

Fraser TrebilcockTM

LAWYERS

FRASER TREBILCOCK DAVIS & DUNLAP I PC

LANSING DETROIT

124 West Allegan Street
Suite 1000
Lansing, MI 48933
TELEPHONE: (517) 482-5800
FAX: (517) 482-0887
www.fraserlawfirm.com

One Woodward Avenue
Suite 1550
Detroit, MI 48226
TELEPHONE: (313) 237-7300
FAX: (313) 961-1651
www.fraserlawfirm.com

Michigan's 2008 Energy Package: An Overview

A Presentation by
Jennifer Utter Heston

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2008 Energy Package

- Public Act 295 (Senate Bill 213)
 - New Act
- Public Act 286 (House Bill 5524)
 - Amends the Public Utilities Code
- Public Act 287 (Senate Bill 1048)
 - Amends the Income Tax Act

Public Act 295

“Clean, Renewable, and Efficient Energy Act”

Public Act 295

- Part 1. General Provisions
- Part 2. Energy Standards
 - Subpart A. Renewable Energy
 - Subpart B. Energy Optimization
 - Subpart C. Miscellaneous
- Part 3. State Government Energy Efficiency and Conservation
- Part 4. Wind Energy Resource Zones
- Part 5. Net Metering
- Part 6. Miscellaneous Commission Provisions

Part 1. General Provisions

- [§ 1] Purposes clause – to promote and develop clean energy, renewable energy, and energy optimization, etc.
- [§§ 3-13] Definitions
 - [§ 9(i)] “Renewable energy resource” is a resource derived from solar, water, or wind. It does not include petroleum, nuclear, natural gas or coal. It includes all of the following: biomass, solar and solar thermal energy, wind energy, kinetic energy of moving water including waves, tides or currents or water released through a dam, geothermal energy, municipal solid waste, and landfill gas produced by municipal solid waste.
 - [§ 9(k)] “Renewable energy system” means a facility that used one or more renewable energy resources to generate electricity. It does not include the following: hydroelectric pumped storage, a hydroelectric facility using a dam constructed after the effective date of this Act, or an incinerator unless the incinerator is a municipal solid waste incinerator in service before the effective date of this Act.

Part 2. Energy Standards

- Subpart A. Renewable Energy
- Subpart B. Energy Optimization
- Subpart C. Miscellaneous

Subpart A. Renewable Energy

- Renewable Energy Plan
- Renewable Energy Standards
- Renewable Energy Credits
- Advanced Cleaner Energy Credits

Renewable Energy Plan

- [§ 21(2)] A rate regulated provider must file a proposed renewable energy plan with the Commission within 90 days after the Commission issues a temporary order.
- [§ 21(2)] The renewable energy plan must:
 - Describe how the provider will meet the renewable energy standards.
 - Include the expected incremental cost of compliance with the renewable energy standards for a 20-year period.

Renewable Energy Plan

- [§ 21(3)] Establish a renewable energy surcharge for recovering the incremental cost of compliance.
- [§ 45(2)] Surcharge may not exceed the following:
 - \$3.00 per meter per month for residential customers
 - \$16.58 per meter per month for commercial secondary customers
 - \$187.50 per meter per month for commercial primary or industrial customers

Renewable Energy Plan

- [§ 21(5)] The Commission has 90 days to issue a ruling on the plan.
- [§ 21(6)] To approve the plan, the plan:
 - Must be reasonable and prudent, and
 - The life-cycle cost of the renewable energy minus the life-cycle net savings associated with the provider's energy optimization plan does not exceed the life-cycle cost of electricity produced by a new “conventional” coal-fired generator.

Renewable Energy Plan

- [§ 21(8)] Every 2 years, the MPSC shall review the plan in a contested case proceeding. Proceeding may be combined with annual renewable cost reconciliation for that year.
- [§ 21(9)] The provider may amend its plan. If amendment modifies the recovery mechanism, then a contested case is required. The MPSC must issue a ruling on the proposed amendment within 90 days.

