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FOR IMMEDIATE RELEASE July 26, 2023
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Commission approves settlement agreement on DTE Electric Co.'s integrated resource plan

The Michigan Public Service Commission today approved a settlement agreement on DTE Electric Co.'s integrated resource plan (IRP) for providing electricity that includes faster shutdown of the utility's remaining coal-fired power plants and significant investment in wind and solar generation and energy storage.

Today's order ([Case No. U-21193](#)) approves a settlement agreement signed by 21 organizations that intervened in the case that helps shape the future of electricity supply for 2.3 million DTE Electric customers in southeast Michigan and the Thumb. IRPs are utilities' long-range forecasts for ensuring reliable service over the next 20 years, with specific requirements for reporting 5-, 10- and 15-year projections. IRPs were established under Michigan's 2016 energy laws and are required for each electric utility whose rates are regulated by the MPSC.

Among the highlights of the settlement agreement, DTE Electric will:

- Retire its Monroe Power Plant units 3 and 4 by Dec. 31, 2028, and units 1 and 2 by Dec. 31, 2032.
- Convert its Belle River Power Plant in St. Clair County from a coal-fired 1,270 megawatt (MW) baseload plant to a natural gas peaker plant used less frequently for times of highest demand for electricity. The company also will retire its diesel-fueled River Rouge and St. Clair peaker plants in 2024. Today's order includes preapproval of \$125 million in costs for the Belle River plant conversion in 2025-26.
- Accelerating development of renewable energy projects targeting additions of 600 MW per year in 2026, 2027, and 2028, and 1000 MW per year in 2029 and 2030, with approximately 30% to be sourced through power purchase agreements. The company aims to add more than 15,000 MW of solar and wind energy generation in Michigan.
- Accelerating development of electricity storage, targeting additions totaling 230 MW in 2025, 120 MW in 2027, and 430 MW in 2028 with approximately 35% being owned by third parties. The company aims to add more than 1,800 MW of energy storage by 2042.
- Increase its energy waste reduction target to 2% savings in 2023-27.
- Raise its distributed generation cap to 6%.

- Donate \$38 million to organizations that provide utility bill assistance and home energy efficiency improvements for income-eligible households.
- Disclose annually all political donations of \$5,000 or more made by DTE Energy Co. beginning in 2024.
- Develop an outreach and engagement plan for its next IRP to boost input from and participation by members of overburdened communities. DTE must file its next IRP by December 2026.

Intervenors in the case were the Michigan Department of Attorney General; Michigan Environmental Council (MEC); Natural Resources Defense Council; Sierra Club; Citizens Utility Board of Michigan (CUB); Energy Michigan; Michigan Energy Innovation Business Council; Institute for Energy Innovation; Advanced Energy Economy; Clean Grid Alliance; Soulardarity; We Want Green, Too; Ecology Center; Environmental Law and Policy Center of the Midwest; Union of Concerned Scientists; Vote Solar; Great Lakes Renewable Energy Association; Michigan Public Power Agency; Wolverine Power Supply Cooperative; Small Business Association of Michigan; International Transmission Company; Michigan Building & Construction Trades Council; Utility Workers Union of America Local 223; AFL-CIO; Association of Businesses Advocating Tariff Equity; and Enerwise Global Technologies, doing business as CPower. MPSC Staff also participated. The settlement agreement was signed by each organization except for the groups CUB, MEC, Energy Michigan, Wolverine, and ABATE, which signed a statement of non-objection.

For more information, read an [issue brief](#) on the DTE IRP settlement agreement.

COMMISSION ADOPTS NEW CAPACITY DEMONSTRATION PROCESS, DIRECTS UTILITIES, LOAD-SERVING ENTITIES TO FILE FOR 2027-28 PLANNING YEAR

The MPSC today accepted a proposed capacity demonstration process developed by MPSC Staff for all utilities and load-serving entities in Michigan to show they have adequate capacity to meet customer needs, addressing the impact of changing obligations from the Midcontinent Independent System Operator (MISO), the regional transmission organization serving the majority of Michigan residents ([Case No. U-21225](#)). Michigan resource adequacy requirements obligate all electric utilities, alternative electric suppliers, municipal electric utilities and cooperative electric utilities to demonstrate they own or have contractual rights to sufficient energy capacity to meet obligations four years into the future. The Commission in June 2023 [sought comments](#) on MPSC Staff's proposed capacity demonstration process and requirements document developed after a 2022 technical conference aimed at aligning with MISO's revision of its Open Access Transmission, Energy and Operating Reserve Markets Tariff to shift from an annual resource adequacy requirement to a seasonal resource adequacy requirement for each summer, fall, winter and spring. Today's order adopts certain changes to Michigan's capacity demonstration requirements including new seasonal requirements and also accepts the MPSC Staff's March 24, 2023, Capacity Demonstration Results Report filed in Case No. U-21225. The order directs electric utilities and LSEs to file capacity demonstrations for the 2027-28 planning year with staggered due dates from Feb. 15 through March 15, 2024. Utilities and LSEs should

include seasonal capacity resource data for the prompt and interim years as well as the compliance year, 2027-28 in Case No. U-21393. The Commission directed MPSC Staff to file a report analyzing the sufficiency of the capacity demonstrations for the 2027-28 planning year by May 10, 2024.

MPSC LOWERS FUNDING FACTOR FOR PROGRAM THAT FUNDS LOW-INCOME ENERGY ASSISTANCE AND SELF-SUFFICIENCY SERVICES

The MPSC today set the funding factor for the state Low-Income Energy Assistance Fund (LIEAF) at 88 cents, two cents lower than in 2022 ([Case No. U-17377](#)). The LIEAF funding factor raises a maximum of \$50 million each year for home energy assistance and self-sufficiency services for thousands of income-qualified Michigan households. The MPSC each year sets the amount, capped at \$1. The factor is collected monthly from each retail billing meter from participating investor-owned utilities, municipally owned electric utilities or rural cooperatives — no more than one meter per household — to raise funding distributed through the Michigan Energy Assistance Program.

MPSC APPROVES UPPER MICHIGAN ENERGY RESOURCES CORP. POWER SUPPLY COST RECOVERY PLAN SETTLEMENT AGREEMENT

The Commission approved a settlement agreement on Upper Michigan Energy Resources Corp.'s power supply cost recovery (PSCR) plan ([Case No. U-21265](#)). The approval authorizes the Upper Peninsula utility to implement a 2023 PSCR recovery factor of \$0.02407 per kilowatt-hour (kWh) for electric customers in its WEPCo rate zone and \$0.02784 per kWh in its WPSC rate zone through Dec. 31, 2023. The Michigan Department of Attorney General and the Citizens Utility Board of Michigan intervened in the case, and MPSC Staff participated. All parties signed onto the settlement agreement.

To look up cases from today's meeting, access the [MPSC's E-Dockets filing system](#). Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).

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