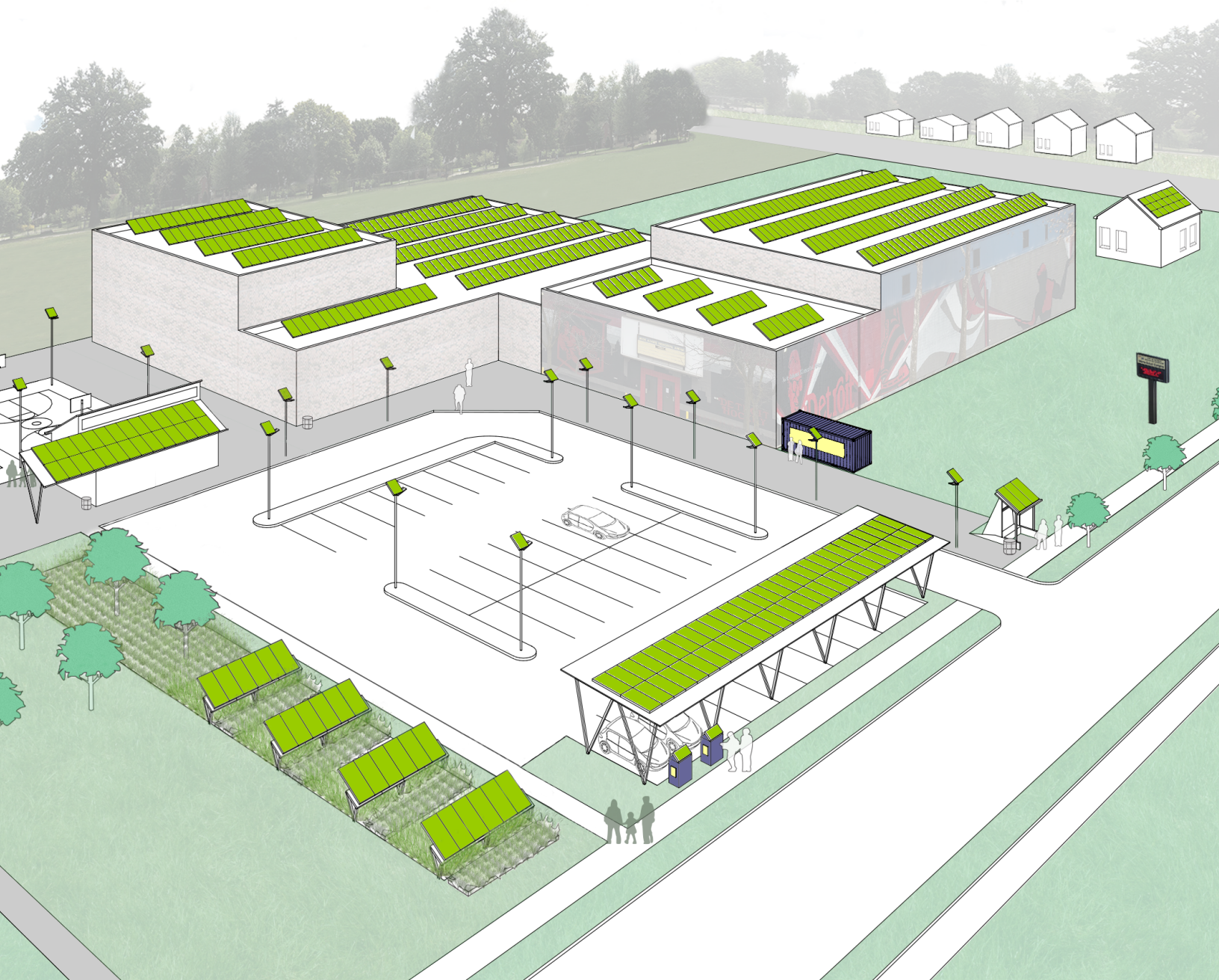
April 2019

Solar Policy Deployment Guide:

State Level Policy



Prepared for the City of Detroit

BY THE GREAT LAKES ENVIRONMENTAL LAW CENTER, DETROIT COLLABORATIVE DESIGN CENTER, DATA DRIVEN DETROIT, ECO WORKS AND MICHIGAN ENERGY OPTIONS

Table of Contents

Executive Summary

Michigan's energy laws have two principal impacts on solar deployment in Detroit: pricing for solar power and the ability to distribute solar power. The City of Detroit must work within the state regulations in partnership with DTE Energy, the utility provider for the area. Detroit's principal legal tool to impact energy distribution is its authority to grant a franchise to DTE to operate on municipal property.