Renewable Energy Standards

- Renewable Energy Capacity Portfolio
 - Applies to only DTE and Consumers Energy
- Renewable Energy Credit Portfolio
 - Applies to all retail electric providers

Renewable Energy Standards

- [§ 27(1)] Renewable Energy Capacity Portfolio
 - CECO must achieve a renewable energy capacity portfolio of not less than 200 MW by December 31, 2013 and 500 MW by December 31, 2015.
 - DTE must achieve a renewable energy capacity portfolio of not less than 300 MW by December 31, 2013 and 600 MW by December 31, 2015.

Renewable Energy Standards

- [§ 27(3)] Renewable energy credit portfolio - 10% by 2015
 - A provider must determine its base line amount of renewable energy credits and then calculate the difference between its base line and 10%.
 - Providers must eliminate the differential pursuant to the following schedule:
 - 20% in 2012
 - 33.3% in 2013
 - 50% in 2014
 - 100% in 2015 and beyond
- [§ 31] Extensions may be permitted.

Renewable Energy Standards

- [§ 27(5)] Each provider shall meet the renewable energy credit standard with credits obtained in 1 or more of the following ways:
 - Generating electricity from renewable energy systems.
 - Purchasing or otherwise acquiring renewable energy credits (“RECs”) with or without the associated renewable energy.

Renewable Energy Credits

- [§ 39(1)] 1 MWh = 1 Renewable Energy Credit (“REC”)
- [§ 39(2)] Additional “incentive” RECs for:
 - Solar energy (2 RECs for each MWh);
 - Renewable energy, other than wind, produced at peak times (1/5 REC);
 - Renewable energy produced at off-peak times stored for use during peak times (1/5 REC);
 - Renewable energy produced from equipment constructed in Michigan (1/10 REC, only for first 3 years); and
 - Renewable energy produced from a system constructed using a workforce composed of Michigan residents (1/10 REC, only for first 3 years).

Renewable Energy Credits

- [§ 27(6)] A provider may substitute energy optimization credits, advanced cleaner energy credits, or a combination of the two, for renewable energy credits, if approved by the Commission. Exceptions apply.
- [§ 27(7)] Substitutions are capped at 10% of the renewable energy standard.
- [§ 29] Subject to numerous exceptions, the system that is the source of the credits shall be located within Michigan or outside the state in the service territory of the provider who is not an AES.
- [§ 39(3)] RECs expire when used to meet the RES, when substituted for an EO credit, or 3 years after the end of the month in which it was generated, whichever is earliest.

Advanced Cleaner Energy Credits

- [§ 43(1)] Advanced cleaner energy credits shall be granted to owners of ACE systems for each MWh generated. ACE credits may be prorated for dual systems. Renewable energy systems that are also ACE systems may get RECs or ACECs, at the owner's option, but not both for any given MWh generated.
- [§ 3] “Advanced cleaner energy system” means: 1) a gasification facility; 2) an industrial cogeneration facility; 3) a coal-fired facility where 85% or more of the carbon is captured; or 4) an electric generation facility that uses technology not in commercial operation on October 6, 2008.

Subpart B. Energy Optimization

- Energy Optimization Plan
- Minimum Energy Savings
- Energy Optimization Credits
- Cost Recovery
- Alternative Compliance Payment
- Self-Directed Plans

Energy Optimization Plan

- [§ 71(1)] All natural gas and electric utilities, Co-ops, and municipal utilities shall file a plan with the MPSC.
- [§ 71(2)] Goal is to reduce future costs – should delay construction of new generation. Plan is subject to approval.
- [§ 71(3) –(4)] Plan requirements.
- [§ 71(5)] Plan shall be filed, reviewed and approved, or rejected using same procedures as the renewable energy plan. Must be reasonable and prudent, and cost-effective.

