STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of NORTHERN STATES POWER COMPANY , a Wisconsin corporation and wholly owned subsidiary of Xcel Energy Inc., for approval of interconnection procedures pursuant to R 460.920.)) Case No. U-21455))
In the matter of the application of INDIANA MICHIGAN POWER COMPANY for approval of interconnection procedures, forms, agreements, and related relief.))) Case No. U-21467))
In the matter of the application of UPPER PENINSULA POWER COMPANY for approval of interconnection procedures pursuant to R 460.920.))) Case No. U-21477))
In the matter of the application of UPPER MICHIGAN ENERGY RESOURCES CORPORATION for approval of interconnection procedures pursuant to R 460.920.)))) Case No. U-21479))
In the matter of the application of CONSUMERS ENERGY COMPANY for approval of interconnection procedures and forms.))) Case No. U-21480)

In the matter of the application of ALGER-DELTA CO-OPERATIVE ELECTRIC ASSOCIATION, CHERRYLAND ELECTRIC COOPERATIVE, CLOVERLAND ELECTRIC COOPERATIVE, GREAT LAKES ENERGY COOPERATIVE, HOMEWORKS TRI-COUNTY ELECTRIC COOPERATIVE, MIDWEST ENERGY & COMMUNICATIONS, ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION, PRESQUE ISLE ELECTRIC & GAS CO-OP, and THUMB ELECTRIC COOPERATIVE OF MICHIGAN, individually and collectively, for approval of interconnection procedures, forms, fees and related relief.))))))))))))))
In the matter of the application of DTE ELECTRIC COMPANY for approval of interconnection procedures and waivers from Interconnection and Distributed Generation Standards R 460.901a et seq.))) Case No. U-21482))
In the matter of the application of ALPENA POWER COMPANY , for approval of its interconnection procedures and forms, submitted pursuant to the Commission's own motion, commencing a collaborative for the development of electric utility interconnection procedures.)))) Case No. U-21483)))
In the matter, on the Commission's own motion, to approve a standard agreement for use with level 1, 2, and 3 interconnection.))) Case No. U-21543))

At the February 8, 2024 meeting of the Michigan Public Service Commission in Lansing, Michigan.

> PRESENT: Hon. Daniel C. Scripps, Chair Hon. Katherine L. Peretick, Commissioner Hon. Alessandra R. Carreon, Commissioner

ORDER AND NOTICE OF OPPORTUNITIES TO COMMENT

Background

On April 24, 2023, the Commission issued an order in Case No. U-20890 adopting the

Interconnection and Distributed Generation Standards (also known as the MIXDG rules). The

MIXDG rules, Mich Admin Code, R 460.901a et seq., became effective on April 25, 2023.

Included in the MIXDG rules is Mich Admin Code, R 460.920 (Rule 20), which reads (in

pertinent part) as follows:

Rule 20. (1) An electric utility shall file applications for approval of interconnection procedures and forms within 120 calendar days of the effective date of these rules.

(2) The commission shall issue its order approving, rejecting, or modifying an electric utility's proposed interconnection procedures and forms within 360 calendar days of the electric utility filing an application for approval of interconnection procedures and forms. If the commission finds the procedures and forms proposed by the electric utility to be inadequate or unacceptable, the commission may either adopt procedures and forms proposed by another person in the proceeding or modify and accept the procedures and forms proposed by the electric utility.

(3) Until the commission accepts, rejects, or modifies an electric utility's interconnection procedures and forms, the electric utility may use the proposed interconnection procedures and forms when processing interconnection applications with the exception of fixed fees and fee caps. An electric utility shall only charge fees that comply with the requirements of R 460.926 until the commission accepts, rejects, or modifies the proposed interconnection procedures and forms, unless the commission approves different fees pursuant to R 460.926(5).

(4) Two or more electric utilities may file a joint application proposing interconnection procedures for use by the joint applicants. The proposed interconnection procedures must ensure compliance with these rules.

(5) The proposed interconnection procedures must, at a minimum, include all

of the following:

(a) All necessary applications, forms, and relevant template agreements.

(b) A schedule of all applicable fixed fees and fee caps.

(c) Voltage ranges for high voltage distribution and low voltage distribution.

(d) Required initial review screens.

(e) Required supplemental review screens.

(f) The process for conducting system impact studies and facilities studies on DERs [distributed energy resources] when there is an affected system issue.

(g) Testing and certification requirements of DER telecommunications, cybersecurity, data exchange, and remote control operation.

(h) Parallel operation requirements.

(i) A method to estimate the expected annual kWh [kilowatt-hour] output of the generator or generators.

(j) If an electric utility uses alternative methods for power limited export DER pursuant to R 460.980(3), a description of those methods.

(k) A cost allocation methodology for study track DERs.

(l) An evaluation of an interconnection application for a project that includes single or multiple types of DERs at a site for which the applicant seeks a single point of common coupling.

(m) Details describing how an energy storage device may be integrated into an existing legacy net metering program system without impacting the 10-year grandfathering period or participation in the distributed generation program.

(n) For electric utilities that are member-regulated electric cooperatives, a procedure for fairly processing applications in instances in which the number of applications exceed the capacity of the electric cooperative to timely meet the deadlines in these rules.

(o) Examples of modifications that are not material modifications.

(p) The procedure for performing a material modification review to determine if a modification is material.

(q) Any required terms and conditions that must be specified in the general liability insurance for level 3, 4, and 5 projects.