With regard to the pricing and sharing impacts, much depends on the way in which solar power is arranged. Solar power deployment in Detroit can take various forms:

- **Self-supplier generated.** A private company or person can install solar panels and the requisite storage to provide electricity to itself without involving DTE significantly or at all. Alternatively, a property owner can install solar panels that, through net metering or similar arrangements, provide the property owner the electricity it needs and can sell any excess back to the grid. These types of solar generators are referred to as Categories 1, 2, and 3, producing up to 550 kW.

- **Power-supplier generated.** A private company or person can develop a solar farm and sell electricity to the utility for sale to third parties, or directly to third parties through use of the utility's grid for transmission. These types of solar generators are referred to as Categories 4 and 5, producing 550 kW to over 10 MW.

- **Utility generated.** DTE can own a solar farm and provide electricity to the grid (e.g., O'Shea Park 2 MW). These types of solar generators are referred to as Category 5 and can produce hundreds of MW.

For those in the business of supplying solar power to others, there are hurdles. First, if a solar power supplier wants to sell to DTE, DTE must be willing to buy the power. Without DTE's willingness to buy it, little can be done.[1] The Public Utility Regulatory Policies Act ("PURPA") creates electric competition by requiring utilities to purchase power from small independent power suppliers, known as qualifying facilities, at avoided cost rates. However, DTE and Consumers Energy have resisted contracting with qualifying facilities. DTE currently has over 1,000 PURPA applications. Second, if a solar power supplier wants to sell directly to a third party and use DTE's grid to convey it, it can as an alternative power supplier, but there is a limit to how much of such power a utility must accept, and there have been disputes and back logs.[2]

When solar power is owned and generated by a utility or independent supplier, the only direct positive impact to Detroiters is having a solar installation in the city that creates tax revenue to pay for services. Detroiters are more directly impacted by solar power when they can supply it to themselves. Current state energy policy allows any property owner to supply oneself with solar power "behind the meter" or without sending the excess to the utility (one-way supply). To supply oneself with reliable electricity throughout the day and evening, solar plus storage battery systems are necessary. Currently, solar plus storage systems are becoming affordable and are expected to be lower in cost than purchasing power from the grid by 2022.[3] There is no major state energy law hurdle to Detroiters supplying solar power to themselves.

The other way to supply oneself with solar power is to have solar panels supply you with as much power as you need while selling the excess to the grid (two-way supply). Under the previous net metering system in Michigan being phased out in 2019, a property owner with panels could buy power at the retail rate and earn credits based on the retail rate for excess power sent back to the grid. If a solar system is built prior to May 2019, the self-supplier has a ten-year grandfather clause to receive this rate structure. Many solar systems will likely be installed prior to this deadline to receive the more economical rate structure. In the short term, an increase in solar adoption on single family residences may occur. However, to be eligible, you had to have a meter to generate and use the power at your own property (precluding community

1 As is discussed later, there is a federal law called the Public Utility Regulatory Policies Act that creates electric competition by requiring utilities to purchase power from small independent power suppliers, known as qualifying facilities (QF), at avoided cost rates. However, larger utilities in Michigan have resisted contracting with QFs. See Andy Balaskovitz, *Michigan utility to independent generators: We don't need you right now, Energy News Network. (website) (Feb. 16, 2018); Jay Greene, Solar firms complain to state over DTE's refusal to strike power contracts, Crain's Detroit Business (Apr. 20, 2018).*

2 Jay Greene, *Who and what are energy supply companies? Crain's Detroit Business (July 24, 2016)*.

3 John Ferrel, *Reverse Power Flow: How Solar + Batteries Shift Electric Grid Decision Making from Utilities to Consumers (July 17, 2018).*

solar), and could not have a system larger than 150 kW. The energy law legislation of 2016 and subsequent actions by the PSC have retained the restriction on community solar and disincentivized two-way supply. The new law eliminated net metering and the PSC approved an inflow-outflow model that will require two-way supply customers to purchase electricity at the retail rate and sell the excess at another rate that will almost certainly be lower than the retail rate. Under DTE's recently proposed tariff, two-way supply customers must sell excess for three or four cents per kWh as compared to 12 to 14 cents per kWh under the previous net metering regulations and will also pay a new fee ($2.83 x kW per month) based on the kW capacity of their system.

