normalized or based on 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. Once the self-directed plan is submitted to the provider, this option shall not be changed.

(e) The self-directed plan shall outline how the customer intends to achieve the incremental energy savings specified in the self-directed plan.

(7) A self-directed energy optimization plan shall be incorporated into the relevant electric provider's energy optimization plan. The self-directed plan and information submitted by the customer under subsection (10) are confidential and exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. Projected energy savings from measures implemented under a self-directed plan shall be attributed to the relevant provider's energy optimization programs for the purposes of determining annual incremental energy savings achieved by the provider under section 77 or 81, as applicable.

(8) Once a customer begins to implement a self-directed plan at a site covered by the self-directed plan, that site is exempt from energy optimization program charges under section 89 or 91 and is not eligible to participate in the relevant electric provider's energy optimization programs.

(9) A customer implementing a self-directed energy optimization plan under this section shall annually submit to the customer's electric provider a brief report documenting the energy efficiency measures taken under the self-directed plan during the previous year, and the corresponding energy savings that will result. The report shall provide sufficient information for the provider and the commission to monitor progress toward the goals in the self-directed plan and to develop reliable estimates of the energy savings that are being

achieved from self-directed plans. The customer report shall indicate the level of incremental energy savings achieved for the year covered by the report and whether that level of incremental energy savings meets the goal set forth in the customer's self-directed plan. If a customer submitting a report under this subsection wishes to amend its self-directed plan, the customer shall submit with the report an amended self-directed plan. A report under this subsection shall be accompanied by an affidavit from a knowledgeable official of the customer that the information in the report is true and correct to the best of the official's knowledge and belief. If the customer has retained an independent energy optimization service company, the requirements of this subsection shall be met by the energy optimization service company.

(10) An electric provider shall provide an annual report to the commission that identifies customers implementing self-directed energy optimization plans and summarizes the results achieved cumulatively under those self-directed plans. The commission may request additional information from the electric provider. If the commission has sufficient reason to believe the information is inaccurate or incomplete, it may request additional information from the customer to ensure accuracy of the report.

(11) If the commission determines after a contested case hearing that the minimum energy optimization goals under subsection (6)(b) have not been achieved at the sites covered by a self-directed plan, in aggregate, the commission shall order the customer or customers collectively to pay to this state an amount calculated as follows:

(a) Determine the proportion of the shortfall in achieving the minimum energy optimization goals under subsection (6)(b).

(b) Multiply the figure under subdivision (a) by the energy optimization charges from which the customer or customers collectively were exempt under subsection (1).

(c) Multiply the product under subdivision (b) by a number not less than 1 or greater than 2, as determined by the commission based on the reasons for failure to meet the minimum energy optimization goals.

(12) If a customer has submitted a self-directed plan to an electric provider, the customer, the customer's energy optimization service company, if applicable, or the electric provider shall provide a copy of the self-directed plan to the commission upon request.

(13) By September 1, 2010, following a public hearing, the commission shall establish an approval process for energy optimization service companies. The approval process shall ensure that energy optimization service companies have the expertise, resources, and business practices to reliably provide energy optimization services that meet the requirements of this section. The commission may adopt by reference the past or current standards of a national or regional certification or licensing program for energy optimization service companies. However, the approval process shall also provide an opportunity for energy optimization service companies that are not recognized by such a program to be approved by posting a bond in an amount determined by the commission and meeting any other requirements adopted by the commission for the purposes of this subsection. The approval process for energy optimization service companies shall require adherence to a code of conduct governing the relationship between energy optimization service companies and electric providers.

(14) The department of energy, labor, and economic growth shall maintain on the department's website a list of energy optimization service companies approved under subsection (13).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008;—Am. 2010, Act 269, Imd. Eff. Dec. 14, 2010.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1095 Duties and authority of commission.

Sec. 95. (1) The commission shall do all of the following:

(a) Promote load management in appropriate circumstances.

(b) Actively pursue increasing public awareness of load management techniques.

(c) Engage in regional load management efforts to reduce the annual demand for energy whenever possible.

(d) Work with residential, commercial, and industrial customers to reduce annual demand and conserve energy through load management techniques and other activities it considers appropriate. The commission shall file a report with the legislature by December 31, 2010 on the effort to reduce peak demand. The report shall also include any recommendations for legislative action concerning load management that the commission considers necessary.

(2) The commission may allow a provider whose rates are regulated by the commission to recover costs for load management undertaken pursuant to an energy optimization plan through base rates as part of a proceeding under section 6 of 1939 PA 3, MCL 460.6, if the costs are reasonable and prudent and meet the utility systems resource cost test.

- (3) The commission shall do all of the following:
- (a) Promote energy efficiency and energy conservation.
 - (b) Actively pursue increasing public awareness of energy conservation and energy efficiency.
 - (c) Actively engage in energy conservation and energy efficiency efforts with providers.
 - (d) Engage in regional efforts to reduce demand for energy through energy conservation and energy efficiency.
 - (e) By November 30, 2009, and each year thereafter, submit to the standing committees of the senate and house of representatives with primary responsibility for energy and environmental issues a report on the effort to implement energy conservation and energy efficiency programs or measures. The report may include any recommendations of the commission for energy conservation legislation.

(4) This subpart does not limit the authority of the commission, following an integrated resource plan proceeding and as part of a rate-making process, to allow a provider whose rates are regulated by the commission to recover for additional prudent energy efficiency and energy conservation measures not included in the provider's energy optimization plan if the provider has met the requirements of the energy optimization program.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1097 Compliance with energy optimization standards; reports.

Sec. 97. (1) By a time determined by the commission, each provider shall submit to the commission an annual report that provides information relating to the actions taken by the provider to comply with the energy optimization standards. By that same time, a municipally-owned electric utility shall submit a copy of the report to the governing body of the municipally-owned electric utility, and a cooperative electric utility shall submit a copy of the report to its board of directors.

(2) An annual report under subsection (1) shall include all of the following information:

- (a) The number of energy optimization credits that the provider generated during the reporting period.
- (b) Expenditures made in the past year and anticipated future expenditures to comply with this subpart.
- (c) Any other information that the commission determines necessary.

(3) Concurrent with the submission of each report under subsection (1), a municipally-owned electric utility shall submit a summary of the report to its customers in their bills with a bill insert and to its governing body. Concurrent with the submission of each report under subsection (1), a cooperative electric utility shall submit a summary of the report to its members in a periodical issued by an association of rural electric cooperatives and to its board of directors. A municipally-owned electric utility or cooperative electric provider shall make a copy of the report available at its office and shall post a copy of the report on its website. A summary under this section shall indicate that a copy of the report is available at the office or website.

(4) Not later than 1 year after the effective date of this act, the commission shall submit a report on the potential rate impacts on all classes of customers if the electric providers whose rates are regulated by the commission decouple rates. The report shall be submitted to the standing committees of the senate and house of representatives with primary responsibility for energy and environmental issues. The commission's report shall review whether decoupling would be cost-effective and would reduce the overall consumption of fossil fuels in this state.

(5) By October 1, 2010, the commission shall submit to the committees described in subsection (4) any recommendations for legislative action to increase energy conservation and energy efficiency based on reports under subsection (1), the energy optimization plans approved under section 89, and the commission's own investigation. By March 1, 2013, the commission shall submit to those committees a report on the progress of electric providers in achieving reductions in energy use. The commission may use an independent evaluator to review the submissions by electric providers.

(6) By February 15, 2011 and each year thereafter and by September 30, 2015, the commission shall submit to the committees described in subsection (4) a report that evaluates and determines whether this subpart and subpart A have each been cost-effective and makes recommendations to the legislature. The report shall be combined with any concurrent report by the commission under section 51.

(7) The report required by September 30, 2015 under subsection (6) shall also review the opportunities for additional cost-effective energy optimization programs and make any recommendations the commission may have for legislation providing for the continuation, expansion, or reduction of energy optimization standards. That report shall also include the commission's determinations of all of the following:

- (a) The percentage of total energy savings required by the energy optimization standards that have actually

been achieved by each electric provider and by all electric providers cumulatively.

(b) The percentage of total energy savings required by the energy optimization standards that have actually been achieved by each natural gas provider and by all natural gas providers cumulatively.

(c) For each provider, whether that provider's program under this subpart has been cost-effective.

(8) If the commission determines in its report required by September 30, 2015 under subsection (6) or determines subsequently that a provider's energy optimization program under this subpart has not been cost-effective, the provider's program is suspended beginning 180 days after the date of the report or subsequent determination. If a provider's energy optimization program is suspended under this subsection, both of the following apply:

(a) The provider shall maintain cumulative incremental energy savings in megawatt hours or decatherms or equivalent MCFs in subsequent years at the level actually achieved during the year preceding the year in which the commission's determination is made.