(r) A list of the electric utility's holidays.

(s) If an electric utility uses an alternative process pursuant to R 460.956, a description of that process.

(t) Fast track eligibility criteria for applications proposing to interconnect DERs with 4.8 kV [kilovolt] distribution systems.

(u) In the event daytime loading data is not available for the initial screen provided in R 460.946(5)(b), the date when the data will be collected.

Additionally, Mich Admin Code, R 460.910 (Rule 10) reads as follows:

Rule 10. An electric utility, customer, alternative electric supplier, applicant, or interconnection customer may apply to the commission for a waiver from 1 or more provisions of these rules and may request expeditious processing. The commission may grant a waiver upon a showing of good cause and a finding that the waiver is in the public interest.

The May 18, 2023 order in Case No. U-21117 (May 18 order) directed the rate-regulated electric utilities and member-regulated electric cooperatives (named in the captions above) to file draft interconnection procedures (MIXDG procedures) in the Case No. U-21117 docket by June 16, 2023, and directed the Commission Staff (Staff) to hold a working session for interested persons on June 21, 2023, to allow for input regarding the draft MIXDG procedures. The May 18 order required final MIXDG procedures to be filed in the above-captioned individual dockets no later than August 23, 2023, per the requirements of Rule 20(1).

All of the above-captioned rate-regulated electric utilities and member-regulated electric cooperatives (filing jointly in Case No. U-21481) timely filed final MIXDG procedures by August 23, 2023, along with supporting testimony and exhibits and any requested rule waivers pursuant to Rule 10, in their respective individual dockets.¹ On September 28, 2023, the Commission issued an order in the above-captioned electric utility and electric cooperative dockets (September 28 order) soliciting comments and reply comments on the proposed procedures and waiver requests. In light of the filed comments and intervening statutory changes, this order addresses procedural matters going forward, including the impact of recently enacted legislation on the proposed interconnection procedures and the need for a statewide standard level 1, 2, and 3 interconnection agreement.

Public Act 235 of 2023

On November 28, 2023, Governor Gretchen Whitmer signed Public Act 235 of 2023 (Act 235) into law. Act 235, which supersedes the MIXDG rules, contains three changes to the distributed generation program that will require updates to the interconnection procedures as

¹ Waivers from specific MIXDG rules are requested in Case Nos. U-21455, U-21477, U-21481, and U-21482. The waiver requests are pending.

filed by the rate-regulated electric utilities. See, MCL 460.1173 (effective February 27, 2024). Section 173(2) of Act 235 increases the size limit for distributed generation program participation from 100% of the customer's annual electric usage to 110%. This requirement supersedes Mich Admin Code, R 460.1001(7), R 460.1001(7)(a), and R 460.1001(7)(c). Section 173(3)(b) of Act 235 increases the upper limit of the system size for an eligible electric generator from 150 kilowatts (kW) to 550 kW to include renewable energy systems where, previously, program eligibility was limited to methane digesters in that size range. This requirement supersedes Mich Admin Code, R 460.901a(y)(i), R 460.901a(y)(ii), R 460.1012(2), R 460.1012(3), R 460.1014(2), and R 460.1014(3). Lastly, Section 177(1) of Act 235 removes the requirement for a generation meter and provides that an eligible customer will pay only the incremental costs above what a similarly situated non-generating customer would pay. This requirement supersedes Mich Admin Code, R 460.974, R 460.1006(7), R 460.1012(2), R 460.1012(3), R 460.1014(2), and R 460.1014(3). Per Act 235, these changes are effective on February 27, 2024. As of that date, all of the proposed interconnection procedures filed by the rate-regulated electric utilities become noncompliant with current law, and thus, pursuant to Rule 20(2), the Commission hereby rejects the proposed interconnection procedures and denies the applications filed in Case Nos. U-21455, U-21467, U-21477, U-21479, U-21480, U-21482, and U-21483.

The Commission finds that the rate-regulated electric utilities shall file new applications with revised interconnection procedures that reflect the provisions of Act 235 in each of their respective dockets no later than 5:00 p.m. (Eastern time (ET)) on March 22, 2024. Interested persons may thereafter submit comments and reply comments on the revised procedures. Although the member-regulated electric cooperatives are not affected by these provisions of Act 235, the Commission invites interested persons to submit comments and reply comments in Case No. U-21481 as well. The comments should be paginated and should reference the appropriate "Case No." as indicated in the captions above. To be considered, comments must be received no later than 5:00 p.m. (ET) on May 22, 2024. Reply comments are due no later than 5:00 p.m. (ET) on June 5, 2024. Electronic comments may be e-mailed to mpscedockets@michigan.gov. Address mailed comments to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Any person requiring assistance prior to filing may contact the Staff at (517) 284-8090 or by e-mail at mpscedockets@michigan.gov. All information submitted to the Commission in this matter will become public information available on the Commission's website and subject to disclosure.

Lastly, the Commission acknowledges that this new filing will restart the clock on the 360calendar-day timeline required by Rule 20(2). The Commission will issue final orders no later than March 17, 2025, for all rate-regulated electric utilities.² Per Rule 20(3), "[u]ntil the commission accepts, rejects, or modifies an electric utility's interconnection procedures and forms, the electric utility may use the proposed interconnection procedures and forms when processing interconnection applications with the exception of fixed fees and fee caps."

