

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)
to open a contested case proceeding to develop and)
adopt a framework energy waste reduction program)
and to determine the alternative compliance payments)
for effective administration under MCL 460.1091)
for the following named parties:)

Case No. U-21654

ALPENA POWER COMPANY, CONSUMERS)
ENERGY COMPANY, DTE ELECTRIC COMPANY,)
INDIANA MICHIGAN POWER COMPANY,)
NORTHERN STATES POWER COMPANY,)
UPPER PENINSULA POWER COMPANY,)
UPPER MICHIGAN ENERGY RESOURCES)
CORPORATION, ALGER DELTA COOPERATIVE)
ELECTRIC ASSOCIATION, BAYFIELD ELECTRIC)
COOPERATIVE, CHERRYLAND ELECTRIC)
COOPERATIVE, CLOVERLAND ELECTRIC)
COOPERATIVE, GREAT LAKES ENERGY)
COOPERATIVE, MIDWEST ENERGY)
COOPERATIVE, ONTONAGON COUNTY RURAL)
ELECTRIFICATION ASSOCIATION,)
PRESQUE ISLE ELECTRIC & GAS CO-OP,)
THUMB ELECTRIC COOPERATIVE,)
TRI-COUNTY ELECTRIC COOPERATIVE,)
VILLAGE OF BARAGA, CITY OF BAY CITY,)
CITY OF CHARLEVOIX, CHELSEA DEPARTMENT)
OF ELECTRIC AND WATER, VILLAGE OF)
CLINTON, COLDWATER BOARD OF PUBLIC)
UTILITIES, CROSWELL MUNICIPAL LIGHT &)
POWER DEPARTMENT, CITY OF CRYSTAL)
FALLS, DAGGET ELECTRIC DEPARTMENT,)
CITY OF DOWAGIAC, CITY OF EATON RAPIDS,)
CITY OF ESCANABA, CITY OF GLADSTONE,)
GRAND HAVEN BOARD OF LIGHT AND POWER,)
CITY OF HARBOR SPRINGS, CITY OF HART)
HYDRO, HILLSDALE BOARD OF PUBLIC)
UTILITIES, HOLLAND BOARD OF PUBLIC)
WORKS, VILLAGE OF L'ANSE, LANSING)
BOARD OF WATER & LIGHT, LOWELL LIGHT)
AND POWER, MARQUETTE BOARD OF LIGHT)
AND POWER, MARSHALL ELECTRIC)
DEPARTMENT, NEGAUNEE DEPARTMENT OF)
PUBLIC WORKS, NEWBERRY WATER AND)
LIGHT BOARD, NILES UTILITY DEPARTMENT,)

CITY OF NORWAY, CITY OF PAW PAW, CITY OF)
PETOSKEY, CITY OF PORTLAND, CITY OF)
SEBEWAING, CITY OF SOUTH HAVEN, CITY OF)
ST. LOUIS, CITY OF STEPHENSON, CITY OF)
STURGIS, TRAVERSE CITY LIGHT & POWER,)
UNION CITY ELECTRIC DEPARTMENT, CITY OF)
WAKEFIELD, WYANDOTTE DEPARTMENT OF)
MUNICIPAL SERVICE, ZEELAND BOARD OF)
PUBLIC WORKS, DTE GAS COMPANY,)
MICHIGAN GAS UTILITIES CORPORATION,)
and SEMCO ENERGY, INC.)
_____)

At the February 27, 2025 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

On November 28, 2023, Governor Gretchen Whitmer signed Public Act 229 of 2023
(Act 229), which became effective on February 13, 2024. Section 91(2) of Act 229,
MCL 460.1091(2), provides in relevant part that:

[t]he commission shall initiate a proceeding by July 1, 2024 to adopt a framework
energy waste reduction [(EWR)] program that shall be utilized by the independent
energy waste reduction program administrator in administering a program on behalf
of a provider, and to determine the appropriate amount of alternative compliance
payments for effective administration of energy waste reduction programs
consistent with that framework.