In summary, net metering receiving credit for solar power produced will be phased out at the end of April 2019; going forward, new state regulated fees and rate structures for self-supplier solar producers may be limiting factors to solar adoption for single family residences and small commercial properties in Detroit, however, solar plus storage currently with minimal barriers is projected to be financially viable by 2022. For larger parcels (continuous two acres or more), power supplier generation projects appear to be limited due to the backlog of over 1,000 PURPA applications already submitted

to DTE for this type of solar production. Minimal state policy barriers exist for DTE to develop large utility scale solar in Detroit. Limiting factors for large utility scale solar are finding appropriate large continuous tracks of land and reducing redevelopment costs (e.g., Brownfield costs, taxes, permitting). The City of Detroit can work with DTE to address some obstacles through partnerships, franchise agreements, and finding other mutual beneficial outcomes, such as sharing solar power through a community solar framework. Other state-level solutions are being discussed to enhance community-based solutions; however, these have not been adopted as of July 2018.[4]

4 House Bills (HB) 5861 through 5865, known as the Energy Freedom Package (EFP), offer both citizens and the City of Detroit strong incentives and better mechanisms to develop solar energy generation. EFP seeks to counter recent changes in two main ways: by accounting for the benefits of distributed generation more wholly in rate-setting and by allowing community solar options.

GREAT LAKES ENVIRONMENTAL LAW CENTER

Content

Overview

- The Public Service Commission ("PSC") regulates public utilities in Michigan.[5] There are exceptions to that rule which include municipally owned utilities and owners of renewable resource power production facilities.[6]
- PSC regulation mostly entails rate regulation, but also affects conditions of service and various other aspects of operation.[7]
- For those purchasing power from a utility, they are purchasing it from either an investor-owned public utility, a cooperative utility, or a municipal utility. The utility providing electricity service in Detroit is DTE Energy, which is an investor-owned utility.
- The most significant change to Michigan energy law came in 2008 when the legislature enacted Act 295, which addressed renewable energy in various ways.[8] Among other things, Act 295 created a net metering program.[9]
- In 2016, the legislature enacted Acts 341 and 342. For purposes of this memorandum, the 2016 legislation does away with net metering and replaces it with an inflow-outflow tariff.

Solar Power Suppliers

- Solar power in Detroit can be supplied by various entities. The city itself can supply solar power, as can utilities and private individuals or companies. Solar power can be supplied in a way that is connected or disconnected from the grid. Solar power can be intended primarily for the property on which the panels are located, or it can be sold over the grid to a utility or third party.
- **Self-service power supplier, one-way supply**. If you are supplying electricity to yourself off the grid, you are a "self-service power" supplier.[10]
  - If you are a single residence or a single commercial establishment, you can supply yourself with power assuming you can address all the attendant technical issues. However, you cannot supply power to other properties.
  - If you are an industrial site, you can supply power to yourself and to a contiguous site.[11]
  - Some have proposed development of microgrids; however, because there are legal limitations on supplying power across property lines, developing a microgrid entirely disconnected from the grid would be a major legal challenge. Microgrids are grids that serve a small area that are either disconnected from the main grid or are capable of disconnection. While it may not be possible to cross property lines and deliver power using an entirely disconnected microgrid, in other areas, microgrids connected to the main grid but capable of disconnection can be used to supply power to critical facilities like hospitals.[12]
  - Self-service power suppliers are essentially free from state energy regulation.
- **Net-metering customer-generator, two-way supply**. Subject to the eventual expiration of net metering described below, if you have solar panels that produce electricity exclusively for the property on which they are located, and the power that can be generated annually by the solar panels is not greater than how much power you will need annually, and your system is interconnected to the grid, notwithstanding recent changes to the law limiting eligibility, you are an "eligible electric generator" for purposes of net metering.[13]