DTE Electric Company

On August 23, 2023, DTE Electric Company (DTE Electric) filed an application for approval of interconnection procedures along with its proposed procedures in Case No. U-21482. In response to the September 28 order, timely comments were filed by Ford Motor Company; Michigan Energy Innovation Business Council; Energy Michigan, Inc.; the Staff;

² The final order in Case No. U-21481 for the member-regulated electric cooperatives will be issued no later than August 18, 2024.

and the Environmental Law & Policy Center, Ecology Center, and Vote Solar (jointly). DTE Electric timely filed reply comments. The comments raise significant issues related to: (1) indemnity clauses in both the interconnection agreement and the construction agreement; (2) power limiting, export control, and inverters; (3) direct transfer trip; (4) fee adjustments; (5) additional studies that may be required for larger interconnections and related fees; and (6) battery storage. The Commission finds that DTE Electric's reply comments do not address these issues in a manner that would allow for resolution of these concerns outside of a contested case. Thus, the Commission finds that Case No. U-21482 should be converted to a contested case under Rule 20(2). In light of the requirement to issue a final order no later than March 17, 2025, the Commission finds that it will read the record in Case No. U-21482 and requests that the administrative law judge assigned to Case No. U-21482 establish a schedule that ensures that the record closes no later than December 17, 2024. Notwithstanding, DTE Electric's revised interconnection procedures remain subject to the comment process described above.

Standard Level 1, 2, and 3 Interconnection Agreement

In the December 20, 2012 order in Case No. U-15919, the Commission adopted a standard level 1 and 2 interconnection agreement. This agreement is out of date and unaligned with the MIXDG rules. Attached to this order as Exhibit A is a proposed standard level 1, 2, and 3 interconnection agreement. The Commission invites interested persons to submit comments and reply comments on the attached agreement. The comments should be paginated and should reference Case No. U-21543. To be considered, comments must be received no later than 5:00 p.m. (ET) on March 27, 2024. Reply comments are due no later than 5:00 p.m. (ET) on April 26, 2024. Electronic comments may be e-mailed to mpscedockets@michigan.gov.

Page 6 U-21455 *et al*. Address mailed comments to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Any person requiring assistance prior to filing may contact the Staff at (517) 284-8090 or by e-mail at <u>mpscedockets@michigan.gov</u>. All information submitted to the Commission in this matter will become public information available on the Commission's website and subject to disclosure.

THEREFORE, IT IS ORDERED that:

A. Case No. U-21482 shall be converted to a contested matter and shall be assigned to an administrative law judge.

B. The applications for approval of interconnection procedures filed in Case Nos. U-21455, U-21467, U-21477, U-21479, U-21480, U-21482, and U-21483 are denied, and the applicants in those dockets shall file new applications accompanied by revised interconnection procedures incorporating the requirements of Public Act 235 of 2023 no later than 5:00 p.m. (Eastern time) on March 22, 2024.

C. Interested persons may submit comments and reply comments in the above-captioned electric utility and electric cooperative dockets. The comments shall be paginated and must reference the appropriate "Case No." as indicated in the captions above. To be considered, comments must be received no later than 5:00 p.m. (Eastern time) on May 22, 2024. Reply comments are due no later than 5:00 p.m. (Eastern time) on June 5, 2024.

D. Attached to this order as Exhibit A is a proposed standard level 1, 2, and 3 interconnection agreement. Interested persons may submit comments and reply comments on Exhibit A. The comments shall be paginated and must reference Case No. U-21543. To be considered, comments must be received no later than 5:00 p.m. (Eastern time) on March 27, 2024. Reply comments are due no later than 5:00 p.m. (Eastern time) on April 26, 2024.

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Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at <u>mpscedockets@michigan.gov</u> and to the Michigan Department of Attorney General - Public Service Division at <u>pungp1@michigan.gov</u>. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of February 8, 2024.

Lisa Felice, Executive Secretary

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STANDARD LEVEL 1, 2, AND 3 INTERCONNECTION AGREEMENT FOR PROJECTS UP TO 550 KW BETWEEN ______ (UTILITY) AND (INTERCONNECTION CUSTOMER)

This Interconnection Agreement ("Agreement") is entered into on ______ by _____ (the "Utility"), ______ (the "Interconnection Customer"), and (if applicable under Paragraph 6) ______ (the "Property Owner") with project number ______ assigned by Utility. Utility and Interconnection Customer are sometimes also referred to in this Agreement collectively as "Parties" or individually as "Party." The Interconnection Customer may be the "Project Developer" or "Applicant" as used in and for purposes of the applicable Michigan Electric Utility Interconnection Procedures ("Interconnection Procedures") approved by the Michigan Public Service Commission ("Commission").