(b) The provider shall not impose energy optimization charges in subsequent years except to the extent necessary to recover unrecovered energy optimization expenses incurred under this subpart before suspension of the provider's program.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

SUBPART C. MISCELLANEOUS

460.1111 Municipally-owned electric utilities; new authority not granted to commission.

Sec. 111. This part does not provide the commission with new authority with respect to municipally-owned electric utilities except to the extent expressly provided in this act.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1113 Pollution control equipment; use of electricity or natural gas in installation, operation, or testing; exemption.

Sec. 113. Notwithstanding any other provision of this part, electricity or natural gas used in the installation, operation, or testing of any pollution control equipment is exempt from the requirements of, and calculations of compliance required under, this part.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 3.

STATE GOVERNMENT ENERGY EFFICIENCY AND CONSERVATION

460.1131 Reduction in state government grid-based energy purchases; goal.

Sec. 131. It is the goal of this state to reduce state government grid-based energy purchases by 25% by 2015, when compared to energy use and energy purchases for the state fiscal year ending September 30, 2002.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1133 Department of management and budget; duties.

Sec. 133. The department of management and budget, after consultation with the energy office in the department of labor and economic growth, shall do all of the following:

(a) Establish a program for energy analyses of each state building that identifies opportunities for reduced energy use, including the cost and energy savings for each such opportunity, and includes a completion schedule. Under the program, the energy star assessment and rating program shall be extended to all buildings owned or leased by this state. An energy analysis of each such building shall be conducted at least every 5 years. Within 1 year after the effective date of this act, an energy analysis shall be conducted of any such building for which an energy analysis was not conducted within 5 years before the effective date of this act. If building or facility modifications are allowed under the terms of a lease, the state shall undertake any recommendations resulting from an energy audit to those facilities if the recommendations will save money.

(b) Examine the cost and benefit of using LEED building code standards when constructing or remodeling a state building.

(c) Before the state leases a building, examine the cost and benefit of leasing a building that meets LEED building codes standards, or remodeling a building to meet such standards. The state shall take into consideration whether a building has historical, architectural, or cultural significance that could be harmed by a lease not being renewed solely based on the building's failure to meet LEED criteria.

(d) Assist each state department in appointing an energy reduction coordinator to work with the department of management and budget and the state energy office to reduce state energy use.

(e) Ensure that, during any renovation or construction of a state building, energy efficient products are used whenever possible and that the state purchases energy efficient products whenever possible.

(f) Implement a program to educate state employees on how to conserve energy. The energy office and the department of management and budget shall update the program every 3 years.

(g) Use more cost-effective lighting technologies, geothermal heat pumps, and other cost-effective technologies to conserve energy.

(h) Reduce state government energy use during peak summer energy use seasons with the goal of achieving reductions beginning in 2010.

(i) Create a web-based system for tracking energy efficiency and energy conservation projects occurring within state government.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 4. WIND ENERGY RESOURCE ZONE

460.1141 Definitions.

Sec. 141. As used in this part:

(a) "Construction" means any substantial action constituting placement or erection of the foundations or structures supporting a transmission line. Construction does not include preconstruction activity or the addition of circuits to an existing transmission line.

(b) "Route" means real property on or across which a transmission line is constructed or proposed to be constructed.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1143 Wind energy resource zone board; membership.

Sec. 143. Within 60 days after the effective date of this act, the commission shall create the wind energy resource zone board. The board shall consist of 9 members, as follows:

- (a) 1 member representing the commission.
- (b) 2 members representing the electric utility industry.
- (c) 1 member representing alternative electric suppliers.
- (d) 1 member representing the attorney general.
- (e) 1 member representing the renewable energy industry.
- (f) 1 member representing cities and villages.
- (g) 1 member representing townships.
- (h) 1 member representing independent transmission companies.
- (i) 1 member representing a statewide environmental organization.
- (j) 1 member representing the public at large.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1145 Wind energy resource zone board; powers, duties, and decision-making authority; report.

Sec. 145. (1) The wind energy resource zone board shall exercise its powers, duties, and decision-making authority under this part independently of the commission.

(2) The board shall do all of the following:

(a) In consultation with local units of government, study all of the following:

(i) Wind energy production potential and the viability of wind as a source of commercial energy generation in this state.

(ii) Availability of land in this state for potential utilization by wind energy conversion systems.

(b) Conduct modeling and other studies related to wind energy, including studying existing wind energy conversion systems, estimates for additional wind energy conversion system development, and average annual recorded wind velocity levels. The board's studies should include examination of wind energy conversion system requests currently in the applicable regional transmission organization's generator interconnection queue.

(3) Within 240 days after the effective date of this act, issue a proposed report detailing its findings under subsection (2). The board's proposed report shall include the following:

(a) A list of regions in the state with the highest level of wind energy harvest potential.

(b) A description of the estimated maximum and minimum wind generating capacity in megawatts that can be installed in each identified region of this state.

(c) An estimate of the annual maximum and minimum energy production potential for each identified region of this state.

(d) An estimate of the maximum wind generation capacity already in service in each identified region of this state.

(4) The board shall submit a copy of the proposed report under subsection (3) to the legislative body of each local unit of government located in whole or part within any region listed in subsection (3)(a). The legislative body may submit comments to the board on the proposed report within 63 days after the proposed report was submitted to the legislative body. After the deadline for submitting comments on the proposed report, the board shall hold a public hearing on the proposed report. The board may hold a separate public hearing in each region listed under subsection (3)(a). The board shall give written notice of a public hearing under this subsection to the legislative body of each local unit of government located in whole or part within the region or regions that are the subject of the hearing and shall publish the notice in a newspaper of general circulation within the region or regions.

(5) Within 45 days after satisfying the requirements of subsection (4), the board shall issue a final report as described in subsection (3).

(6) After the board issues its report under subsection (5), electric utilities, affiliated transmission companies and independent transmission companies with transmission facilities within or adjacent to regions of this state identified in the board's report shall identify existing or new transmission infrastructure necessary to deliver maximum and minimum wind energy production potential for each of those regions and shall submit this information to the board for its review.

(7) The board is dissolved 90 days after it issues its report under subsection (5).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1147 Wind energy resource zone; designation; creation; preparation of order; report.

Sec. 147. (1) Based on the board's findings as reported under section 145, the commission shall, through a final order, designate the area of this state likely to be most productive of wind energy as the primary wind energy resource zone and may designate additional wind energy resource zones.

(2) A wind energy resource zone shall be created on land that is entirely within the boundaries of this state and shall encompass a natural geographical area or region of this state. A wind zone shall exclude land that is zoned residential when the board's proposed report is issued under section 145, unless the land is subsequently zoned for nonresidential use.

(3) In preparing its order, the commission shall evaluate projected costs and benefits in terms of the long-term production capacity and long-term needs for transmission. The order shall ensure that the designation of a wind zone does not represent an unreasonable threat to the public convenience, health, and safety and that any adverse impacts on private property values are minimal. In determining the location of a wind zone, the commission shall consider all of the following factors pursuant to the findings of the board:

(a) Average annual wind velocity levels in the region.

(b) Availability of land in the region that may be utilized by wind energy conversion systems.

(c) Existing wind energy conversion systems in the region.

(d) Potential for megawatt output of combined wind energy conversion systems in the region.

(e) Other necessary and appropriate factors as to which findings are required by the commission.

(4) In conjunction with the issuance of its order under subsection (1), the commission shall submit to the legislature a report on the effect that setback requirements and noise limitations under local zoning or other

ordinances may have on wind energy development in wind energy resource zones. The report shall include any recommendations the commission may have for legislation addressing these issues. Before preparing the report, the commission shall conduct hearings in various areas of the state to receive public comment on the report.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1149 Electric utility, affiliated transmission company, or independent transmission company; expedited siting certificate; application; approvals.

Sec. 149. (1) To facilitate the transmission of electricity generated by wind energy conversion systems located in wind energy resource zones, the commission may issue an expedited siting certificate for a transmission line to an electric utility, affiliated transmission company, or independent transmission company as provided in this part.

(2) An electric utility, affiliated transmission company, or independent transmission company may apply to the commission for an expedited siting certificate. An applicant may withdraw an application at any time.

(3) Before filing an application for an expedited siting certificate for a proposed transmission line under this part, an electric utility, affiliated transmission company, or independent transmission company must receive any required approvals from the applicable regional transmission organization for the proposed transmission line.

(4) Sixty days before seeking approval from the applicable regional transmission organization for a transmission line as described in subsection (3), an electric utility, affiliated transmission company, or independent transmission company shall notify the commission in writing that it will seek the approval.

(5) The commission shall represent this state's interests in all proceedings before the applicable regional transmission organization for which the commission receives notice under subsection (4).

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1151 Expedited siting certificate; application; contents.

Sec. 151. An application for an expedited siting certificate shall contain all of the following:

(a) Evidence that the proposed transmission line received any required approvals from the applicable regional transmission organization.

