

HOUSE RESEARCH

Bill Summary

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Authors: Dehn

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Analyst: Bob Eleff

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House File 1450 specifies elements that a municipality must include in a franchise agreement with a utility providing energy to the city's residents (although the city retains the ability to affirmatively agree not to include them if it so wishes). The elements include:

- a written commitment to energy efficiency measures, with the proviso that rates may not increase to recover revenues lost as a result of efficiency measures;
- the utility's policies regarding interconnection with alternative energy sources, which policies must be simple and cost-effective; and
- a written commitment to a schedule of infrastructure maintenance within the city and to send quarterly reports to the city on system reliability and service quality.

The bill also provides that if a franchise agreement expires without timely renewal, a city may charge a public utility fees in lieu of a franchise fee up to five percent of the utility's gross revenues from city customers.