I. RECITALS

- A. Interconnection Customer is an electric service customer of Utility in good standing and has submitted a Generator Interconnection Application ("Application") to Utility.
- B. Interconnection Customer desires to interconnect a distributed energy resource (DER) with a maximum capacity of 550 kilowatts ("kWac") or less with Utility's electric distribution system and operate the DER in parallel with Utility's distribution system, under Utility's Interconnection Procedures for Level 1, 2, and 3 projects, as defined in the Michigan Public Service Commission's ("Commission") Interconnection and Distributed Generation Standards (the "Standards"), as applicable.
- C. For purposes of this Agreement, "interconnect" means establishing a connection between a nonutility generating resource (in this case, the DER) and Utility's distribution system. "Operate in parallel" means the operation, for longer than 100 milliseconds, of a DER while connected to the energized distribution system that is connected to Utility's system. In all cases, terms shall have the meaning as defined in the Standards.
- D. Interconnection of the DER with Utility's distribution system is subject to this Agreement, the Application, the Interconnection Procedures, the Standards and utility tariffs approved by the MPSC, as applicable. Interconnection of the DER is also subject to local, county, and state requirements for applicable permits, inspections, and other requirements.
- E. This Agreement does not address any purchase or sale of electricity between Utility and Interconnection Customer nor does it create any agency, partnership, joint venture, or other business arrangement between or among Utility, Interconnection Customer, and/or Property Owner.
- F. Interconnection of the DER with Utility's distribution system is subject to this Agreement, the Application, the Interconnection Procedures, the Standards, and utility tariffs approved by the MPSC,

as applicable. Pursuant to Michigan Administrative Code Rule 460.964 (3) the Interconnection Customer shall sign and return the interconnection agreement with payment, if applicable, within 20 business days of receiving the agreement. If the Interconnection Customer does not sign and return the interconnection agreement and payment, if applicable, within 20 business days, the Utility shall notify the Interconnection Customer of the missed deadline and grant an extension of 15 business days. If the Utility does not receive the signed Agreement and any applicable payment during the 15-business-day extension period, the Utility may consider the interconnection application withdrawn subject to Michigan Administrative Code Rule 460.964, subrule 3(b).

II. AGREEMENT

NOW THEREFORE, in consideration of the above recitals, the mutual covenants contained herein and for good and valuable consideration, the Parties agree as follows:

1. Description of DER

1.1 The DER must be built as described in **Exhibit 1 – Description of Distributed Energy Resource** and as depicted in **Exhibit 2 – Interconnection Diagram**. The DER shall not be changed without advance written notice of a material modification to the Utility and Utility approval.

2. Interconnection Facilities

If it is necessary for Utility to install certain interconnection facilities ("Interconnection Facilities") and make certain system modifications in order to establish an interconnection between the DER and Utility's distribution system, the Interconnection Facilities and modifications shall be described to the Interconnection Customer in **Exhibit 3 – Interconnection Facilities Scope of Construction**.

3. Design Requirements, Testing, and Maintenance of Customer Facility

- 3.1 Interconnection Customer shall be responsible for the design and installation of the DER and obtaining and maintaining any required governmental authorizations and/or permits, which may include, but shall not be limited to, easements to clear trees and necessary rights-of-way for installation and maintenance of the Utility Interconnection Facilities.
- 3.2 Interconnection Customer shall, at its sole expense, install and properly maintain protective equipment and devices to protect its equipment and service, and the equipment and system of Utility, from damage, injury, or interruptions, and will assume any loss, liability, or damage to the DER caused by lack of or failure of such protection. Such protective equipment specifications and design shall be consistent with the applicable Interconnection Procedures. Prior to the DER operating in parallel with Utility distribution system, Interconnection Customer shall provide satisfactory evidence to Utility that it has met the Interconnection Procedures, including but not limited to the receipt of approval from the local building/electrical code inspector. The Utility's approval, or failure to approve, under this section shall in no way act as a waiver or otherwise relieve the Interconnection Customer of its obligations under this section.
- 3.3 At its own expense, Interconnection Customer shall perform operational testing. Utility may but is not required to send qualified personnel to the DER to inspect the facility and observe the testing. Upon completion of such testing and inspection, and prior to interconnection,

Interconnection Customer shall provide Utility with a written report explaining all test results, including a copy of the DER commissioning test report. The Utility required commissioning testing and inspection checklist is in **Exhibit 4 – Utility Commissioning Testing and Inspection Checklist (if applicable).**

- 3.4 As required by Utility, Interconnection Customer shall test protective equipment in accordance with manufacturer's specifications and Utility specifications, if available, unless no testing interval is provided, in which case testing shall occur every four years (unless an extension is agreed to by Utility) to verify the calibration indicated on the latest setting document issued by Utility. The results of such tests shall be provided to Utility in writing for review and approval. Utility may, at any time and at its sole expense, inspect and test the DER to verify that the required protective equipment is in service, properly maintained, and calibrated to provide the intended protection. This inspection may also include a review of Interconnection Customer's pertinent records. Inspection, testing and/or approval by Utility or the omission of any inspection, testing and/or approval by Utility assumed under this Agreement.
- 3.5 Interconnection Customer shall operate and maintain the DER in a safe and prudent manner and in conformance with all applicable laws and regulations. Interconnection Customer shall obtain or maintain any governmental authorizations and permits required for construction and operation of the DER.
- 3.6 As described in Exhibit 5 Protection, Communication and Configuration Requirements and Settings (if applicable), Interconnection Customer shall install and provision communications equipment, at its own expense, as specified by Utility. Interconnection Customer shall configure the communications system to Utility specification. The Interconnection Customer is responsible for maintaining the communications software as set forth by Utility. The Interconnection Customer shall install and maintain needed cyber and physical security as specified by Utility. Failure to meet these requirements will result in disconnecting the interconnection. Current requirements are provided in Exhibit 5 Protection, Communication and Configuration Requirements and Settings (if applicable).
- 3.7 Interconnection Customer shall cooperate with Utility to regulate the voltage level at the Point of Delivery by controlling its DER in accordance with Utility's instructions. Such instructions shall include, but not be limited to: (a) maintaining voltage or (b) delivering real and reactive power to the Point of Delivery at levels specified by Utility. Interconnection Customer shall cooperate with Utility to regulate the frequency by controlling the DER in accordance with Utility's instructions. Such instructions shall include, but not be limited to, frequency-droop curves. The instructions given by Utility shall be consistent with the normal practices adhered to by Utility with respect to its own DERs located on its system. Such instructions shall be described in Exhibit 6 Additional Exceptions, Clarifications, and Special Conditions (if applicable).
- 3.8 Installation, inspection, and calibration of protective equipment to trip the DER for under- or overvoltage and frequency operation shall be coordinated with Utility, so as not to degrade the