(b) The planned date for beginning construction of the proposed transmission line.

(c) A detailed description of the proposed transmission line, its route, and its expected configuration and use.

(d) Information addressing potential effects of the proposed transmission line on public health and safety.

(e) Information indicating that the proposed transmission line will comply with all applicable state and federal environmental standards, laws, and rules.

(f) A description and evaluation of 1 or more alternate transmission line routes and a statement of why the proposed route was selected.

(g) Other information reasonably required by commission rules.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1153 Notice; conduct of proceeding; determination by commission that requirements are met; precedence; certificate as conclusive and binding; time period for granting or denying certificate.

Sec. 153. (1) Upon applying for a certificate, an electric utility, affiliated transmission company, or independent transmission company shall give public notice in the manner and form the commission prescribes of an opportunity to comment on and participate in a contested case with respect to the application. Notice shall be published in a newspaper of general circulation in the relevant wind energy resource zone within a reasonable time period after an application is provided to the commission and shall be sent to each affected municipality, electric utility, affiliated transmission company, and independent transmission company and each affected landowner on whose property a portion of the proposed transmission line will be constructed. The notice shall be written in plain, nontechnical, and easily understood terms and shall contain a title that includes the name of the electric utility, affiliated transmission company, or independent transmission

company and the words "Notice of Intent to Construct a Transmission Line to Serve a Wind Energy Resource Zone".

(2) The commission shall conduct a proceeding on the application for an expedited siting certificate as a contested case under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Upon receiving an application for a certificate, each affected municipality and each affected landowner shall be granted full intervener status as of right in commission proceedings concerning the proposed transmission lines.

(3) The commission shall grant an expedited siting certificate if it determines that all of the following requirements are met:

(a) The proposed transmission line will facilitate transmission of electricity generated by wind energy conversion systems located in a wind energy resource zone.

(b) The proposed transmission line has received federal approval.

(c) The proposed transmission line does not represent an unreasonable threat to the public convenience, health, and safety.

(d) The proposed transmission line will be of appropriate capability to enable the wind potential of the wind energy resource zone to be realized.

(e) The proposed or alternate route to be authorized by the expedited siting certificate is feasible and reasonable.

(4) If the commission grants an expedited siting certificate for a transmission line under this part, the certificate takes precedence over a conflicting local ordinance, law, rule, regulation, policy, or practice that prohibits or regulates the location or construction of the transmission line. A zoning ordinance or limitation imposed after an electric utility, affiliated transmission company, or independent transmission company files for a certificate shall not limit or impair the transmission line's construction, operation, or maintenance.

(5) In an eminent domain or other related proceeding arising out of or related to a transmission line for which a certificate is issued, a certificate issued under this act is conclusive and binding as to the public convenience and necessity for that transmission line and its compatibility with the public health and safety or any zoning or land use requirements in effect when the application was filed.

(6) The commission has a maximum of 180 days to grant or deny an expedited siting certificate under this section.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1155 Annual report.

Sec. 155. The commission shall make an annual report, summarizing the impact of establishing wind energy resource zones, expedited transmission line siting applications, estimates for future wind generation within wind zones, and recommendations for program enhancements or expansion, to the governor and the legislature on or before the first Monday of March of each year.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1157 Construction of transmission line not prohibited.

Sec. 157. This part does not prohibit an electric utility, affiliated transmission company, or independent transmission company from constructing a transmission line without obtaining an expedited siting certificate.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1159 Commission order subject to review; administration of part.

Sec. 159. (1) A commission order relating to any matter provided for under this part is subject to review as provided in section 26 of 1909 PA 300, MCL 462.26.

(2) In administering this part, the commission has only those powers and duties granted to the commission under this part.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1161 Eminent domain not conferred.

Sec. 161. This part does not confer the power of eminent domain.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 5. NET METERING

460.1171 "Electric utility" defined.

Sec. 171. As used in this part, "electric utility" means any person or entity whose rates are regulated by the commission for the purpose of selling electricity to retail customers in this state.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1173 Statewide net metering program; establishment; order; rules; 1 percent requirement; selection of participating customers; provisions; maintenance of records.

Sec. 173. (1) The commission shall establish a statewide net metering program by order issued not later than 180 days after the effective date of this act. No later than 180 days after the effective date of this act, the commission shall promulgate rules regarding any time limits on the submission of net metering applications or inspections of net metering equipment and any other matters the commission considers necessary to implement this part. Any rules adopted regarding time limits for approval of parallel operation shall recognize reliability and safety complications including those arising from equipment saturation, use of multiple technologies, and proximity to synchronous motor loads. The program shall apply to all electric utilities and alternative electric suppliers in this state. Except as otherwise provided under this part, customers of any class are eligible to interconnect eligible electric generators with the customer's local electric utility and operate the generators in parallel with the distribution system. The program shall be designed for a period of not less than 10 years and limit each customer to generation capacity designed to meet only the customer's electric needs. The commission may waive the application, interconnection, and installation requirements of this part for customers participating in the net metering program under the commission's March 29, 2005 order in case no. U-14346.

(2) An electric utility or alternative electric supplier is not required to allow for net metering that is greater than 1% of its in-state peak load for the preceding calendar year. The utility or supplier shall notify the commission if its net metering program reaches the 1% requirement under this subsection. The 1% limit under this subsection shall be allocated as follows:

(a) No more than 0.5% for customers with a system capable of generating 20 kilowatts or less.

(b) No more than 0.25% for customers with a system capable of generating more than 20 kilowatts but not more than 150 kilowatts.

(c) No more than 0.25% for customers with a system capable of generating more than 150 kilowatts.

(3) Selection of customers for participation in the net metering program shall be based on the order in which the applications for participation in the net metering program are received by the electric utility or alternative electric supplier.

(4) An electric utility or alternative electric supplier shall not refuse to provide or discontinue electric service to a customer solely for the reason that the customer participates in the net metering program.

(5) The program created under subsection (1) shall include all of the following:

(a) Statewide uniform interconnection requirements for all eligible electric generators. The interconnection requirements shall be designed to protect electric utility workers and equipment and the general public.

(b) Net metering equipment and its installation must meet all current local and state electric and construction code requirements. Any equipment that is certified by a nationally recognized testing laboratory to IEEE 1547.1 testing standards and in compliance with UL 1741 scope 1.1A, effective May 7, 2007, and installed in compliance with this part is considered to be eligible equipment. Within the time provided by the commission in rules promulgated under subsection (1) and consistent with good utility practice, protection of electric utility workers, protection of electric utility equipment, and protection of the general public, an electric utility may study, confirm, and ensure that an eligible electric generator installation at the customer's site meets the IEEE 1547 anti-islanding requirements. Utility testing and approval of the interconnection and execution of a parallel operating agreement must be completed prior to the equipment operating in parallel with the distribution system of the utility.

(c) A uniform application form and process to be used by all electric utilities and alternative electric

suppliers in this state. Customers who are served by an alternative electric supplier shall submit a copy of the application to the electric utility for the customer's service area.

(d) Net metering customers with a system capable of generating 20 kilowatts or less qualify for true net metering.

(e) Net metering customers with a system capable of generating more than 20 kilowatts qualify for modified net metering.

(6) Each electric utility and alternative electric supplier shall maintain records of all applications and up-to-date records of all active eligible electric generators located within their service area.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1175 Net metering; application fee; limitation; costs; interconnection requirements.

Sec. 175. (1) An electric utility or alternative electric supplier may charge a fee not to exceed \$100.00 to process an application for net metering. A customer with a system capable of generating more than 20 kilowatts shall pay all interconnection costs. A customer with a system capable of generating more than 150 kilowatts shall pay standby costs. The commission shall recognize the reasonable cost for each electric utility and alternative electric supplier to operate a net metering program. For an electric utility with 1,000,000 or more retail customers in this state, the commission shall include in that utility's nonfuel base rates all costs of meeting all program requirements except that all energy costs of the program shall be recovered through the utility's power supply cost recovery mechanism under sections 6j and 6k of 1939 PA 3, MCL 460.6j and 460.6k. For an electric utility with less than 1,000,000 base distribution customers in this state, the commission shall allow that utility to recover all energy costs of the program through the power supply cost recovery mechanism under sections 6j and 6k of 1939 PA 3, MCL 460.6j and 460.6k, and shall develop a cost recovery mechanism for that utility to contemporaneously recover all other costs of meeting the program requirements.

(2) The interconnection requirements of the net metering program shall provide that an electric utility or alternative electric supplier shall, subject to any time requirements imposed by the commission and upon reasonable written notice to the net metering customer, perform testing and inspection of an interconnected eligible electric generator as is necessary to determine that the system complies with all applicable electric safety, power quality, and interconnection requirements. The costs of testing and inspection are considered a cost of operating a net metering program and shall be recovered under subsection (1).