5 MCL 460.6(1).
6 MCL 460.6(1).
7 MCL 460.6(1).
8 MCL 460.1001-1211.
9 MCL 460.1171-1185.
10 MCL 460.10a(4).
11 It is not clear whether you can only supply power to yourself and one single contiguous industrial site or multiple industrial sites that are contiguous to yours. Either is a permissible reading of the language. Neither is it clear from the text of the law whether the industrial site generating and supplying the power can sell that power to a contiguous industrial site. However, there is at least one PSC opinion that acknowledges the ability of one site to sell to another. *In the matter of the application of Severstal Dearborn, LLC*, Case No. U-17656 (Declaratory Ruling) (August 5, 2014).
12 *E.g., Microgrid Project at Kaiser Permanente May Set Precedent for Hospitals,* California Energy Commission (Sept. 25, 2017) http://calenergycommission.blogspot.com/2017/09/microgrid- project-at-kaiser-permanente.html (stating that the hospital microgrid was only meant to run the hospital off-grid for three hours).
13 MCL 460.1173; Mich. Admin. Code R. 460.601a.

– Act 295 created net metering in Michigan in 2008. Net metering allows an electric customer to bank any excess power generated by the solar panels for use on the next month's bill. It is described well by a 2013 report on community solar authored by the Great Lakes Renewable Energy Association:

> Most on-site renewable energy systems in the U.S. use net metering to account for the value of the electricity produced when production is greater than demand, such as when a homeowner is away in the middle of the day and the sun is shining on a solar PV system. Net metering allows customers to bank this excess electric generation on the grid, usually in the form of kilowatt-hour (kWh) credits during a billing period. Whenever the customer's system is producing more energy than the customer is consuming, the excess energy flows to the grid and the customer's meter effectively or literally "runs backwards." This results in the customer purchasing fewer kilowatt-hours from the utility, and the electricity produced from the renewable energy system is usually valued at the sum of the retail charges on a customer's bill based on kWh usage.

– True net metering applies to systems with a nameplate capacity of 20 kW or less. Modified net metering applies to systems with a nameplate capacity in excess of 20 kW. Both require a meter (at the very least an analog meter that can run backward when energy is being generated for the grid) that can measure power consumed and power generated. The difference is essentially that the customer earns more through true net metering because the full retail rate is applied to the bidirectional flow of electricity, not just to the outflow as with modified net metering.[14]

– The 2016 laws require the PSC to phase out net metering. The PSC decided to adopt an inflow-outflow structure for distributed generation to replace net metering, which is described more fully below. The law provides for a grandfathering period during which current net metering participants may continue under the previous program for ten years from the date of their enrollment.[15] The previous net metering program will continue to accept new applicants until the PSC "establishes" a new distributed generation tariff.[16] While it is unclear when a tariff is "established," it most likely refers to when the PSC

14 MCL 460.1173(6); Mich. Admin. Code R. 460.650 & 460.652.

15 MCL 460.1183(1). A participant is considered "enrolled" when they submit a completed application to their utility. See MPSC "Distributed Generation (Net Metering) Program" ¶ 5 at https://www.michigan.gov/mpsc/0,4639,7-159-16393_48212_58124---,00.html.

16 MCL 460.6a(14).

approves the tariff in a utility's filed rate case. Until that point, customers may continue to enroll in the current net metering program.

- **Customer-generator governed by the new inflow-outflow tariff**. Once net metering no longer applies as a result of the 2016 laws, if you have solar panels that produce electricity exclusively for the property on which they are located, and the power that can be generated annually by the solar panels is not greater than how much power you will need annually, and your system is interconnected to the grid, you may be a customer-generator to whom the new inflow-outflow tariff applies.

  – The PSC has approved the inflow-outflow model, but has not approved an actual tariff that incorporates the model. Procedurally, when a utility files its next rate case with the PSC, it must include an inflow-outflow tariff proposal. Once the PSC approves the rate case, the approved inflow-outflow tariff will apply.[17]

  – Thus far, it appears that the most significant change between net metering and inflow-outflow will be the way customer-generated solar power is priced.[18] Unlike net metering where bill credits earned in one month's bill are applied to a future month's bill, the inflow-outflow model is intended to charge a customer for consumption and paying a customer for generation using a meter that can track inflow distinctly from outflow. Under the inflow-outflow model, the financial incentive to use solar power is at its height when a utility charges little for customer-consumption and pays much for customer-generation.