Minimum Energy Savings

- [§ 77(1)] Electric provider's EO program must achieve minimum savings standards:
 - 0.3% in 2008 and 2009 from 2007 sales level
 - 0.5% in 2010 from 2009 sales level
 - 0.75% in 2011 from 2010 sales level
 - 1.0% in 2012, 2013, 2014, and 2015 over prior year sales level

Energy Optimization Credits

- [§ 83(1)] One EO credit shall be given to the provider for each MWh of annual incremental savings achieved through energy optimization.
- [§ 83(2)] EO credits expire when used to meet the EO standard, when substituted for a REC, or as provided under subsection (3).
- [§ 83(3)] EO credits may be carried forward into the next year, however, carried forward credits may not exceed 1/3 of the next year's standard. Any EO credits carried forward expire that year.
- [§ 85(1)] EO credits are not transferable.

Cost Recovery

- [§ 75(1)] MPSC may authorize a “financial incentive” for rate regulated providers for exceeding the energy optimization standard.
- [§ 89(2)] Costs shall be recovered from natural gas customers and residential electric customers through volumetric charges, from others via a meter charge, and unmetered customers via an appropriate charge.
- [§ 89(3)] For primary electric customers, and large natural gas customers, cost recovery shall not exceed 1.7% of total retail sales revenues for that class. For secondary electric customers and residential customers, the cost recovery shall not exceed 2.2% of retail sales revenues for that class.

Cost Recovery

- [§ 89(7)] A provider shall not spend more than the following percentage of total utility retail sales revenues, including commodity costs, in any year to comply with the EO standard:
 - In 2009, 0.75% of total retail sales revenues from 2007.
 - In 2010, 1.0% of total retail sales revenues from 2008.
 - In 2011, 1.5% of total retail sales revenues from 2009.
 - In 2012 and each year thereafter, 2.0% of total retail sales revenues for the 2 years preceding.

Alternative Compliance Payment

- [§ 91(1)] Subject to certain exceptions, sections 71 to 89 do not apply to a provider that pays specified amounts each year to an independent EO program administrator selected by the MPSC. The required payments are as follows:
 - In 2009, 0.75% of total retail sales revenues for 2007.
 - In 2010, 1.0% of total retail sales revenues for 2008.
 - In 2011, 1.5% of total retail sales revenues for 2009.
 - In 2012, and each year thereafter, 2.0% of total retail sales revenues for the 2 years preceding.

Alternative Compliance Payment

- [§ 91(2)] The alternative compliance payment will be used by the administrator to administer energy efficiency programs for the provider. Unspent money shall carry forward.
- [§ 91(3)] MSPC shall authorize for recovery the alternative compliance payment. The costs shall be recovered from residential customers through volumetric charges, from all other metered customers through meter charges, and from unmetered customers by an appropriate charge.
- [§ 91(4)] Monies shall be used to only fund programs for that provider's customers. To the extent feasible, each class of customers will receive a benefit commensurate with its contributions.
- [§ 91(5)] Money paid to the administrator, but not spent, shall carry forward.
- [§ 91(6)] MPSC shall select a non-profit to serve as the administrator.
- [§ 91(7)] MPSC shall arrange for a biennial independent audit of the administrator.

Self-Directed Energy Optimization Plans

- [§ 93(1)] Eligible primary and secondary electric customers are exempt from the EO charges if the customer files with its provider and implements a self-directed EO plan.
- [§ 93(2)] Eligibility:
 - In 2009 or 2010, annual peak demand of at least 2 MW at each site, or 10 MW in aggregate
 - In 2011, 2012, or 2013, annual peak demand in the preceding year of at least 1 MW at each site, or 5 MW in aggregate.
 - In 2014 and after, at least 1 MW in annual peak demand in the preceding year in aggregate.

