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MPSC seeks energy storage resource pilot programs from Michigan's regulated utilities

The MPSC today encouraged Michigan's investor-owned electric utilities to propose pilot programs for integrating batteries and other energy storage devices that take electricity from the grid and store it for later use as the Commission works to implement the Federal Energy Regulatory Commission's Order No. 841 of 2018 (Case No. U-21032).

FERC's Order No. 841 seeks to remove barriers to the participation of ESRs in the capacity, energy, and ancillary service markets operated by regional transmission operators and independent system operators. Storage devices such as batteries, from home-based to utility scale, are expected to play an increasingly significant role in the electric grid as the amount of electricity from clean energy sources grows.

The Commission in April sought comments from stakeholders and received remarks from Consumers Energy Co., DTE Electric Co., and a joint filing by the Michigan Energy Innovation Business Council, Advanced Energy Economy, and Advanced Energy Management Alliance, in addition to MPSC Staff.

The Commission found that encouraging utilities to propose well-designed retail tariffs that account for the full value stack ESRs offer, while also allowing for participation through the utility in regional wholesale markets, is a reasonable next step in enabling increased participation of ESRs in the electric grid.

The Commission encouraged Michigan's investor-owned utilities to propose pilot programs in upcoming rate cases in which, among other measures, utilities may participate in wholesale markets on behalf of customer-owned ESRs, develop applicable rates and tariffs, appropriately compensate the ESR, and engage third-party aggregators of smaller ESRs that do not on their own meet the 100-kilowatt minimum required by the Midcontinent Independent System Operator (MISO). MISO is the regional transmission organization that covers most of Michigan.

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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