As such, the Commission issued an order opening this docket on June 6, 2024 (June 6 order), for
the purpose of conducting a contested case in accordance with the Administrative Procedures Act
of 1969, MCL 24.201 *et seq.* In the June 6 order, the Commission directed the Commission Staff
(Staff) to host a collaborative and work with the named parties and other interested persons to

address the framework EWR program related to the independent administrator and alternative compliance payments and subsequently file its proposed framework with supporting testimony addressing the EWR program and alternative compliance payments. The Commission stated that it would read the record. June 6 order, p. 3. The collaborative was held on June 17, 2024, and the Staff filed its proposed framework and testimony on August 2, 2024.

On August 16, 2024, a prehearing conference was held before Administrative Law Judge Katherine E. Talbot (ALJ). At the prehearing conference, the ALJ recognized the intervention of the Michigan Department of Attorney General (Attorney General), granted petitions to intervene filed by the Citizens Utility Board of Michigan (CUB) and Tilden Mining Corporation, and set the schedule for the case. The Staff and the named parties also participated in the proceeding.

On September 20, 2024, the Attorney General and CUB jointly filed direct testimony and on October 11, 2024, Upper Michigan Energy Resources Corporation (UMERC) and Michigan Gas Utilities Corporation (MGUC) jointly filed rebuttal testimony, and the Staff also filed rebuttal testimony. Subsequently, the Staff, the Attorney General and CUB jointly, and UMER and MGUC jointly filed initial briefs on November 22, 2024, and reply briefs on December 6, 2024.

The evidentiary record in this proceeding consists of 55 pages of transcript and 5 exhibits. Because the Commission has decided to read the record, a summary of the evidentiary record follows.

Direct Testimony

Commission Staff

The Staff filed direct testimony of Katie J. Smith, an Economic Specialist in the Energy Optimization Section of the Commission's Energy Resources Division. Ms. Smith's testimony describes the Staff's proposed framework for EWR programs to be administered by the State

Administrator, Efficiency United (EU), and the alternative compliance payment. Specifically, Ms. Smith indicates that, as directed by the Commission, the Staff hosted a collaborative on June 17, 2024, with the Staff and EU as presenters. 2 Tr 24. Ms. Smith testifies that new aspects of Act 229 were incorporated into the Staff's proposed framework and include the following:

The changes and amendments as a result of Act 229 for plans beginning January 1, 2026 that were discussed are an electric savings targets increase to 1.5%, a gas savings targets increase to .875%, and a Low-Income electric expenditures increase to 25% of total EWR spend by 2029, while Low-Income gas expenditures [are] to increase to 35% of total EWR spend by 2029.

2 Tr 25.

With respect to the development of an alternative compliance payment, Ms. Smith indicates that, historically, the alternative payment amount was fixed at 2% of the previous year's sales, while the regulated utilities are spending around 3.47% (electric) to 4.24% (gas) of the previous year's sales on the implementation of EWR programs. 2 Tr 25. Therefore, because each utility is unique, she states that the consensus was that "costs should continue to be developed on a per utility basis" and that "[i]f EU does not expend the collected alternative compliance payment from a utility provider, those dollars are carried forward to the subsequent year(s) for use on that provider's future EWR programs." 2 Tr 26. In addition, Ms. Smith contends that EU is capable of providing voluntary efficient electrification (EFEL) plans, and that those programs and costs for the programs would be determined separately from a utility's EWR plan.

Describing the Staff's proposed framework (Exhibit S-2), Ms. Smith states that a utility provider wishing to utilize EU must biennially file a Notification of Intent to elect to use the state administrator. 2 Tr 26; Exhibit S-3. After the filing, EU will "create an EWR plan that includes a robust portfolio of programs tailored to the provider's service territory and customer mix and provide the provider with a cost associated with that plan called the Alternative Compliance

Payment.” 2 Tr 27. She adds that because each utility provider is unique, a standardized list of programs for each utility is not appropriate as what may work for one territory may not be applicable to another.