Self-Directed Energy Optimization Plans

- [§ 93(4)] MPSC shall require:
 - Customer to utilize an EO service company to develop and implement the plan. This does not apply to a customer with 2 MW of annual peak demand at each site, or 10 MW total.
 - A mechanism to recover costs for provider level review and evaluation.
 - A mechanism to recover the costs of the low-income EO program.

Self-Directed Energy Optimization Plans

- [§ 93(5)] Self-directed plan requirements:
 - Be multi-year plans for ongoing EO.
 - Provide for aggregate energy savings that meet or exceed the EO standards.
 - Include a provision requiring normalization of annual electricity usage so that the calculation of the incremental energy savings does NOT include changes in electricity usage due to either of the following:
 - “changes in business activity levels not attributable to energy optimization” or
 - “the installation, operation, or testing of pollution control equipment.”
 - Specify whether usage will be (a) weather-normalized or (b) based on the average # of MWh “sold by the electric provider annually during the previous 3 years to retail customers in this state [sic].”
 - Outline how the customer plans to achieve the incremental energy savings specified in the plan.

Self-Directed Energy Optimization Plans

- [§ 93(6)] Self-directed plans shall be incorporated into the provider's plan. Customer plans are confidential and not subject to FOIA. Savings from self-directed plans are attributed to the provider's program.
- [§ 93(7)] Once a customer begins to implement the self-directed plan at a site, the site is exempt from EO charges and is not eligible to participate in the provider's EO programs.
- [§ 93(8)] The customer shall submit a progress report every 2 years to the provider. Customer must promptly notify the provider if savings will not be achieved as set forth in the plan. Self-directed plan can be amended.

Self-Directed Energy Optimization Plans

- [§ 93(9)] Provider must provide an annual report to the MPSC that identifies customers implementing a self-directed plan and summarizes the results achieved.
- [§ 93(10)] If, after a contested case, the MPSC determines goals are not being achieved, the MPSC shall order customers to pay the State for the shortfall and the associated EO charges, plus a penalty depending on the reasons for the failure to comply.
- [§ 93(11)] Self-directed plans shall be provided to the MPSC upon request.

Self-Directed Energy Optimization Plans

- ❑ MPSC Staff hosting meetings regarding the process for filing an EO plan in 2009.
- ❑ Temporary MPSC order must be issued by December 5, 2008.
- ❑ Order is expected to direct providers to make available good faith estimates of customer costs for EO program and establish a template for outlining a self-directed plan.
- ❑ Customers will have until mid-January, 2009 to notify their providers of intent to submit a self-directed plan.
- ❑ Outline of plan must be submitted to the provider by the end of January.
- ❑ Providers must notify customers of any deficiencies in the plan and provide customers with opportunity to cure.
- ❑ Providers must file EO plans with the MPSC no later than March 5, 2009.

Part 3. State Government

- [§ 131] It is the goal of the state government to reduce grid-based energy purchases by 25% by 2015 as compared to fiscal year ending September, 2002.
- [§ 133] DMB, with DELEG and the Energy Office, shall administer a program to:
 - Conduct an energy analysis of each building, which shall be done once every five years.
 - Examine the costs and benefits of used LEED building codes when constructing or remodeling a building.
 - Before leasing a building, examine the costs and benefits of leasing a building that meets LEED building codes.
 - Assist each department in appointing an energy reduction coordinator.
 - Ensure that during any renovation or construction, make sure energy efficiency products are used whenever possible.
 - Implement a program to educate state employees on energy conservation. The program shall be updated every 3 years.
 - Use more cost-effective lighting technologies, heat pumps and other technologies to conserve energy.
 - Reduce energy use during peak summer season.
 - Create a web-based system for tracking energy efficiency and conservation projects within state government.