  – In July 2018, DTE filed its most recent rate case with the PSC. Two items in DTE's proposed tariff merit attention. First, DTE proposes to charge inflow-outflow customers a monthly fee based on kW capacity simply for having an inflow-outflow solar power system ($2.31 per kW for residential customers, and $2.28 per kW for commercial customers). Second, DTE proposes to charge the retail rate for inflow and to credit the customer for outflow at the monthly average real-time locational marginal price. Our understanding is that this is the locational marginal price set by the Midwest Independent System Operator, and our calculation is that the outflow price could be as low as two to four cents per kWh.

- **Independent power supplier**. If you generate solar power mainly to sell to a utility or to a third party using a utility's grid, and you are not an industrial self-service provider supplying the power to yourself and a contiguous site, then you are one of the following kinds of independent power supplier: merchant plant, alternative electric supplier, or qualifying facility.[19]

  – Merchant plants must have a nameplate capacity of 100 kW or more and are not owned by a utility. Merchant plants can sell power to a utility or, by using the utility grid, to retail customers.[20] When merchant plants sell power to retail customers by wheeling it over the utility grid, they are referred to as alternative electric suppliers.[21] There is no pre-defined limit to the amount of solar power a merchant plant can supply to a utility, though considerations like interconnection and reliability factor into a utility's decision to purchase solar power from merchant plants.

  – Alternative electric suppliers exist to implement electric choice. Under electric choice, while distribution is always done by a single utility, the supply of power to a customer can be done by suppliers other than those owned by the utility company. For example, DTE purchases electricity from merchant plants, or generates its own, and is the main supplier of electricity to Detroiters. With electric choice, DTE must provide grid access to a certain amount of power supplied by alternative electric suppliers to customers who choose the alternative electric supplier's power over DTE's. Alternative electric suppliers can provide solar power. There is a 10

17 MCL 460.6a(14).

18 For a detailed description of the inflow-outflow model, see Michigan Public Service Commission Staff, *Report on the MPSC Staff Study to Develop a Cost of Service-Based Distributed Generation Program Tariff* (Feb. 21, 2018) and *In the matter, on the Commission's own motion, to implement the provisions of Section 173 and 183(1) of 2016 PA 342, and Section 6a(14) of 2016 PA 341*, Case No. U-18383 (Apr. 18, 2018).

19 Based on a federal law called the Public Utility Regulatory Policies Act of 1978 ("PURPA"). See Michigan Public Service Commission, Report on the Implementation of the Public Utility Regulatory Policies Act of 1978 (PURPA) (April 20, 2018).

20 MCL 460.10e.

21 Id.

percent limit on the amount of electricity provided by alternative electric providers that a utility can take service from.[22]

– Qualifying facilities or QFs are a class of generators that receive special rates and regulatory treatment.[23] These generators can be either "cogeneration facilities" or "small power production facilities."[24] This latter category, where solar fits, must have a combined nameplate capacity less than 80 MW and generate energy from a renewable resource.[25] PURPA mandates that public utilities purchase energy and capacity made available for sale by these QFs at the "avoided cost" rate.[26] This "mandatory purchase obligation" can be waived if QFs have access to non-discriminatory rates through a wholesale electricity market.[27] DTE has obtained this waiver from the Federal Energy Regulatory Commission (FERC) for QFs larger than 20 MW.[28] QFs smaller than 20 MW may still force utilities to purchase their energy and capacity, but QFs between 20 and 80 MW must sell theirs on the MISO wholesale market.

- **Community solar.**[29]
  – Community solar entails the generation of solar power at one site that benefits multiple other sites in the same community. The benefit to others can be actual solar power or financial benefit. A real example from Colorado illustrates one typical community solar model.[30] In the case of the Clean Energy Collective, a group of interested residents developed a member-managed limited liability company (CEC) that could manage the investment in the solar power. The LLC developed a 78 kW solar array in the Holy Cross Energy utility's service territory, in which various community members invested. The LLC entered into a power purchase agreement whereby the utility would purchase the solar power from the array. Using technology that can link utility customers' meters to a community solar project, depending on the amount of solar power supplied and the rate that applies, the utility applies credits to the bills of each of investing community members. Some of the 22 kW was sold at a reduced rate to the church; the rest went to the utility. The LLC takes the