(3) The interconnection requirements shall require all eligible electric generators, alternative electric suppliers, and electric utilities to comply with all applicable federal, state, and local laws, rules, or regulations, and any national standards as determined by the commission.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1177 Customer's energy use in billing period; use of electric meters; credit.

Sec. 177. (1) Electric meters shall be used to determine the amount of the customer's energy use in each billing period, net of any excess energy the customer's generator delivers to the utility distribution system during that same billing period. For a customer with a generation system capable of generating more than 20 kilowatts, the utility shall install and utilize a generation meter and a meter or meters capable of measuring the flow of energy in both directions. A customer with a system capable of generating more than 150 kilowatts shall pay the costs of installing any new meters.

(2) An electric utility serving over 1,000,000 customers in this state may provide its customers participating in the net metering program, at no additional charge, a meter or meters capable of measuring the flow of energy in both directions.

(3) An electric utility serving fewer than 1,000,000 customers in this state shall provide a meter or meters described in subsection (2) to customers participating in the net metering program at cost. Only the incremental cost above that for meters provided by the electric utility to similarly situated nongenerating customers shall be paid by the eligible customer.

(4) If the quantity of electricity generated and delivered to the utility distribution system by an eligible electric generator during a billing period exceeds the quantity of electricity supplied from the electric utility or alternative electric supplier during the billing period, the eligible customer shall be credited by their supplier of electric generation service for the excess kilowatt hours generated during the billing period. The credit shall appear on the bill for the following billing period and shall be limited to the total power supply charges on

that bill. Any excess kilowatt hours not used to offset electric generation charges in the next billing period will be carried forward to subsequent billing periods. Notwithstanding any law or regulation, net metering customers shall not receive credits for electric utility transmission or distribution charges. The credit per kilowatt hour for kilowatt hours delivered into the utility's distribution system shall be either of the following:

(a) The monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory, or for net metering customers on a time-based rate schedule, the monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory during the time-of-use pricing period.

(b) The electric utility's or alternative electric supplier's power supply component of the full retail rate during the billing period or time-of-use pricing period.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1179 Renewable energy credits.

Sec. 179. An eligible electric generator shall own any renewable energy credits granted for electricity generated under the net metering program created in this part.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1181 Finding of noncompliance; remedies and penalties.

Sec. 181. Upon a complaint or on the commission's own motion, if the commission finds, after notice and hearing, that an electric utility has not complied with a provision or order issued under this part, the commission shall order remedies and penalties as necessary to make whole a customer or other person who has suffered damages as a result of the violation.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

PART 6.

MISCELLANEOUS COMMISSION PROVISIONS

460.1191 Temporary order; issuance; rules.

Sec. 191. (1) Within 60 days after the effective date of this act, the commission shall issue a temporary order implementing this act, including, but not limited to, all of the following:

(a) Formats of renewable energy plans for various categories of electric providers.

(b) Guidelines for requests for proposals under this act.

(2) Within 1 year after the effective date of this act, the commission shall promulgate rules to implement this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. Upon promulgation of the rules, the order under subsection (1) is rescinded.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1193 Contested case proceeding; intervention; confidential business information.

Sec. 193. (1) Any interested party may intervene in a contested case proceeding under this act as provided in general rules of the commission.

(2) The commission and a provider shall handle confidential business information under this act in a manner consistent with state law and general rules of the commission.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

460.1195 Authority of commission not limited.

Sec. 195. This act does not limit any authority of the commission otherwise provided by law.

History: 2008, Act 295, Imd. Eff. Oct. 6, 2008.

Compiler's note: Enacting section 1 of Act 295 of 2008 provides: "Enacting section 1. As provided in section 5 of 1846 RS 1, MCL 8.5, this act is severable."

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Administrator's Office

Submitted By: Misty Cunningham

Agenda Item: Legal Services Policy (first reading)

SUGGESTED MOTION:

To receive the proposed Legal Services Policy for review and comment. (first reading)

SUMMARY OF REQUEST:

This request is to review the new Legal Services Policy and forward it to the Board of Commissioners for a first and second reading before final approval.

FINANCIAL INFORMATION:

Total Cost: \$0.00 | General Fund Cost: \$0.00 | Included in Budget: Yes | No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated | Non-Mandated | New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 4: To Continually Improve the County's Organization and Services.

Objective: 1: Review and evaluate the organization, contracts, programs, systems, and services for potential efficiencies.

ADMINISTRATION RECOMMENDATION: Recommended | Not Recommended | Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Planning and Policy Committee 6/14/2012



County of Ottawa

LEGAL SERVICES POLICY

I. POLICY

The purpose of this policy is to provide timely, cost efficient, and adequate civil legal services to all Ottawa County ("County") Departments, funding units, officers and employees and to implement MCL §49.73, which empowers the County Board of Commissioners ("Board") to employ an attorney to represent elected county officers, including the sheriff, prosecuting attorney, clerk, treasurer, register of deeds, drain commissioner, and judges of the county district and probate, and circuit courts in civil matters when "neither the prosecuting attorney or county corporation counsel" is able to represent the particular officer.

II. STATUTORY REFERENCES

MCL §49.73

III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Resolution Number and Policy Adoption Date:

Board of Commissioner Review Date and Resolution Number:

Name and Date of Last Committee Review:

Last Review by Internal Policy Review Team: May 18, 2012



County of Ottawa

IV. PROCEDURE

A. Purview: Except as provided in Section 1. a. below, this policy shall apply to all civil legal services funded or provided by the County, including those provided at the request of the County elected officials, employees, department heads, employees and the judges of the County district, probate and circuit courts pursuant to MCL §49.73. Collectively, all County departments, activities, funding units, courts, elected officials, officers, employees and other personnel who may request or be eligible for County funded civil legal services in their official capacities are described herein as "Recipients."

1. Corporation Counsel:

a. The County has established the Office of Corporation Counsel to provide internal legal services to all Recipients. Subject to the exceptions identified in Section 1. a. of this Policy, all legal services provided to Recipients must be provided through the Office of Corporation Counsel.

b. Exceptions: This policy shall not apply to the following legal services:

- 1). Criminal and quasi-criminal prosecution legal services provided by the Prosecuting Attorney.
- 2). Indigent defense legal services provided to criminal defendants through the trial courts.
- 3). Litigation and risk management counseling services provided through the Ottawa County, Michigan Insurance Authority.
- 4). Legal opinions or legal services provided by Associations to which the Recipient belongs.
- 5). Legal services for special engagements and purposes expressly approved by the County Board of Commissioners

c. Opinions: All Recipients may request a legal opinion from the Office of Corporation Counsel. All Recipients must follow the written legal opinion of Corporation Counsel for official activities and functions regardless of whether or not they requested the legal opinion. If the Recipient is dissatisfied with the opinion of Corporation Counsel, the Recipient may forward a confidential request through the Office of Corporation Counsel to the Board of Commissioners, requesting the latter to engage outside counsel to provide a second opinion. The Board will consult with the Recipient regarding the selection of the counsel to provide the second opinion and the Board will select such counsel in consideration of factors that include but are not limited to, expertise, cost and objectivity. If the Board of Commissioners authorizes



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a second opinion and that opinion differs from that of Corporation Counsel, the latter will meet with the attorney issuing the second opinion and attempt to resolve the difference of opinion. If they reach a consolidated opinion, the Recipient must adhere to that consolidated opinion. If the opinions do not agree, the elected official or funded trial court judicial Recipient will determine which of the two opinions he or she will follow. In all other instances, the County Administrator will make the decision as to which of the two opinions must be followed.

2. Legal Defense Services: Within twenty-four (24) hours of being served with a summons and complaint pertaining to his or her office or official performance, any employee or elected or appointed official must forward a copy of the all documents served to Corporation Counsel. Upon receipt of a summons and complaint, Corporation Counsel shall promptly contact the County Administrator. Together, they shall make an initial assignment of the defense of the matter to Corporation Counsel, Ottawa County, Michigan Insurance Authority, another insurance carrier or recommend that the Board of Commissioners engage another defense attorney.
3. Other Legal Services: If a Recipient believes that he or she needs legal counsel related to his or her official performance or the performance of the county funded department, office or activity he or she supervises that cannot be effectively provided by Corporation Counsel, the Recipient shall confer with and submit a written request for legal services to the County Administrator, who will forward the request to the Board of Commissioners, which shall make a decision upon the request as soon as practicable. In unusual circumstances, the Administrator with the approval of the Board Chair may consult with outside civil counsel on County matters.
4. If a Recipient is dissatisfied with the attorney assigned to defend him or her, the Recipient must advise the Board of Commissioners in writing of the nature of the concern and whether or not the individual requests a new assignment. The individual may request a particular attorney, but the Board of Commissioners retains the discretion to determine whether new legal counsel will be provided, and if so, to select such counsel. All Recipients must cooperate with the attorney assigned to defend him or her.
5. No Recipient may employ or retain an attorney or law firm at County expense, except pursuant to this policy and upon the express prior written approval of the Board of Commissioners.
6. Any Recipient who knowingly violates this policy or who pleads guilty or is convicted of a criminal offense in the course of their performance for Ottawa County voluntarily forfeits with respect to that activity, any right under statute, common law, or county policy or procedure to a County funded legal defense and/or indemnification by Ottawa County.



