



Gretchen Whitmer, Governor

Sally A. Talberg, Chairman

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## NEWS RELEASE

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### **MPSC approves DTE Electric's revised integrated resource plan**

The Michigan Public Service Commission today approved a revised integrated resource plan (IRP) for DTE Electric Co. that addresses concerns raised when the Commission in February [recommended substantial changes](#) to the utility's long-term strategy for providing reliable, cost-effective electric service to its customers ([Case No. U-20471](#)).

DTE Electric said in its filings that it has agreed to adopt changes recommended by the Commission and has adjusted the plan for generating electricity over the next 15 years accordingly. In its Feb. 20 order, the Commission said it found DTE's IRP lacked competitive bidding and had other shortcomings identified by stakeholders that precluded the Commission from assessing the full range of alternatives such as utility- and third party-owned wind and solar projects.

The Commission did not approve new supply-side renewable resources proposed by DTE Electric, instead directing the company to present them in its ongoing renewable energy plan case, including competitive bidding information on the proposals, to be decided by the Commission on an expedited basis.

Among the changes DTE agreed to adopt:

- Expanding programs to help customers cut energy waste through more efficient appliances, insulation and equipment. Energy waste reduction programs such as these are the most cost-effective option to replace aging coal plants and protect the environment.
- Increasing its annual energy savings goals to 1.75 percent in 2020 and 2 percent in 2021, the same levels approved for Consumers Energy Co. The statutory minimum is 1 percent; DTE had originally proposed 1.65 percent in 2020 and 1.75 percent in 2021.
- Conducting further analysis of the company's proposed retirement of the coal-fired Belle River power plant in 2029-2030, which the Commission said was inadequately justified because the avoidance of new environmental upgrade costs was not considered in the analysis.
- Keeping two of DTE's ongoing demand response (DR) pilots but removing costs associated with other demand response pilots proposed by the company. The Commission said DTE may offer the new pilots in future rate cases or in DR

reconciliation cases, when more information about the scope, purpose and costs of the projects will be available on the record.

- Filing its next IRP by Sept. 21, 2023, two years sooner than required by statute.

Since the Commission's Feb. 20 order, comments were filed in the case by the City of Ann Arbor; the Michigan Department of Attorney General; Great Lakes Renewable Energy Association; Michigan Environmental Council/Natural Resources Defense County/Sierra Club; Michigan Energy Innovation Business Council/Institute for Energy Innovation; Soulardarity; Environmental Law & Policy Center, et al.; MPSC Staff; Energy Michigan Inc., and Geronimo Energy. Other intervenors included the Association of Businesses Advocating Tariff Equity; Union of Concerned Scientists; Vote Solar; ITC Transmission Co.; Cypress Creek Renewables; Convergen Energy; Midland Cogeneration Venture LP; Heelstone Development, and Michigan Public Power Agency.

Read an issue brief on DTE Electric Co.'s integrated resource plan [here](#).

## **MPSC approves two DTE Gas Co. pipelines designed to strengthen service for customers**

The MPSC today approved two settlement agreements with DTE Gas Co. for natural gas pipeline projects in Grand Traverse and Benzie counties that are part of the company's proposals to add a backup supply route for customers in the Traverse City area and minimize disruptions to customers during emergency situations.

Both projects fit with goals outlined last September in the [MPSC's Statewide Energy Assessment](#), a deep evaluation of the state's electric, natural gas and propane systems requested by Gov. Gretchen Whitmer after a statewide energy emergency Jan. 30-31, 2019, amid a polar vortex cold snap that enveloped Michigan.

In [Case No. U-20640](#), the MPSC approved a settlement permitting DTE Gas to build a 9-mile, 10-inch natural gas pipeline called the Lincoln-Traverse City Pipeline Loop, through Paradise, East Bay, Blair and Garfield townships in Grand Traverse County. The pipeline will begin near the crossing of DTE Michigan Gathering Holding Company's 24-inch gathering header and end at DTE Gas's Traverse City Gate Station along a route mostly parallel to the existing Lincoln-Traverse City Pipeline. Construction may begin this spring although the timing may be affected by COVID-19. The project includes an expansion of DTE's existing Frankfort Check Meter Station and upgrades to its Traverse City Gate Station.

In [Case No. U-20641](#), the MPSC approved a settlement allowing DTE Gas to build a 14-mile, 8-inch diameter natural gas pipeline called the 8" Frankfort Pipeline Loop in Blair, Green Lake and Inland townships in Grand Traverse and Benzie counties. The pipeline will run west from its Frankfort Junction Station in Blair Township to its Leelanau Gate Station in Inland Township along a route mostly parallel to the existing Frankfort Pipeline. Construction is expected to begin in spring 2021. According to the

company, the project includes upgrades to its Frankfort Junction Station and Traverse City West Gate Station, along with modifications to its existing Grawn and Interlochen Gate Stations and expansion of its Leelanau Gate Station.

DTE Gas says the additional pipelines are part of the company's overall Traverse City-Alpena Reinforcement Project designed to strengthen the existing natural gas supply sources to customers in the Traverse City area and to ensure minimal customer disruptions during routing and emergency situations.