security of Utility's distribution system. Operating practices developed by Interconnection Customer which call for manual tripping of the DER for under-or over-voltage and frequency operation shall likewise be coordinated and be consistent with the voltage and frequency ride through provisions listed in the utility interconnection procedures during abnormal system voltage and frequency events, and any successor and/or supplemental documents, which are incorporated herein by reference. Such instructions shall be described in **Exhibit 6 - Additional Exceptions, Clarifications, and Special Conditions**.

4. Parallel Operation of the Project

Parallel operation of the DER with utility's distribution system shall only begin after the following conditions have been satisfied and confirmed in writing by Utility to Interconnection Customer.

(a) The Utility notified the Interconnection Customer that the commissioning test and inspection, where applicable, are accepted.

(b) The Interconnection Customer has executed a standard level 1, 2, or3 interconnection agreement and complied with all applicable parallel operation requirements as set forth in the Utility's interconnection procedures and this interconnection agreement.

(c) The Interconnection Customer complied with all applicable local, state, and federal requirements.(d) The Utility received full payments for all outstanding bills.

5. Disconnection

Utility shall be entitled to disconnect the DER from Utility's distribution system, or otherwise refuse to connect the DER, if any of the following conditions are present:

(a) Failure of the Interconnection Customer to bring a DER into compliance pursuant to Michigan Administrative Code Rule 460.976(1).

(b) Failure of the Interconnection Customer to pay costs of remedy pursuant to Michigan Administrative Code Rule 460.976(2).

(c) Termination of interconnection by mutual agreement.

(d) Distribution system emergency, but only for the time necessary to resolve the emergency.

(e) Routine maintenance, repairs, and modifications performed in a reasonable time and with prior notice to the Interconnection Customer.

(f) Noncompliance with technical or contractual requirements in the interconnection agreement that could lead to degradation of distribution system reliability, utility equipment, and/or electric customers' equipment.

(g) Noncompliance with technical or contractual requirements in the interconnection agreement that presents a safety hazard.

(h) Other material noncompliance with the interconnection agreement.

(i) Operating in parallel without prior written authorization from the Utility as provided for in Michigan Admin Code Rule 460.968.

(j) Utility may disconnect electric service, where applicable, pursuant to Michigan Admin Code Rule 460.136.

When reasonable and appropriate, the Utility will attempt to notify Interconnection Customer and coordinate its actions under this Paragraph with Interconnection Customer. This paragraph applies

only to Utility actions with respect to DER. Utility shall promptly re-connect the DER to the Utility's distribution system as soon as the reason for disconnection has been remedied.

6. Access to Property

- 6.1 At its own expense, Interconnection Customer shall make the DER site available to Utility. The site shall be free from hazards and shall be adequate for the operation and construction of the Interconnection Facilities. Utility, its agents, and employees, shall have full right and authority of ingress and egress at all reasonable times on and across the property at which the DER is located, for the purpose of installing, operating, maintaining, inspecting, replacing, repairing, and removing the Interconnection Facilities. The right of ingress and egress shall not unreasonably interfere with Interconnection Customer's or (if different) Property Owner's use of the property and does not include the right to enter applicant's residence or other enclosed structure on the property where the DER is located with the residence or other enclosed structure, except on reasonable notice where the Interconnection Facilities are located within the residence or other enclosed structure.
- 6.2 Utility may enter the property on which the DER is located to inspect, at reasonable hours, Interconnection Customer's protective devices and read or test meters. Utility will use reasonable efforts to provide Interconnection Customer or Property Owner, if applicable, at least 24 hours of notice prior to entering said property, in order to afford Interconnection Customer or Property Owner the opportunity to remove any locks or other encumbrances to entry; provided, however, that Utility may enter the property without notice (removing, at Interconnection Customer's expense, any lock or other encumbrance to entry) and disconnect the Interconnection Facilities if Utility believes that disconnection is necessary to address a hazardous condition and/or to protect persons, Utility's facilities, or the property of others from damage or interference caused by the DER.
- 6.3 By executing this Agreement, Property Owner consents to and agrees to provide access to its property, including ingress and egress, on which the DER is located to Utility as described in this section, but does not assume or guarantee other performance obligations of the Interconnection Customer under this Agreement.

7. Liability and Indemnity

7.1 Except as set forth in Section 3.2 above, as between the Parties, unless caused by the sole negligence or intentional wrongdoing of the other Party, each Party to this Agreement shall at all times assume all liability for, any and all damages, losses, claims, demands, suits, recoveries, costs, legal fees, and expenses to the extent caused by its directors, officers, employees, and agents: (a) for injury to or death of any person or persons whomsoever occurring on its own system, and/or (b) for any loss, destruction of or damage to any property of third persons, firms, corporations or other entities occurring on its own system, including environmental harm or damage arising out of or resulting from, either directly or indirectly, the Interconnection Facilities or the DER, or arising out of or resulting from, either directly or indirectly, any electric energy furnished to it hereunder after such energy has been delivered to it by such other Party.