Category Defined By Size	Application Review Fee	Studies Required	DTE Response Timeframe	One-Line Diagram	Testing Fees	Liability Insurance
1. 20 kW or less with inverter	$100*	No	N/A	No	No	No
2. 20 kW+ to 150 kW 20 kW or less absent inverter	$100	Yes	10 days (both)	Yes, from contractor or engineer	Yes	No
3. 150 kW+ to 550 kW	$150	Yes	15 days (both)	Yes, from engineer	Yes	Yes
4. 550 kW+ to 2 MW	$250	Yes	25 (engineering) 45 (distribution)	Yes, from engineer	Yes	Yes
5. 2 MW or more	$500	Yes	45 (engineering) 60 (distribution)	Yes, from engineer	Yes	Yes

* $75 if without net metering.

22 MCL 460.10a(1)(a).
23 16 U.S.C. § 824a-3; PURPA § 210.
24 16 U.S.C. § 824a-3; PURPA § 210.
25 18 C.F.R. 292.204.
26 16 U.S.C. § 824a-3(d); PURPA § 210(d), which it calls the "incremental cost of alternative electric energy.
27 6 U.S.C. § 824a-3(m); PURPA § 210(m); 18 C.F.R. 292.402.
28 *Id*; 131 FERC ¶ 61,039. https://www.ferc.gov/whats-new/comm-meet/2010/041510/E-12.pdf.
29 For a comprehensive evaluation of community solar throughout Michigan, see Great Lakes Renewable Energy Association, *A Guidebook for Community Solar Programs in Michigan Communities* (Oct. 2013, rev. Feb. 2014) (hereinafter, "GLREA Report").
30 National Renewable Energy Laboratory, A Guide to Community Shared Solar: Utility, Private, and Nonprofit Project Development, 22-24 (2012).

net revenues and distributes them to its members based on a membership agreement.

– In Michigan, there is no law that requires community solar. Where it has been done, a willing utility (often a municipal utility) has facilitated it.[31] If a utility for whatever reason decides against facilitating community solar through the use of meter technology and the associated solar project-linked billing adjustments, other than using municipalization or grants of franchise (described below), there is no way to make it happen. Community residents who may wish to develop a purely private, off-grid community solar project will face legal challenges, chief among them the prohibition against one property supplying electricity directly to another.

Interconnection

- Any solar power project in Detroit that will be connected to the grid needs to apply to DTE for interconnection.[32] Interconnection evaluations are done to ensure that the grid can accommodate the new supply of electricity.

- There are five categories of power supplies for interconnection purposes, with each category defined by system capacity. Interconnection becomes more burdensome as the capacity of the project increases. The following table describes the increased burden. Generally, interconnection is significantly simpler and less expensive when the system does not exceed 150 kW.

Municipal Options

- Detroit can always work with DTE and other actors to develop policies, agreements, and other materials that would allow for more solar power deployment in the city. For example, Detroit and DTE can work together to develop a utility-owned solar array in the city[33], or to facilitate development of a community solar project in a particular neighborhood. However, this memorandum addresses two specific formal, legal options: municipalization and grants of franchise.

- **Municipal utility.**
  – A municipal utility in theory is an option that Detroit can utilize to address deficiencies or challenges in state law with regard to solar power deployment. In practice, as described below, there would be hurdles to overcome.

  – For the most part, the PSC does not regulate municipal utilities.[34] As a result, municipal utilities are able to develop their own rates and policies, subject to

31 See GLREA report.

32 MCL 460.1175; Mich. Admin. Code R. 460.601a - 460.656.

33 E.g., the O'Shea Solar Park. Jose Guillen, DTE plans 10-acre solar array in Detroit, Detroit Free Press, Mar. 27, 2016, available at https://www.freep.com/story/news/local/michigan/detroit/2016/03/27/dte-plans-10-acre-solar-array-detroit/82251592/

34 MCL 460.6(1).

generally applicable law.[35] For example, a municipal utility can implement net metering for solar power even if the 2016 laws have done away with it in other utility jurisdictions. A municipal utility can also decide to allow various forms of community solar.