County of Ottawa

V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Administrator's Office

Submitted By: Misty Cunningham

Agenda Item: Performance Verification Policy (first reading)

SUGGESTED MOTION:

To receive the revised Performance Verification Policy (formally Performance Measurement Policy) for review and comment. (first reading)

SUMMARY OF REQUEST:

County policies require periodic review and updates. This request is to review the revised changes and forward to the Board of Commissioners for a first and second reading before final approval.

FINANCIAL INFORMATION:

Total Cost: \$0.00 General Fund Cost: \$0.00 Included in Budget: Yes No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated Non-Mandated New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 4: To Continually Improve the County's Organization and Services.

Objective: 1: Review and evaluate the organization, contracts, programs, systems, and services for potential efficiencies.

ADMINISTRATION RECOMMENDATION: Recommended Not Recommended Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Planning and Policy Committee 6/14/2012



County of Ottawa

PERFORMANCE ~~MEASUREMENT VERIFICATION~~ POLICY

I. POLICY

In accordance with the County Board of Commissioner's goal of continually improving the County's organization and services, as well as maximizing financial resources, this policy establishes a system to verify performance and the effective use of taxpayer and other public funds.

The system utilizes a combination of strategic planning, evaluation reports, and performance-based budgeting techniques to assist the Board with making prudent and informed decisions about the allocation of financial resources based on, but not limited to, workload, efficiency, outcomes, and cost. As stewards of public funds, the Ottawa County Board of Commissioners must be accountable for their use. Providing a thorough accounting for the dollars provided and used is important but true accountability also requires the Board to evaluate whether these dollars were used effectively. Performance measures that include output, efficiency, and outcome measures are critical tools in evaluating the effectiveness of County programs.

The intent of this Policy is to provide for the use of performance measures in County operations.

To facilitate the County budget process, all programs and activities funded by County dollars and/or accounted for through the County budget must submit performance measurements as part of the budget process. Performance measures will be used so that Administrator can make budget recommendations to the Board of Commissioners, to allow the Board to make informed allocations of fiscal resources, and to provide for the continued improvement of resource allocations.

II. STATUTORY REFERENCES

The Board of Commissioners may establish such rules and regulations regarding the business concerns of the County as the Board considers necessary and proper. See: MCL 46.11(m); 46.71, Act 156 of 1851, as amended.

III. COUNTY LEGISLATIVE OR HISTORICAL REFERENCES

Board of Commissioners Policy Adoption Date and Resolution Number: May 27, 2008; 08-123

Board of Commissioners Review Date and Resolution Number: May 13, 2008; 08-110

Name and Date of Last Committee Review: Planning and Policy Committee, May 8, 2008

Last Review by Internal Policy Review Team: May 16, 2012



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IV. PROCEDURE

A. To facilitate the performance verification system, the Board of Commissioners supports the completion of the following items:~~The Board of Commissioners will support the use of performance measures.~~

1. County Strategic Plan and Business Plan The Board will develop and maintain a Strategic Plan and an Annual Business Plan for the County which will provide strategic direction to departments/divisions as they develop their department performance plans and program evaluation plans.

2.

1. Development of department performance plans in order to assist the Board of Commissioners with their decision making during the annual budget allocation process, each department of County government (as defined in Board of Commissioner Rule IV, Section 4.6) are required to develop and maintain a Performance Plan that lists the goals, objectives, target population(s), programs, services, and performance measures of their respective office. The Board of Commissioners requests performance plans from the Circuit, District, and Probate Courts and related departments serving Ottawa County. Each of these Plans will be incorporated into the County's annual performance-based budgeting process.~~The Board will require annual reports from all departments under the control of the Administrator, and request annual reports from the courts and from offices and departments managed by elected officials. These annual reports will include performance measures that reflect the functions performed by each reporting entity.~~

~~As part of the annual budget reporting process, the Administration will incorporate performance measures that support the Ottawa County Strategic Plan as well as tie departmental goals and objectives to the annual budget.~~

a. All performance plans must be reviewed by the Planning and Performance Improvement (PPI) Department and Fiscal Services Department prior to final approval by the County Administrator.

b. Annual performance measurement data (e.g. workload, efficiency, outcomes, and customer service) will be incorporated into Performance Plan(s) by May 1 of each year.

c. The PPI Department will obtain benchmark data from other comparable counties, whenever feasible, to compare the performance and cost of departments of County government and courts.

d. The PPI Department will audit the annual performance measurement data to check for completeness, correctness, and consistency. The PPI Department will also calculate all cost data (e.g. department cost per capita, department



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cost per FTE) for inclusion in the performance plans.

Further, the PPI Department will prepare a benchmark analysis report for each department of County government and the courts by utilizing comparable benchmark data.

e. The PPI Department will forward all completed performance plans and benchmark analysis reports to the Fiscal Services Department by June 15 of each year.

f. The completed performance plans and benchmark analysis reports will be utilized by the County Board, County Administration, and the Fiscal Services Department to analyze personnel requests, staffing levels technology initiatives, funding requests, and other budgetary decisions.

3. Development of Program Evaluation Plans All programs/services which the County Board and/or County Administrator designate for evaluation must have an evaluation plan completed by the PPI Department. Each plan will include a program outline that defines the goals, objectives, target population(s), and performance measures that will be used to evaluate the program/service, as well as any other materials deemed necessary (e.g. program and data flow analysis, organization and work flow analysis, and data collection tools) to conduct the evaluation.

a. All evaluation plans must be approved by the PPI Department and County Administrator.

b. Departments of County government and the courts will provide any and all data that is required for the PPI Department to complete the evaluation of their respective program/service.

c. Completed evaluations, and any recommendations contained therein, will be used by the County Board and County Administration in the resource allocation process for future funding (e.g. continuation, modification, consolidation, privatization, discontinuation, other).

4. Annual Reports The Board will require annual reports from all departments of County government (as defined in Board of Commissioner Rule IV, Section 4.6) and request an annual report from the courts.-These annual reports will include the performance measurement data that are contained in the annual performance plans.

~~B. The Board will emphasize the development of outcome measures.~~



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~~1. In measuring performance, there are three types of indicators most often used. Output measures (e.g., number of tickets written) address the workload of departments, but do not indicate if the department is performing well. Efficiency measures (e.g., percent of payroll checks issued without error) address whether workloads/caseloads are being processed timely and efficiently. Outcome measures (e.g., recidivism) reflect effectiveness and indicate whether we have achieved the goals we set out to accomplish.~~

~~a. As part of their strategic planning process, the Board will include outcome performance measures that link County goals and objectives to results.~~

~~C. The Board will utilize performance measures in the decision-making process.~~

~~1. Once appropriate performance measures are developed, their true potential may be realized. The measures may be used to enhance service delivery, evaluate program performance and results, support new initiatives, communicate program goals and, ultimately, improve program effectiveness.~~

~~a. The Board will utilize performance measures in analyzing personnel requests, technology initiatives, program funding, and other budget decisions.~~

V. REVIEW PERIOD

The Internal Policy Review Team will review this Policy at least once every two years, and will make recommendations for changes to the Planning & Policy Committee.

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Treasurer

Submitted By: Bob Spaman

Agenda Item: Treasurer's Annual "Balance in Land Sale Proceeds Account" Report

SUGGESTED MOTION:

To receive for information the Annual "Balance in Land Sale Proceeds Account" Report.

SUMMARY OF REQUEST:

This report from the Treasurer's office identifies the balances that resulted from the sale(s), by the County Treasurer, of tax foreclosed property as sold under Public Act 123 of 1999 through 2007 Tax Year which sales were completed in 2010.

FINANCIAL INFORMATION:

Total Cost: \$0.00 | General Fund Cost: \$0.00 | Included in Budget: Yes | No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated | Non-Mandated | New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 1: To Maintain and Improve the Strong Financial Position of the County.

- Objective: 1: Maintain and improve the financial position of the County through legislative advocacy.
2: Implement processes and strategies to address operational budget deficits with pro-active, balanced approaches.
3: Approve strategies to reduce the negative impact of rising employee benefit costs on the budget.
4: Maintain or improve bond ratings.

ADMINISTRATION RECOMMENDATION: Recommended | Not Recommended | Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Finance and Administration Committee 6/19/2012

ANNUAL REPORT OF BALANCE IN LAND SALE PROCEEDS ACCOUNTS

In accordance with MCL 211.78m (8) (h), this written report is presented to the Board of Commissioners no later than June 30, the second calendar year after foreclosure.