- 7.2 The provisions of this Section 7 shall not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance policy.
- 7.3 Notwithstanding anything in this Section, or any other provision of this Agreement to the contrary, any liability of a Party to the other Party shall be limited to direct actual damages, and all other damages at law or in equity are hereby waived. Under no circumstances shall a Party be liable to the other Party, whether in tort, contract or other basis in law or equity for any special, indirect, punitive, exemplary or consequential damages, including lost profits.
- 7.4 The obligations and limits on liability in this Section 7 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any event or condition giving rise to an obligation that occurred prior to such expiration or termination.
- 7.5 Nothing in this Section 7 waives or limits, or shall be construed to waive or limit, the governmental immunity of a Party.
- 7.6 Nothing in this Section 7 shall imply, or be construed to imply, indemnification of any Party by the State of Michigan, its department, and agencies, or by other governmental customers that are restricted from entering into indemnification provisions by law.

8. Insurance

For Level 3 and greater projects, Interconnection Customer shall obtain and continuously maintain throughout the term of this Agreement General Liability insurance written on an occurrence form, or other form acceptable to the Utility, and covering bodily injury and property damage liability with a per occurrence amount of at least:

Interconnection Level	<u>Minimum Limit</u>
1 & 2	Not Applicable
3	\$1,000,000

Pursuant to Michigan Admin Code Rule 460.986, an Applicant interconnecting a Level 1 or 2 DER to the distribution system of the Utility is not required by the Utility to obtain any additional liability insurance. For a Level 3 DER, the Applicant shall obtain and maintain general liability insurance of a minimum of \$1,000,000.

Evidence of insurance coverage on a certificate of insurance shall be provided to the Utility upon execution of this Agreement and thereafter within ten (10) days after expiration of coverage; however, if evidence of insurance is not received by the 11th (eleventh) day, the Utility has the right, but not the duty, to purchase the insurance coverage required under this Section and to charge the annual premium to Interconnection Customer. The Utility shall receive thirty (30) days advance written notice if the policy is cancelled or substantial changes are made that affect the additional insured. At the Utility's request, Interconnection Customer shall provide a copy of the policy to the

Utility.

9. Subcontractors

Either Party may contract with a subcontractor to perform its obligations under this Agreement and shall incorporate the obligations of this Agreement into its respective subcontracts, agreements, and purchase orders. Each Party shall remain liable to the other Party for the performance of such subcontractor under this Agreement subject to the provisions of Section 7.

10. Force Majeure

As set forth in Michigan Admin Code Rule 460.901a(ee), Force majeure event means an act of God; labor disturbance; act of the public enemy; war; insurrection; riot; fire, storm, or flood; explosion, breakage, or accident to machinery or equipment; an emergency order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities; or another cause beyond a party's control. A force majeure event does not include an act of negligence or intentional wrongdoing.

11. Breach and Default

A breach of this Agreement ("Breach") shall occur upon the failure of a Party to perform or observe any material term or condition of this Agreement. Upon a Breach by one Party, the non-breaching Party shall give written notice of such Breach to the breaching Party. The Party in Breach shall have thirty (30) days from the date of the written notice to cure the Breach. If a Breach is not cured within the thirty (30) day period provided for herein, the party in Breach shall be deemed in default ("Default"). If the Breach is not cured within 30 business days, the Utility, at its sole discretion, may apply a remedy and bill the Interconnection Customer. The Interconnection Customer shall pay this bill within 5 business days. The non-defaulting Party shall then have the right to terminate this Agreement by written notice, shall be relieved of any further obligations hereunder, and may pursue any and all remedies available to it at law or in equity.

12. Retirement

Upon termination or cancellation of this Agreement or at such time after any of the Utility Interconnection Facilities described herein are no longer required, the Parties shall mutually agree upon the retirement of the Interconnection Facilities, which may include without limitation (i) dismantling, demolition, and removal of equipment, facilities, and structures, (ii) security, (iii) maintenance and (iv) disposing of debris. The cost of such removal shall be borne by the Utility.

13. Governing Law

This Agreement shall be interpreted, governed, and construed under the laws of Michigan.

14. Amendment, Modification or Waiver

14.1 Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties. The failure of any Party at any time to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by any Party of the breach of any term or covenant contained in this Agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.

14.2 Pursuant to Michigan Administrative Code Rule 460.984, Modifications to the DER, after the execution of this Agreement, the Interconnection Customer shall notify the Utility of any plans to modify the DER. The Utility shall review the proposed modification to determine if the modification is considered a material modification. If the Utility determines that the modification is a material modification, the Utility shall notify the Interconnection Customer, in writing of its determination and the Interconnection Customer shall submit a new application and application fee along with all supporting materials that are reasonably requested by the Utility. The Interconnection Customer may not begin any material modification to the DER until an interconnection agreement incorporating the material modification is fully executed.