Part 4. Wind Energy Resource Zones

- [§ 143] By December 5, 2008, the MPSC shall create the wind energy resource zone board consisting of 9 members.
- [§ 145] Board duties. Shall study wind resource and viability of commercial wind generation and issue a report. Shall list regions with highest potential. Utilities and transmission companies shall issue a report identifying infrastructure that is needed to deliver maximum and minimum wind production potential in the regions with highest potential.
- [§ 147(1)] Based on the Board report, the MPSC shall issue an order designating the area in the state likely to be the most productive of wind energy as the primary wind energy resource zone and may designate other zones.
- [§ 147(4)] In conjunction with its order, the MSPC shall issue a report to the Legislature on the effect of setback requirements and noise limitations under local zoning or other ordinances.

Part 4. Wind Energy Resource Zones

- § 149(1)] MPSC may issue an expedited siting certificate for a transmission line to facilitate the transmission of electricity by wind energy systems located in a zone. Transmission line must receive RTO approval before filing at MPSC.
- [§ 153(1) – (3)] After applying, public notice must be given and a contested case must be conducted. The MPSC shall grant the expedited certificate if all of the following are met:
 - The line will facilitate the transmission of wind energy.
 - The line has received federal approval.
 - The line does not represent an unreasonable threat to the public convenience, health and safety.
 - The line will be of appropriate capability.
 - The route is feasible and reasonable.
- [§ 153(4)] The certificate takes precedence over a conflicting local ordinance, law, etc. that prohibits or regulates the location or construction of the line.
- [§ 153(6)] MPSC has a maximum of 180 days to grant or deny an expedited siting certificate.

Part 5. Net Metering

- [§ 173(1)] By April 3, 2009, the MPSC shall establish rules for a statewide net metering program. Program must be for at least 10 years.
- Customers of any class shall be permitted to interconnect eligible electric generators.
- Program is limited to generators with capacity designed to meet only the customer's needs.

Part 5. Net Metering

- [§ 173(2)] A utility is not required to allow net metering that is greater than 1% of its in-state peak load. The 1% limit shall be allocated as follows:
 - 0.5% for customers with a system capable of generating 20 kW or less.
 - 0.25% for customers with systems between 20 kW and 150 kW.
 - 0.25% for customers with systems more than 150 kW.
- [§ 173(5)] Program requirements:
 - Uniform interconnection requirements
 - Equipment must meet electric and construction codes requirements
 - Uniform application form and process to be used by all utilities and AESs.
 - Net metering customers with 20 kW systems or less qualifying for true net metering.
 - Net metering customers with over 20kW system qualify for modified net metering.

Part 6. Miscellaneous MPSC

- [§ 191(1)] By December 5, 2008, the Commission must issue a temporary order implementing this Act, including, but not limited to, the following:
 - Formats of renewable energy plans for various categories of electric providers.
 - Guidelines for request for proposals under this Act.
- [§ 191(2)] By October 6, 2009, the Commission shall promulgate rules.
- [§ 193(1)] Any interested party may intervene in a contested case under this Act pursuant to the Commission's general rules.
- [§ 193(2)] The Commission and a provider shall handle confidential business information in a manner consistent with state law and the Commission's general rules.
- [§ 195] This Act does not limit the authority of the Commission otherwise provided.

Public Act 286

Public Act 286

- MPSC Structure
- Utility Rate Case Procedures
- MPSC Merger Review Authority
- Certificates of Necessity
- Customer Choice and Electricity Reliability Act
- Cost-Based Rates

MPSC Structure

- [§ 4a] The MPSC is subject to certain executive re-organization orders.
- [§ 4a(3)] The MPSC is an autonomous agency that is part of DELEG.
- [§ 10dd] The MPSC may hire 25 new FTEs to implement this Act.

Utility Rate Case Procedures

- [§ 6a(1)] A gas or electric utility cannot increase rates, the effect of which is to increase the cost of services to its customers, without MPSC approval. Approval requires notice and a hearing. Partial and immediate rate relief no longer available.
- *Projected Test Year:* Utility may use projected costs and revenues for a future 12-month period in developing requested rates.
- *Application Completeness:* MPSC must notify utility within 30 days of filing whether application is complete. It is complete if it complies with forms to be adopted under subsection (6). If not complete, MPSC must tell utility what is necessary to make the application complete. If no MPSC notice within 30 days, application is deemed complete.