Net Balance* in Land Sale Proceeds Accounts:

2002	Tax Year	\$0.00	State Foreclosed
2003	Tax Year	(\$7,476.78)	
2004	Tax Year	\$101.61	
2005	Tax Year	\$12,333.47	
2006	Tax Year	\$225,269.48	
2007	Tax Year	(\$7,755.98)	

Subtotal Proceeds: \$230,227.78

Contingent Liabilities:

2002	Tax Year	\$0.00
2003	Tax Year	\$0.00
2004	Tax Year	\$0.00
2005	Tax Year	(\$100,000.00)
2006	Tax Year	(\$225,000.00)
2007	Tax Year	\$0.00

General reserve against potential claims, currently unknown: \$0.00

Subtotal Liabilities: (\$325,000.00)

Balance from previous reports:

Untransferred Proceeds: \$0.00

Liabilities reported on previous report but subsequently released: \$0.00

Subtotal from previous reports: \$0.00

Available for transfer to General Fund: **(\$94,772.22)**

This report is prepared by Bradley J Slagh, Ottawa County Treasurer
to be presented to the Ottawa County Board of Commissioners June 19, 2012

Detailed calculation information is available upon request.

** Net Balance is defined as the amount remaining in the account after all claims in subsections (a) through (f) are satisfied.*

LAND SALE PROCEEDS ACCOUNTS: NET PROCEEDS CALCULATIONS

Categories of claims against Land Sale Proceeds and Contingent Liabilities are specified in MCL 211.78m (8). Simplified, those categories are:

- (a) Pay all taxes, interest and fees to Delinquent Tax Revolving fund.
- (b) Pay all costs of advertising and running the auction.
- (c) Pay all costs of the forfeiture and/or foreclosure proceedings for the year, such as, costs of mailing, publication, personal service, and outside contractors, etc.
- (d) **Reimburse any shortfalls from previous years.**
- (e) Reimburse any maintenance costs including clean up, demolition, and/or environmental remediation.
- (f) If the foreclosing governmental unit is not this state, any of the following:
 - (i) Proceeds from subsequent years can be used to reimburse shortfalls from current year.
 - (ii) Pay any costs for the defense of title actions.
 - (iii) Pay any other administrative costs of forfeiture, foreclosure and/or property sales and/or management.

	2002	2003	2004	2005	2006	2007
Gross Proceeds	\$0.00	\$18,294.40	\$16,255.69	\$156,121.01	\$317,740.00	\$143,549.50
Less costs:						
(a)	\$0.00	(\$36,902.66)	(\$8,785.89)	(\$138,306.97)	(\$80,908.74)	(\$119,821.75)
(b)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
(c)	\$0.00	(\$3,745.00)	(\$6,471.94)	(\$4,105.00)	(\$6,335.00)	(\$21,745.00)
(d)	\$0.00	\$0.00	(\$7,476.78)	(\$7,375.17)	\$0.00	\$7,755.98
(e)	\$0.00	(\$2,968.29)	(\$896.25)	(\$1,375.57)	(\$5,226.78)	(\$9,738.73)
(f)	\$0.00	\$0.00	\$0.00	\$0.00	(\$7,755.98)	\$0.00
Less write off:						
chargeback to local taxing authorities:	\$0.00	\$4.76	\$0.00	\$0.00	\$0.00	\$0.00
Net Proceeds:	\$0.00	(\$7,476.78)	(\$7,375.17)	\$4,958.30	\$217,513.50	\$0.00

LAND SALE PROCEEDS ACCOUNTS: LIABILITY CALCULATIONS

Categories of claims against Land Sale Proceeds and 'Contingent Liabilities are as follows in MCL 211.78m (8):

- (a) The delinquent tax revolving fund shall be reimbursed for all taxes, interest, and fees on all of the property, whether or not all of the property was sold.
- (b) All costs of the sale of property for the year shall be paid.
- (c) Any costs of the foreclosure proceedings for the year, including, but not limited to, costs of mailing, publication, personal service, and outside contractors shall be paid.
- (d) Any costs for the sale of property or foreclosure proceedings for any prior year that have not been paid or reimbursed from that prior year's delinquent tax property sales proceeds shall be paid.
- (e) Any costs incurred by the foreclosing governmental unit in maintaining property foreclosed under section 78k before the sale under this section shall be paid, including costs of any environmental remediation.
- (f) If the foreclosing governmental unit is not this state, any of the following:
 - (i) Any costs for the sale of property or foreclosure proceedings for any subsequent year that are not paid or reimbursed from that subsequent year's delinquent tax property sales proceeds shall be paid from any remaining balance in any prior year's delinquent tax property sales proceeds account.
 - (ii) Any costs for the defense of title actions.
 - (iii) Any costs incurred in administering the foreclosure and disposition of property forfeited for delinquent taxes under this act.

Tax Year	Category	Property Number	Liability Description	Amount
2002	None			\$ -
Tax year subtotal:				\$ -
2003	None			\$ -
Tax year subtotal:				\$ -
2004	None			\$ -
Tax year subtotal:				\$ -
2005		70-16-13-460-016	Former property owner has threatened to sue county and treasurer. (To be dropped if not filing by September of 2010	\$ 50,000
		70-17-18-397-001	Potential legal action. Prior tax payer may file suit for unconstitutional tax, fees and interest.	\$ 50,000
Tax year subtotal:				\$ 100,000
2006		70-08-33-300-022	Mtg holder notified. Mtg holder did not pay taxes. Potential legal action	\$ 25,000
		70-09-26-202-024	Mtg holder notified. Mtg holder did not pay taxes. Potential legal action	\$ 25,000
		70-15-36-379-023	Mtg holder notified. Mtg holder did not pay taxes. Potential legal action	\$ 25,000
		70-16-13-461-018	Former property owner has threatened to sue county and treasurer. (To be dropped if not filing by September of 2011	\$ 50,000
		70-16-32-101-010	Mtg holder notified. Mtg holder did not pay taxes. Potential legal action	\$ 25,000
		70-16-32-105-003	Mtg holder notified. Mtg holder did not pay taxes. Potential legal action	\$ 25,000
		70-17-30-330-009	Mtg holder notified. Mtg holder did not pay taxes. Potential legal action	\$ 25,000
		70-17-36-300-008	Mtg holder notified. Mtg holder did not pay taxes. Potential legal action	\$ 25,000
Tax year subtotal:				\$ 225,000
2007	None			\$ -
Tax year subtotal:				\$ -

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Drain Commission

Submitted By: Greg Rappleye

Agenda Item: Agreement for the Park West Drainage District - Ottawa County Drain

SUGGESTED MOTION:

To approve and authorize the Board Chair and Clerk to sign the agreement to pay part of the cost of construction of the Park West Drain in the amount of \$31,000.00.

SUMMARY OF REQUEST:

This agreement provides that Ottawa County will pay 1/3 of the costs of certain expenses relating to the construction of the Park West Drain. The total commitment of \$93,000 under this agreement will be split in three equal shares among the County, Park Township, and the Road Commission. The County share is therefore \$31,000.00. The costs "fronted" by the County will be credited against the final County assessment for construction of the drain. A similar agreement for related improvements was signed in January 2010.

FINANCIAL INFORMATION:

Total Cost: \$93,000.00 | General Fund Cost: \$31,000.00 | Included in Budget: Yes | No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated | Non-Mandated | New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 3: To Contribute to a Healthy Physical, Economic, & Community Environment.

Objective: 2: Continue initiatives to preserve the physical environment.

ADMINISTRATION RECOMMENDATION: Recommended | Not Recommended | Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Finance and Administration Committee 6/19/2012

**AGREEMENT TO PAY PART OF COST OF CONSTRUCTION
OF THE PARK WEST DRAIN**

THIS AGREEMENT, dated as of June 15, 2012, is among the PARK WEST DRAIN DRAINAGE DISTRICT, Ottawa County, Michigan (hereinafter referred to as the "Drainage District"), the TOWNSHIP OF PARK, a Michigan general law township in the County of Ottawa, Michigan (hereinafter referred to as the "Township"), the COUNTY OF OTTAWA (hereinafter referred to as the "County"), and the BOARD OF COUNTY ROAD COMMISSIONERS OF THE COUNTY OF OTTAWA (hereinafter referred to as the "Road Commission").