15. Notices

Any notice required under this Agreement shall be in writing and mailed, personally delivered, or electronically mailed to the Party at the address below. Written notice is effective within three (3) business days of depositing the notice in the United States mail, first class postage prepaid. Personal notice or electronic mail notice is effective upon delivery, provided it is received by 11:59:59 p.m. local time at the recipient's business location on a business day (or otherwise, on the next business day). Written notice of any address changes shall be provided. Utility may consider changes of address in other Utility systems of record (e.g., Interconnection Customer billing address) as notice of address change under this Agreement. All written notices shall refer to the Interconnection Customer's Utility account number, as provided in Section 1 of this Agreement. All written notices shall be directed as follows:

<u>Notice to Utility:</u>
Utility Name:
Utility Address:
Utility Phone Number:
Utility Email:

Notice to Interconnection Customer: Interconnection Customer Name: ______ Interconnection Customer Address: ______ Interconnection Customer Phone Number: ______ Interconnection Customer Email: ______

Notice to Property Owner (if different than Interconnection Customer):

Property Owner Name: _____

Property Owner Address: _____

Property Owner Phone Number:_____

Property Owner Email:_____

16. Term of Agreement and Termination

This Agreement shall become effective upon execution by all Parties and, if applicable, the Property Owner, and it shall continue in full force and effect until terminated upon thirty (30) days' prior notice by the Interconnection Customer, upon Default of either Party as set forth in Section 11, or upon mutual agreement of the Parties. The Utility may terminate the agreement on reasonable notice for reasons consistent with existing law, regulations, and tariffs. In addition, see Section 18 regarding transfers of ownership in the DER.

17. Entire Agreement and Amendments

This Agreement and the Utility Interconnection Procedures shall constitute the entire understanding between the Parties with respect to the subject matter hereof, supersede any and all prior discussions and agreements between the Parties with respect to the subject matter hereof and bind and inure to the benefit of the Parties, their successors, and permitted assigns. No amendments or changes to this Agreement shall be binding unless made in writing and duly executed by both Parties.

18. No Third Party Beneficiary

The terms and provisions of this Agreement are intended solely for the benefit of each Party, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person or entity.

19. Assignment and Binding Effect

This Agreement shall not be assigned by a Party without the prior written consent of the other Party, which shall not be unreasonably withheld. Any attempt to do so will be void. Subject to the preceding, this Agreement is binding upon, inures to the benefit of, and is enforceable by the Parties and their respective successors and assigns. Interconnection Customer agrees to notify Utility in writing upon the sale or transfer of the Customer Facility. This Agreement shall terminate upon such notice (or upon Utility notifying Interconnection Customer that Utility has identified a change in ownership of the Customer Facility) unless Utility consents to this Agreement remaining in force until an equivalent agreement in a form acceptable to both parties is signed.

20. Severability

If any provision of this Agreement is determined to be partially or wholly invalid, illegal, or unenforceable, then such provision shall be deemed to be modified or restricted to the extent necessary to make such provision valid, binding, and enforceable; or, if such provision cannot be modified or restricted in a manner so as to make such provision valid, binding or enforceable, then such provision shall be deemed to be excised from this Agreement and the validity, binding effect, and enforceability of the remaining provisions of this Agreement shall not be affected or impaired in any manner.

21. Signatures

The Parties to this Agreement hereby agree to have two originals of this Agreement executed by their duly authorized representatives (three originals are necessary if the Property Owner signs this Agreement). This Agreement is effective as of the later (or latest) of the dates set forth below.

22. Effective Date

This Agreement is effective as of the later (or latest) of the dates set forth below.

23. Counterparts and Electronic Documents

This Agreement may be executed and delivered in counterparts, including by a facsimile or an electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this Agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.

UTILITY

Ву: _____

(Duly Authorized Signature)

(Print or Type Name)

Title:_____

Date:_____

INTERCONNECTION CUSTOMER

Ву: _____

(Duly Authorized Signature)

(Print or Type Name)

Title:_____

Date:_____

PROPERTY OWNER, if applicable

Ву: _____

(Duly Authorized Signature)

(Print or Type Name)

Title:_____

Date:_____

Exhibit 1 – Description of Distributed Energy Resource

Exhibit 2 – Interconnection Site Diagram

Exhibit 3 – Interconnection Facilities Scope of Construction

Exhibit 4 – Utility Commissioning Testing and Inspection Checklist (If Applicable)

Exhibit 5 – Protection, Communication and Configuration Requirements and Settings (If Applicable)

Exhibit 6 - Additional Exceptions, Clarifications, and Special Conditions

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-21455 et al.

County of Ingham

)

Brianna Brown being duly sworn, deposes and says that on February 8, 2024 A.D. she

electronically notified the attached list of this Commission Order via e-mail transmission,

to the persons as shown on the attached service list (Listserv Distribution List).

Brianna

Subscribed and sworn to before me this 8th day of February 2024.