Utility Rate Case Procedures

- *180 Day Provision:* If MPSC does not issue an order within 180 days of filing a complete application, the utility may implement its proposed rate increase through equal percentage increases or decreases applied to all base rates. For good cause, MPSC may issue a temporary order preventing or delaying a utility from implementing the rate change.
- *Rates Subject to Refund:* If a utility implements a rate increase, that utility shall refund, with interest, any portion of the total revenues collected that exceed amount ultimately approved in a final rate order. Refunds to primary customers will be based on a pro rata share; refunds to secondary and residential customers shall be as the MSPC prescribes.
- *Interest:* Interest is 5% plus LIBOR. Interest on amount in excess of 25% of the approved annual rate increase shall be at the utility's authorized rate of return. Utility cannot include interest or refund in any application for an increase in rates.

Utility Rate Case Procedures

- [§ 6a(2)] The MPSC shall adopt rules and procedures necessary or appropriate to issue final rate orders in 12 months.
- [§ 6a(3)] If MPSC does not reach a final decision within 12 months, the application is considered approved. If the utility makes a significant amendment, the MPSC has an additional 12 months from the date of the amendment to reach a final decision. If the utility files for an extension of time, the 12-month period extends by amount of additional time requested.
- [§ 6a(4)] Utility shall not file for a rate increase earlier than 12 months from date of last complete application, nor before a final order has been issued on a prior rate application or deemed approved under subsection (3).

Utility Rate Case Procedures

- *Special Natural Gas Rates or Contracts:* [§ 6a(5)] MPSC may approve for natural gas utilities load retention transportation rate schedules or special contracts for large customers. MPSC must approve rates schedules or special contracts under certain circumstances. Discounts are to be recovered from other customers if discounts are no greater than the costs that would be passed on to other customers if the large customer left the system.
- [§ 6a(6)] Within 90 days, MPSC shall adopt standard rate application filing forms.
- [§§ 6a(7) – (9)] (Special provisions for wood merchant plants.)

MPSC Merger Review Authority

- [§ 6q(1)] A person shall not acquire, control, or merge with a regulated utility, nor shall a regulated utility sell, assign, transfer, or encumber its assets to another without MPSC approval.
- [§ 6q(2)] MPSC shall issue an order determining what constitutes acquisition, transfer or control, merger activities, or encumbrance of assets subject to this section. The section does not apply to certain transactions conducted in the normal course of business.
- [§ 6q(3)] MPSC shall promulgate rules.
- [§ 6q(4)] Within 60 days from filing an application, interested parties may file comments.
- [§ 6q(5)] After notice and hearing, and within 180 days of the application date, the MPSC shall issue an order approving or rejecting the proposed transaction.

Certificates of Necessity

- [§§ 6s(1)-(2)] An electric utility has the option to apply to the MPSC for a certificate of necessity when proposing to do any of the following:
 - Construct an electric generation facility.
 - Make a significant investment in an existing generation facility.
 - Purchase an existing generation facility.
 - Enter into a power purchase contract for six years or more.

Certificates of Necessity

- [§ 6s(4)] The MPSC must issue an order granting or denying a requested certificate of necessity within 270 days after a filing. A contested case hearing must be held on the application.

Certificates of Necessity

- Cost Recovery
 - [§ 6s(12)] The MPSC must allow an electric utility to recover its financing interest costs in its base rates for construction work in progress for capital improvements certified under this section before the assets were considered "used and useful."
 - [§ 6s(9)] Once "used and useful", the MPSC must include in the utility's retail rates all reasonable and prudent costs. The MPSC cannot disallow costs for which a certificate has been granted so long as the costs do not exceed the costs approved in the certificate.
 - [§ 6s(9)] If actual costs do exceed the approved costs, the MPSC must also include the additional costs in retail rates if costs were reasonable and prudent.