W I T N E S S E T H:

WHEREAS, proceedings have been taken by the Ottawa County Drain Commissioner on behalf of the Drainage District for the construction of the Park West Drain to be located in the Township of Park, Ottawa County, Michigan (hereinafter referred to as the "Drain"), under the provisions of Chapter 4 of the Michigan Drain Code, Act No. 40, Public Acts of Michigan, 1956, as amended, pursuant to a petition filed with the Drain Commissioner; and

WHEREAS, the Drain Commissioner has not yet completed all of the proceedings necessary under the Drain Code to proceed with the construction of the Drain at this time and the Township Board of the Township, the Board of Commissioners of the County and the Road Commission has each determined it would be in its respective best interest to have the Drain Commissioner proceed with constructing that portion of the Drain consisting of (i) installation of a culvert across 160th Avenue at the north right-of-way of Riley Street and (ii) approximately 600 feet of storm sewer from Ransom Street south, before completing the restoration and repaving of 160th Avenue (hereinafter referred to as the "2012 Interim Project") before the Drain Commissioner is in a position to proceed with constructing the entire Drain; and

WHEREAS, the cost of the 2012 Interim Project has been estimated to be \$93,000, based upon a bid submitted to the Drain Commissioner, and the Township, the County and the Road Commission are each willing to pay one-third (1/3) of the costs of the 2012 Interim Project so long as such costs are credited against the at-large assessment to be levied against each of the Township, the County and the Road Commission, respectively, in connection with the construction of the Drain; and

WHEREAS, the Drainage District is authorized under Section 431 of the Drain Code to enter into an agreement with public corporations such as the Township, the County and the Road Commission to pay all or part of the cost of a drain project, and the Township, the County and the Road Commission are each willing to pay one-third (1/3) of the costs of the 2012 Interim Project subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. The plans and specifications for the 2012 Interim Project, in the form prepared by Driesenga & Associates, Inc., consulting engineers, and presented to the Drain Commissioner, Township Board, the County Board of Commissioners and the Road Commission, are approved.

2 The Drain Commissioner, on behalf of the Drainage District, shall proceed to construct the 2012 Interim Project in accordance with the approved plans and specifications therefor. The Township, the County and the Road Commission each agrees to pay one-third (1/3) of all invoices submitted to the Drain Commissioner for the construction of the 2012 Interim Project promptly upon presentation of the same by the Drain Commissioner to the Township, the County and the Road Commission, respectively.

3. All payments made by the Township, the County and the Road Commission pursuant to this Agreement for the construction of the 2012 Interim Project shall be credited against the at-large assessment to be levied by the Drain Commissioner against each of the Township, the County and the Road Commission, respectively, in connection with the construction of the Drain; or at the option of the Township, the County or the Road Commission, shall be reimbursed to such party from the proceeds of the bonds to be issued by the Drainage District to provide the permanent financing for the Drain.

4. The obligation of the Township, the County and the Road Commission to make the foregoing payments for the construction of the 2012 Interim Project shall be absolute and unconditional and shall not be subject to any abatement, reduction or setoff of any kind. This Agreement shall not terminate, nor shall the obligation of the Township, the County or the Road Commission be affected by reason of any defect in or damage to or destruction of all or any part of the 2012 Interim Project from whatever cause, it being the intention of the parties hereto that the foregoing payments payable hereunder shall be payable in all events. Notwithstanding the foregoing, nothing contained in this Paragraph 4 or otherwise in this Agreement shall, in any way, be construed to limit the rights, causes of action or other claims of the Township, the County or the Road Commission, as the case may be, arising out of or in any way related to the Drain or the 2012 Interim Project.

5. This Agreement shall be construed in accordance with the laws of the State of Michigan.

6. This Agreement shall be binding upon and shall inure to the benefit of the Drainage District, the Township, the County and the Road Commission and their respective successors and assigns. No party shall assign its rights and responsibilities under this Agreement without the consent of the other parties.

7. This Agreement may be executed in one or more counterparts, which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Drainage District, the Township, the County and the Road Commission have executed this Agreement effective as of the date and year first above written.

PARK WEST DRAIN DRAINAGE DISTRICT

By: _____
Paul Geerlings
Drain Commissioner

TOWNSHIP OF PARK

By: _____
George Jacob
Its: Supervisor

And: _____
Skip Keeter
Its: Clerk

COUNTY OF OTTAWA

By: _____
Philip D. Kuyers
Its: Chairperson, Board of Commissioners

By: _____
Daniel C. Krueger
Its: Clerk

BOARD OF COUNTY ROAD COMMISSIONERS
OF THE COUNTY OF OTTAWA

By: _____
Thomas A. Palarz
Its: Chairman

Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Administrator's Office

Submitted By: Al Vanderberg

Agenda Item: 4 C's Initiative Project Budget and Capodagli Jackson Consulting Agreement

SUGGESTED MOTION:

To approve the recommended project budget of \$50,000 for the 4 C's Initiative, and to authorize the Board Chair and Clerk to sign an agreement with Capodagli Jackson Consulting for \$9,000 from this budget. Project budget funding from General Fund Contingency.

SUMMARY OF REQUEST:

The Board of Commissioners approved the 4 C's Initiative: Communication, Customer Service, Continuous Improvement, and Cultural Competency in the 2012 Business Plan. The enclosed contract with Capodagli Jackson Consulting provides for 2 – half day planning sessions for a steering committee and 2.5 days of training for 80 County leaders for the 2012 Ottawa County Disney Way Customer Service Initiative.

The project budget for the 4 C's while accounted for in Contingency is being funded through General Fund Savings in health care and the Fiscal/Administrations reorganization of earlier this year.

FINANCIAL INFORMATION:

Total Cost: \$50,000.00 | General Fund Cost: \$50,000.00 | Included in Budget: | Yes | No

If not included in budget, recommended funding source: Contingency which is being funded through General Fund Savings in health care and the Fiscal/Administrations reorganization of earlier this year

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated | Non-Mandated | New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 2: To Maintain and Enhance Communication with Citizens, Employees, and Other Stakeholders. & 4: To Continually Improve the County's Organization and Services.

Objective: Goal 2 Obj. 1: Maintain a comprehensive communication plan that guides the work of the County in this goal area. Obj. 2: Continue to improve www.miOttawa.org. Obj. 3: Review existing and implement new strategies to maximize communication with citizens Obj. 4: Continue to develop and implement methods of communicating with employees. Obj. 5: Evaluate communication with other key stakeholders. & Goal 4 Obj. 1: Maintain systems and programs of continuous improvement to gain efficiencies and improve effectiveness. Obj. 3: Maintain and expand investments in the human resources of the organization.

ADMINISTRATION RECOMMENDATION: | Recommended | Not Recommended | Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Finance and Administration Committee 6/19/2012



CONSULTING AGREEMENT

June 6, 2012

Mr. Alan G. Vanderberg
Ottawa County Administrator
12220 Fillmore Street, Suite 310
West Olive, MI 49460

Dear Al:

Capodagli Jackson Consulting looks forward to working with you on your 2012 Disney Way Customer Service Initiative.

This document, when returned by you, will set forth the agreement between Capodagli Jackson Consulting (CJC) and Ottawa County.

The following is an overview/outline of the Initiative (subject to be revised by mutual agreement):

CJC President Bill Capodagli will be the consultant and lead facilitator for the Initiative. Participants will be approximately 80 key leaders of 35 Ottawa County offices; the timeframe will be November-December of 2012 (exact times and location to be determined).

Directing the Initiative will be a Steering Team including you, Misty Cunningham, and a representative from each of the Ottawa County offices. The Steering Team will participate in a full-day Workshop in order to determine the Ottawa County Customer Service Story/Vision and Values. (The Steering Team will present the Story/Vision and Values during the multi-day Workshop as stated below.)

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PROPOSED AGENDA

DAY 1 PM

- Disney Way Lecturette and Customer Service Model
- Bridge Building Exercise
- Ottawa County Customer Service Story/Vision and Values – Steering Team Presentation

DAY 2 AM

- Storyboard Barriers to Success
- Customer Service Exercise
- Codes of Conduct Development
- Beam Exercise

DAY 2 PM

- Elements of Show Exercise
- Customer Service Storyboard
- Broken Squares Exercise
- Collaboration Lecturette and Discussion

DAY 3 AM (May continue after lunch.)

- Bead Factory Exercise
- Measurements – What and How to Measure
- Coaching and Feedback Exercise
- Storyboard Solutions to Key Barriers to Success
- Action Plans
- Debrief – Leadership, Customer Service, Innovation, Commitment

FOLLOW-UP

- Half-Day Workshop for Steering Team to create a Roadmap for producing the Ottawa County “Show(s)”; and determine a hiring and orientation process that reinforces a customer-centric culture
- Two days to include consultation, training, keynote presentation, and/or storyboarding

OUTCOMES

From Steering Team – Initial Full-day Workshop:

- Ottawa County Customer Service Story/Vision and Values

From Multi-day Workshop:

- Preliminary Codes of Conduct
- Identified barriers to success and initial plans to eliminate them
- An understanding of what is required to become a customer-centric organization

From Steering Team Follow-up Half-day Workshop:

- Roadmap for producing the Ottawa County Customer Service “Show(s)”
- Hiring and orientation process that reinforces a customer-centric culture
- Finalized Codes of Conduct

NOTES

1. Upon request, Bill Capodagli will be available to discuss any topics pertinent to the Initiative.
2. Electronic copies of the Powerpoint slides that match Bill’s Prezi presentation will be made available to Ottawa County.

