

Act No. 533
Public Acts of 2002
Approved by the Governor
July 25, 2002
Filed with the Secretary of State
July 25, 2002
EFFECTIVE DATE: July 25, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Rep. Vander Veen

ENROLLED HOUSE BILL No. 5459

AN ACT to amend 1976 PA 448, entitled "An act to prescribe the powers and duties of municipalities and governmental units to acquire, finance, maintain, and operate generating, transmission, and distribution facilities of electric power and energy, fuel and energy sources and reserves and all necessary related properties, equipment and facilities; to permit the exercise of those powers in joint venture or joint agency agreements; to provide for the issuance of bonds and notes; to prescribe the powers and duties of the municipal finance commission or its successor agency and of certain other state officers and agencies with respect to municipal electric utility financing; to create certain funds and prescribe their operation; to provide for tax exemptions and other exemptions; and to prescribe penalties and provide remedies," by amending section 40 (MCL 460.840).

The People of the State of Michigan enact:

Sec. 40. Before undertaking a project for the construction or acquisition of facilities for the transmission or generation of electric power and energy, a joint agency shall, based upon engineering studies and reports meeting the standards required under section 38(d), determine that the project is required to provide for the projected needs for power and energy of its members from the date the project is estimated to be placed in normal and continuous operation and for a reasonable period of time thereafter. In determining the future power requirements of members of a joint agency, the joint agency shall consider all of the following:

(a) The economies and efficiencies to be achieved in constructing facilities for the generation and transmission of electric power and energy.

(b) The needs of the joint agency for reserve and peaking capacity, and to meet obligations under pooling and reserve sharing agreements reasonably related to its needs for power and energy to which the joint agency is or may become a party.

(c) The estimated useful life of the project.

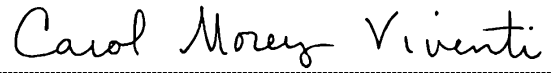
(d) The estimated time necessary for the planning, development, acquisition, or construction of the project and the length of time required in advance to obtain, acquire, or construct additional power supply for members of the joint agency.

(e) The reliability and availability of existing alternative power supplies and the cost of those existing alternative power supplies.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved

Governor.