Customer Choice

- [§ 10a] Amends Michigan's electric customer choice law and requires the MPSC to issue orders to, subject to certain exceptions, cap the amount of electricity allowed to be provided by alternative energy suppliers in an electric utility's distribution service territory to no more than 10 percent of the utility's average weather-adjusted retail sales for the preceding calendar year.

Customer Choice

- [§ 10p] Expands requirements for utility service quality, performance, and reliability.
- [§ 10r] MPSC must study and issue reports on the following:
 - Advisability of separating distribution and generation within utilities.
 - Creation of a statewide power purchasing pool.
- [§ 10r(8)] Each utility must file a plan for using dispatchable customer-owned distributed generation.

Cost-Based Rates

- ***Special Provisions for DTE and CECO.***
 - [§ 11(1)] Beginning January 1, 2009, the MPSC must phase in cost-based electric rates for industrial and commercial customers over a period of five years from October 6, 2008, with a possible longer phase-in for industrial metal melting customers.
 - *Rate increase cap.* [§ 11(2)] The impact on residential and industrial metal melting rates due to the phase in of cost-based rates can be no more than 2.5 percent per year.
 - *Low-income and senior citizen rates.* [§11(3)] The MPSC may establish an eligible low-income customer or eligible senior citizen rates.
 - *School rates.* [§ 11(4)] The MPSC must establish rate schedules to ensure that public and private schools, universities, and community colleges are charged retail electric rates that reflect the actual costs of providing service to them.
- ***Cost-Based Rates for Other Electric Utilities.***
 - [§ 11(5)] Beginning January 1, 2009, the MPSC must approve cost-based rates for utilities with less than one million Michigan retail customers in each utility's first general rate case filed after October 6, 2008. The MPSC may phase in cost-based rates over a suitable number of years. The MPSC must ensure that the impact on rates due to cost-based rates does not exceed 2.5 percent per year.

Public Act 287

Public Act 287

- Energy Star Appliance Income Tax Credit
- Renewable Energy Surcharge Income Tax Credit

Energy Star Appliance Income Tax Credit

- [§ 253(1)] For tax years 2009 through 2011, an income qualified taxpayer (AGI equal to or less than \$37,500, or \$75,000 if married filing jointly) who purchases and installs a qualified home improvement for his principle residence may claim a tax credit equal to 10% of the amount paid or \$75.00 (\$150.00 for married filing jointly), whichever is less, for each qualified home improvement.
- [§ 253(1)] Limited to one credit, during the same tax year, for each of the following: 1) insulation, 2) furnaces, 3) water heaters, 4) windows, and 5) refrigerators, clothes washers and dishwashers.
- [§ 253(3)(C)] A “qualified home improvement” means insulation, furnaces, water heaters, windows, refrigerators, clothes washers and dishwashers intended for residential or noncommercial use that meet or exceed the applicable federal energy star energy efficiency guidelines.
- [§ 253(1)] If credit(s) exceeds the tax liability, the excess will be refunded.

Renewable Energy Surcharge Income Tax Credit

- [§ 253(2)] For tax years 2009 through 2012, an income qualified taxpayer (AGI equal to or less than \$65,000, or \$130,000 if married filing jointly) may claim a tax credit equal to 25% of the renewable energy surcharge authorized for the customer's electric utility and paid by the taxpayer in 2009, and 20% of the surcharge authorized and paid for 2010 and 2011. (*Issue:* The bill does not identify a percentage for tax year 2012.)
- [§ 253(2)] If the credit exceeds the tax liability, the excess will NOT be refunded.

Conclusion

Questions or Comments?

Fraser TrebilcockTM

LAWYERS

FRASER TREBILCOCK DAVIS & DUNLAP | PC

LANSING DETROIT

124 West Allegan Street
Suite 1000
Lansing, MI 48933
TELEPHONE: (517) 482-5800
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