– Our understanding is that there are several hurdles to overcome for Detroit to reactivate its former municipal utility. First, Detroit already agreed in 2014 to transfer utility ownership and operations to DTE. What Detroit has now is a Public Lighting Authority that operates and maintains street lights but does not set rates or establish policies.[36] Detroit would have to re-acquire some or all of those transferred assets. Second, though unregulated by the PSC, a municipal utility still needs staff, real estate, and other resources to develop and implement ratemaking; billing; energy generation, distribution, and procurement; property acquisition; and other items. These hurdles can all be overcome so long as political will and resources are present.

- **Franchise agreement.**
  – A franchise agreement in theory is a tool that cities in Michigan have to address deficiencies or challenges in state law with regard to solar power deployment.

  – Franchise agreements are based on the premise that municipalities are not obliged to provide physical access to private utilities to access their land.[37] To serve customers in a municipality, a private utility needs to place assets such as distribution lines on municipal streets and other public properties. Traditionally, municipalities have consented to the use of their properties by private utilities through the granting of a franchise.

  – The Michigan Constitution expressly provides for the development of franchise agreements.[38] The constitution provides basic procedural and substantive guidance, but leaves it mostly to each municipality to negotiate an agreement with the utility providing electricity in its jurisdiction. For example, based on the constitution, franchise agreements by default must be revocable at will absent three-fifths of the electorate voting otherwise.[39] Also, no franchise agreement can last more than 30 years; they can be renewed within that time period, but they

35 MCL 460.10y. See also Mich. Const. Art. VIII, §§ 24-25 for the constitutional authority.
36 Creation of the lighting authority is based on the Municipal Lighting Authority Act. Act 392 of 2012, MCL 123.1261-1295.
37 Mich. Const. Art. VI, § 29.
38 Mich. Const. Art. VII.
39 Mich. Const. Art. VII, § 25.

cannot be perpetual.[40]

- The Foote Act of 1905 departed from the traditional approach of requiring private utilities to obtain municipal franchises for use of public property. The Foote Act allowed utilities in the state of Michigan to simply use whatever public property was necessary without the need for a municipal franchise – in essence granting a state franchise to utilities. The Michigan Constitution of 1908 abrogated the Foote Act and returned franchise power to municipalities. While the state supreme court held that the 1908 constitutional amendment would not affect utilities that already had franchises, importantly the Foote Act expressly exempted Wayne County. That means the traditional approach of municipal franchises has been undisturbed in Wayne County municipalities, including Detroit. Detroit, then, can still insist on revocable franchises of 30 years or less.
- Based on materials we have been given access to, it appears that the currently applicable franchise agreement between Detroit and DTE is from June 2014 (entitled Consent Agreement For Public Utility Facilities). The Detroit signatory was Mr. Kevyn Orr, the then emergency manager. In exchange for Detroit granting access to its property, DTE pays Detroit a $100,000 annual consent fee. There are also provisions that describe notification requirements, insurance, indemnification, trees, and other items. Potentially more problematically, the agreement purports to be perpetual and to require mutual agreement for termination. A reasonable interpretation of the Michigan Constitution of 1964, however, is that franchise agreements cannot last longer than 30 years and that municipalities should be able to unilaterally revoke franchise agreements absent a sufficient electoral vote.[41]
- Our interpretation of the law is that, given the option it has to revoke the agreement, Detroit can negotiate with DTE a revision to the franchise agreement that continues to provide DTE access and other vital needs while providing to Detroit opportunities to be a leader in solar. As an example, in its franchise agreement, Ann Arbor has detailed provisions that require the electric utility to supply city residents with a certain amount of power from renewable sources.[42] In a revised franchise agreement with DTE, Detroit could conceivably obtain a commitment from DTE to install more utility-owned solar generation in the city, or to facilitate community solar through aggregated or virtualized metering and related community solar billing practices. These are examples, but as a franchise is contractual in nature, DTE and Detroit through renegotiation can develop various ways to deploy more solar in the city.

40 Mich. Const. Art. VII, § 30.

41 Ann Arbor's franchise agreement takes the form of an ordinance rather than a contract. Ann Arbor City Code, Title II, Ch. 37. See Mich. Const. Art. VII, §§ 25 & 30.

42 Ann Arbor City Code, Title II, Ch. 37, § 2:648.