Angela P. Sanderson Notary Public, Shiawassee County, Michigan As acting in Eaton County My Commission Expires: May 21, 2024

Service List for Case:

U-21455

Name	On Behalf Of	Email Address
Northern States Power Company	Northern States Power Company	nspw.regulatory@xcelenergy.com
Paul M. Collins	Northern States Power Company	collinsp@millercanfield.com
Sherri A. Wellman	Northern States Power Company	wellmans@millercanfield.com

Service List for Case:

U-21467

Name	On Behalf Of	Email Address
Hannah E. Buzolits	Indiana Michigan Power Company	hbuzolits@dykema.com
Indiana Michigan Power Company (1 Indiana Michigan Power Company	ajwilliamson@aep.com
of 3)		
Indiana Michigan Power Company (2 Indiana Michigan Power Company	msmckenzie@aep.com
of 3)		
Indiana Michigan Power Company (3 Indiana Michigan Power Company	mgobrien@aep.com
of 3)		
Jason T. Hanselman	Indiana Michigan Power Company	jhanselman@dykema.com
Olivia R.C.A. Flower	Indiana Michigan Power Company	oflower@dykema.com
Richard J. Aaron	Indiana Michigan Power Company	raaron@dykema.com

Service List for Case: U-21477

Name	On Behalf Of	Email Address
Paul M. Collins	Upper Peninsula Power Company (UPPCO)	collinsp@millercanfield.com
Sherri A. Wellman	Upper Peninsula Power Company (UPPCO)	wellmans@millercanfield.com
Upper Peninsula Power Company (UPPCO)	Upper Peninsula Power Company (UPPCO)	jlarsen@uppco.com

Service List for Case:

U-21479

Name	On Behalf Of	Email Address
Paul M. Collins	Upper Michigan Energy Resources Corporation (UMERC)	collinsp@millercanfield.com
Sherri A. Wellman	Upper Michigan Energy Resources Corporation (UMERC)	wellmans@millercanfield.com
Upper Michigan Energy Resources Corporation (UMERC)	Upper Michigan Energy Resources Corporation (UMERC)	colleen.sipiorski@wecenergygroup.com

Service List for Case: U-21480

Name	On Behalf Of	Email Address
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	kelly.hall@cmsenergy.com
Gary A. Gensch Jr.	Consumers Energy Company	gary.genschjr@cmsenergy.com

Service List for Case:

U-21481

Name	On Behalf Of	Email Address
Hannah E. Buzolits	Michigan Electric Cooperative Association (MECA)	hbuzolits@dykema.com
Jason T. Hanselman	Michigan Electric Cooperative Association (MECA)	jhanselman@dykema.co m
Michigan Electric Cooperative Association (MECA)	Michigan Electric Cooperative Association (MECA)	raaron@dykema.com
Olivia R.C.A. Flower	Michigan Electric Cooperative Association (MECA)	oflower@dykema.com
Richard J. Aaron	Michigan Electric Cooperative Association (MECA)	raaron@dykema.com

Name	On Behalf Of	Email Address
DTE Electric Company	DTE Electric Company	mpscfilings@dteenergy.com
Jon P. Christinidis	DTE Electric Company	jon.christinidis@dteenergy.com

Service List for Case: U-21483

Name	On Behalf Of	Email Address
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Timothy M. Gulden	Alpena Power Company	tmgulden@gillardlaw.com

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Abraham, Katie - MMEA **AEP Energy** Alger Delta Cooperative Alpena Power American Transmission Company American Transmission Company **Bay City Electric Light & Power Bishop Energy** Brauker, Linda bp Energy Retail Company, LLC **Calpine Energy Solutions** Chappelle, Laura **Cherryland Electric Cooperative Citizens Gas Fuel Company** City of Crystal Falls City of Escanaba City of Gladstone City of Marshall City of Portland Cloverland Cloverland CMS Energy **Consumers Energy Company Consumers Energy Company Consumers Energy Company Consumers Energy Company Consumers Energy Company Constellation Energy** Constellation Energy **Constellation New Energy Dickinson Wright Dillon Power, LLC Direct Energy Direct Energy Direct Energy DTE Energy DTE Energy DTE Energy** Eligo Energy MI, LLC **Energy Harbor** Energy International Power Marketing d/b/a PowerOne **Energy Michigan** ENGIE Gas & Power f/k/a Plymouth Energy

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Felice, Lisa **First Energy** Forner, Phil Great Lakes Energy **Great Lakes Energy Cooperative** Great Lakes Energy Cooperative Gustafson, Lisa Hillsdale Board of Public Utilities HomeWorks Tri-County Electric Cooperative HomeWorks Tri-County Electric Cooperative Indiana Michigan Power Company **Integrys Group** Interstate Gas Supply Inc **ITC Holdings ITC Holdings Just Energy Solutions** Krichel, Thomas Liberty Power Lowell S. Lundgren, Timothy Marguette Board of Light & Power MEGA MEGA Michigan Gas & Electric Michigan Gas Utilities Corporation Michigan Gas Utilities/Upper Penn Power/Wisconsin Michigan Public Power Agency MidAmerican Energy Services, LLC MidAmerican Energy Services, LLC MidAmerican Energy Services, LLC **Midwest Energy Cooperative Midwest Energy Cooperative Midwest Energy Cooperative** Midwest Energy Cooperative Midwest Energy Cooperative Motley, Doug My Choice Energy Nordic Energy Services, LLC Northern States Power **Ontonagon County Rural Elec** Pauley, Marc Peck, Matthew Premier Energy Marketing LLC

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Presque Isle Electric & Gas Cooperative, INC Realgy Corp. **Realgy Energy Services** Santana Energy Santana Energy Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp) Stephenson Utilities Department Superior Energy Company Texas Retail Energy, LLC **Thumb Electric Cooperative** Upper Michigan Energy Resources Corporation **Upper Peninsula Power Company Upper Peninsula Power Company** Village of Baraga Village of Clinton **Volunteer Energy Services** Wabash Valley Power **Wolverine Power** Wood, Amanda **Xcel Energy Xcel Energy**