### **CONSUMERS ENERGY WINS APPROVAL FOR SOLAR POWER PURCHASE AGREEMENTS**

Consumers Energy Co. today won ex parte approval from the MPSC for 31 solar power purchase agreements (PPAs) for 394 megawatts-alternating current, a more than \$1 billion investment in 20-year energy contracts ([Case No. U-20604](#)). The contracts were the result of a September 2019 settlement between Consumers and numerous developers of proposed new solar facilities in the company's interconnection queue, resolving rights and obligations under the Public Utility Regulatory Policies Act of 1978. Under the agreement, Consumers was required to enter into contracts with PURPA qualifying facilities for 170 megawatts of energy and capacity at the full avoided cost rates approved in a Nov. 21, 2017, order in [Case No. U-18090](#), and 414 megawatts of energy and capacity at the energy and Midcontinent Independent System Operator, Inc. (MISO) planning resource auction based avoided cost rates approved in the Nov. 21 order. The PPAs will not affect rates or rate schedules and will not increase the cost of service to customers.

### **DTE ELECTRIC SOLAR-PLUS-STORAGE PILOT APPROVED**

The MPSC today approved a contract for DTE Electric Co.'s Solar Plus Battery Energy Storage System Pilot ([Case No. U-18232](#)). The Commission approved an engineering, procurement and construction contract with J. Ranck Electric Inc. for 750 kilowatts of renewable energy capacity from a ballasted rooftop solar array located on a customer-owned parking structure. The pilot includes an approximately 125-500 kilowatt (kW) hour battery. DTE Electric's estimated installed cost of \$1,530 per kW for the solar component of the pilot is lower than the installed cost of \$3,000 per kW assumed in the company's renewable energy plan. The pilot project will not affect customer rates.

### **MPSC AUTHORIZES CONSUMERS ENERGY GAIN-SHARING**

The MPSC today approved Consumers Energy Co.'s application for a one-time voluntary gain sharing of \$17 million with its electric customers representing 50% of the proceeds from the sale of electric transmission assets above their book value ([Case No. U-20699](#)). The Commission also approved Consumers Energy's proposal to use the proceeds to pay for storm restoration costs in 2020 in excess of what's included in its current Commission-regulated rates, with any unspent amount of the \$17 million refunded to customers through a bill credit in 2021. The Commission took input from the Michigan Department of Attorney General, Energy Michigan, Hemlock Semiconductor Operations LLC and MPSC Staff.

## **MPSC EXTENDS DEADLINE FOR PRELIMINARY REPORTS ON ELECTRIC SERVICE QUALITY AND TECHNICAL STANDARDS**

The MPSC today extended the deadlines for preliminary reports to be filed on the agency's ongoing assessment of Service Quality and Reliability Standards for Electric Distribution Systems ([Case No. U-20629](#)) and Technical Standards for Electric Service ([Case No. U-20630](#)), two of several measures the MPSC undertook as part of its [Statewide Energy Assessment](#) released in September. The Commission created a number of workgroups to explore issues raised in the assessment, including examining best practices in other states and how current and future technological advances might improve safety and reliability and reduce customer outages, with preliminary reports to be filed by April 30 and final reports by Sept. 1, 2020. Given Gov. Gretchen Whitmer's emergency declaration meant to help reduce the spread of COVID-19 by suspending all in-person activities within the state that are not required to sustain or protect life, the MPSC instituted remote work and meeting requirements for Staff and other stakeholders. Due to the coronavirus outbreak and related response, the MPSC is extending the deadline for preliminary reports to July 31, 2020, and final reports Dec. 15, 2020.

## **MPSC APPROVES LICENSES FOR BASIC LOCAL PHONE SERVICE PROVIDERS**

The MPSC approved permanent licenses today for High Speed Connect Michigan, LLC ([Case No. U-20662](#)) and Point Broadband Fiber Holding, LLC ([Case No. U-20716](#)) to provide basic local exchange phone service in Michigan. In addition, the MPSC approved designating Point Broadband Fiber Holding as an eligible telecommunications carrier so that the company can receive Lifeline universal service support for in eligible high-cost areas of the state ([Case No. U-20720](#)).

## **EDF ENERGY SERVICES LLC GRANTED LICENSE TO OPERATE AS ALTERNATIVE GAS SUPPLIER**

The MPSC today granted a license to EDF Energy Services, LLC, to operate in Michigan as an alternative gas supplier ([Case No. U-20666](#)), finding that the company meets all requirements under Public Act 634 of 2002 and complies with the Commission's 2003 order in [Case No. U-13694](#) to serve customers in Michigan's Gas Customer Choice Program. EDF's Michigan offices are based in the Detroit suburb of Plymouth. The company provides natural gas to more than 1,500 customers in Indiana, Ohio, Michigan, Wisconsin, Illinois, West Virginia, Iowa, Minnesota, Arizona, Texas, Nevada, California and Washington.

*To look up cases from today's meeting, access the E-Dockets filing system [here](#).*

*To watch a livestream of the MPSC's meetings, click [here](#).*

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