FEES and PAYMENT SCHEDULE

- \$9,000.00 (all-inclusive/MI-based fee)

Payment is to be made as follows:

- Payment 1# - Deposit
Total: \$4500.00 (due 14 days from agreement acceptance and request to hold specific dates)
- Payment #2
Total: \$4500.00 (due 5 business days prior to the Steering Team Workshop)

Note: Please send all payments to Capodagli Jackson Consulting;
Attention Mindy, 1101 Robbins Road, Grand Haven, Michigan
49417

CJC agrees to reimburse Ottawa County 100% of the fees paid if CJC is unable to honor this commitment for any reason caused by CJC or Bill Capodagli.

Notwithstanding the foregoing, CJC or Ottawa County shall not be held liable for any damages for non-performance of this agreement in the event of any force majeure (including, but not limited to fire, flood, earthquake, severe weather event, or any other act of God, war, terrorism, riot, disease outbreak, travel deemed inadvisable or otherwise restricted, laws and government regulations, or labor disputes beyond the reasonable control of either party.) CJC shall not be entitled to liquidated damages or cancellation fees in the event Ottawa County cancels the Initiative due to any force majeure. CJC and Ottawa County will be released from their respective obligations under this agreement with no penalty as a result of any force majeure. Additionally, CJC shall promptly refund to Ottawa County any fees paid to CJC under this agreement in the event of force majeure.

Ottawa County agrees to provide prompt notice if the Initiative must be cancelled for any reason. Should the Initiative be cancelled and not rescheduled, the initial payment/deposit will be forfeited. In the unlikely event Ottawa County has to cancel the Initiative, CJC agrees to apply 100% of all fees paid by Ottawa County to a similar Initiative if rebooked, at

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Ottawa County's request, within the next 12 months and based upon Bill Capodagli's availability.

LOGISTICS/AV

- Facility and screen(s) to accommodate audience sizes
- Ample storyboard space for all Workshops
- LCD projector(s) compatible with an IBM laptop provided by CJC for slide (Prezi) presentation; Audio capability through the laptop will be needed
- Four to five 8-top round tables for the Steering Team Workshops; Ten to eleven 8-top round tables for multi-day Workshop
- One 6'-8' table for materials will be needed for both the Steering Team Workshops and the multi-day Workshop

If the foregoing is in accordance with your understanding, please sign this agreement and return it with the deposit, Payment #1. Please keep a copy for your records.

Capodagli Jackson Consulting looks forward to providing Ottawa County with a productive and worthwhile Disney Way Customer Service Initiative.

Most Sincerely,

Lynn Jackson, Vice President

Note: Capodagli Jackson Consulting is our DBA under The Center for Quality Leadership; Federal Tax ID #35-188-3632

Mr. Alan G. Vanderberg, Ottawa County Administrator

Philip D. Kuyers, Chairperson, Board of Commissioners

Daniel C. Krueger, Clerk

Date

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Action Request



Committee: Board of Commissioners

Meeting Date: 6/26/2012

Requesting Department: Administrator's Office

Submitted By: Misty Cunningham

Agenda Item: Board Appointments

SUGGESTED MOTION:

To place into nomination the name(s) of (*indicates recommendation of the Interview Subcommittee):

*Mary Ann F. Hensley

to fill one (1) City Government vacancy on the Solid Waste Planning Committee beginning immediately and ending December 31, 2013 (two (2) year term).

*Erika Duncan

to fill one (1) Business Sector vacancy on the Workforce Development Board beginning immediately and ending December 31, 2014 (three (3) year term).

SUMMARY OF REQUEST:

The Board of Commissioners makes appointments to the various Boards and Commissions of the County per Administrative Policy – Appointments to Boards and Commissions.

FINANCIAL INFORMATION:

Total Cost: \$0.00 | General Fund Cost: \$0.00 | Included in Budget: Yes | No

If not included in budget, recommended funding source:

ACTION IS RELATED TO AN ACTIVITY WHICH IS:

Mandated | Non-Mandated | New Activity

ACTION IS RELATED TO STRATEGIC PLAN:

Goal: 2: To Maintain and Enhance Communication with Citizens, Employees, and Other Stakeholders.

Objective: 5: Evaluate communication with other key stakeholders.

ADMINISTRATION RECOMMENDATION: Recommended | Not Recommended | Without Recommendation

County Administrator:

Committee/Governing/Advisory Board Approval Date: Human Resources Committee 6/26/2012

**APPLICATION FOR POSITION ON A BOARD
COMMISSION, OR ADVISORY BODY APPOINTED
BY THE OTTAWA COUNTY BOARD OF COMMISSIONERS**

Date 05/14/2012

Position Applying For Solid Waste Planning Committee/City Government (BC)

Position Applying For _____

Position Applying For _____

Name Mary Ann F Hensley

Address 900 Meadow Ridge Drive

City Holland ST MI Zip 49424

Last 4 digits of social security number 7866 Birth Month 4 Birth Day 11

Contact Information:

Home Phone 616-355-1335

Work Phone 616-886-6846

E-mail m.hensley@cityofholland.com

Fax Number 616-355-1335

Education:

School Aquinas College

School _____

Degree Associate

Degree _____

Employment Background:

Current Employer City of Holland Position Recycle/Solid Waste Education Coordinator

Responsibilities

Administration of City Refuse/Recycling contract;
Educate citizens on what is recyclable, how to recycle; look for new items to be recycled in our program; problem solve service issues;
administer Project Pride Program

Previous Employer _____ Position _____

Responsibilities

Length of Residency in Ottawa County 38

Does the County of Ottawa or any other unit of government employ any members of your family?

Yes No

If so, describe

What is your past experience in serving on governmental boards, or the boards of civic and other similar organizations?

None

The Ottawa County Appointment Policy sets a minimum expectation of 75% attendance for all members of boards and commissions appointed by the Ottawa County Board of Commissioners. If appointed, will you be able to comply with the terms of the Policy with regard to attendance? Yes No

If not, why not? I believe so, without having seen the calendar of meetings.

Why do you want to be considered for this appointment?

I was asked by Matt Allen.

Do you desire to have your name kept on file up to one year in the office of the County Clerk and be sent applications for future appointment openings? Yes No

If yes, please enter the Boards, Commissions or Advisory Bodies you are interested in:

City Government (BC)/Solid Waste Planning Committee/

Thank you for your interest in Ottawa County Government

**APPLICATION FOR POSITION ON A BOARD
COMMISSION, OR ADVISORY BODY APPOINTED
BY THE OTTAWA COUNTY BOARD OF COMMISSIONERS**

Date 04/24/2012

Position Applying For Workforce Development Board/Business Sector (BC)

Position Applying For _____

Position Applying For _____

Name Erika Duncan

Address 8610 Wallinwood Farms

City Jenison ST MI Zip 49428

Last 4 digits of social security number 3093 Birth Month 11 Birth Day 4

Contact Information:

Home Phone 616-252-7954

Work Phone 616-340-1718

E-mail Erika.duncan@metrogr.org

Fax Number 616-252-7954

Education:

School Aquinas College

School GVSU

Degree Masters in Management. Organizational Develop

Degree Bachelors. Public Relations

Employment Background:

Current Employer Metro Health Position VP, Human Resources

Responsibilities

Lead strategic and operational activities for Metro Health Human Resources. Oversee workforce planning, recruitment, benefits, employee relations, employee health, payroll, compensation and training.

Previous Employer Spectrum Health Position Sr. Director, Human Resources

Responsibilities

Responsible for regional growth including m & a and integration. Oversee talent acquisition and talent management.

Length of Residency in Ottawa County 3

Does the County of Ottawa or any other unit of government employ any members of your family?

Yes No

If so, describe

What is your past experience in serving on governmental boards, or the boards of civic and other similar organizations?

NA

The Ottawa County Appointment Policy sets a minimum expectation of 75% attendance for all members of boards and commissions appointed by the Ottawa County Board of Commissioners. If appointed, will you be able to comply with the terms of the Policy with regard to attendance? Yes No

If not, why not? _____

Why do you want to be considered for this appointment?

I grew up in Jenison and called Ottawa county home for 22 years. Moved as I started career and am so proud to be back and raising my family in Jenison as well. I am passionate about our community, it's growth and development, and opportunities provided from a healthcare perspective and an HR/ job training perspective. I want to be able to give back and influence the community that has served me well.

Do you desire to have your name kept on file up to one year in the office of the County Clerk and be sent applications for future appointment openings? Yes No

If yes, please enter the Boards, Commissions or Advisory Bodies you are interested in:

Thank you for your interest in Ottawa County Government