Ms. Smith states that the proposed framework includes a general list of available measure options and also allows for pilots and education measures. 2 Tr 27-28. She also notes that the framework will not affect utilities that currently administer their own EWR plans but that:

[u]tility providers that are already using EU to administer their EWR programs, and elect to continue to do so in their next plan filing, will see their EWR targets increase to 1.5% for electric and .875% for gas. They will also see their Income Qualified program expand to 25% of program spend for electric and 35% of program spend for natural gas by 2029. This may be done in a gradual increase from program years 2026 [sic] and reaching those levels by 2029. These changes are per the amendment to [Act 229] and may cause program spend to increase in the future.

2 Tr 28-29.

Michigan Department of Attorney General and Citizens Utility Board of Michigan

The Attorney General and CUB jointly filed the testimony of Douglas B. Jester, Managing Partner of 5 Lakes Energy. Overall, Mr. Jester opines that the Staff’s proposed framework is “workable” but contends that the framework does not: (1) address the statutory goal for electric providers to reach annual incremental savings of 2% of the preceding year sales, (2) address the statutory goal for low-income households to achieve annual incremental savings similar to the savings achieved by other residential customers, and (3) create a process by which the list of measures supported by EU will evolve to meet the requirements and goals included in Act 229.

With respect to the provision in Section 77 of Act 229 (Section 77), Mr. Jester testifies that the Staff’s proposed framework could be modified by simply adjusting “[t]he process for determining savings targets and associated payments to the independent administrator [to] be based on the 2% annual incremental savings goal unless the electricity provider demonstrates to the Commission’s

satisfaction that the resulting compliance payments would be unreasonable.” 2 Tr 51. Similarly, Mr. Jester states that the independent administrator should be primarily responsible for making calculations and tailoring programs to achieve the goal under Section 80 of Act 229 (Section 80) that low-income residential customers achieve levels of EWR similar to or greater than the EWR savings of other residential customers. Further, he recommends that the Staff “work with the independent administrator, supported by other stakeholders if needed, to develop data sources and calculations that will enable the independent administrator to tailor its program for each electricity provider to meet this goal.” 2 Tr 52.

Finally, Mr. Jester testifies that given the reliance of the independent administrator on the Michigan Energy Measures Database (MEMD), the Commission should direct the Staff to make appropriate revisions to the MEMD to “not only aid the independent administrator, but also other providers in adapting programs to the requirements of [Act] 229.” 2 Tr 52.

Rebuttal Testimony

Commission Staff

The Staff filed the rebuttal testimony of Ms. Smith responding to Mr. Jester’s testimony. Ms. Smith indicates that Section 77(1) provides added flexibility to providers electing to utilize EU. She continues, stating that:

[t]he Alternative Compliance Payment should continue to be decided on a per case/per plan basis, with a minimum legislatively required target of 1.5% savings target. Furthermore, a provider electing to utilize EU does not have the ability to receive a financial incentive for exceeding the minimum savings goal. Historically, regulated utility providers have had EWR levels, above the legislative target, established within their integrated resource planning contested case proceedings. Those proceedings are the most suitable proceedings for increased EWR savings above the legislative threshold.

2 Tr 32. She also explains changes as a result of Act 229 that low-income expenditures are required to increase to 25% of total electric EWR spending by 2029 and 35% of total gas EWR spending by 2029 are implied. She reiterates her testimony that each service territory is unique and costs will vary based on the service territory or special programs a utility may be interested in offering their customers. 2 Tr 33.

With regard to adding additional measures to the MEMD, Ms. Smith indicates that “there is a comprehensive and collaborative process for new measures to be vetted for their applicability and inclusion in the MEMD, and as in every year, there will be additional measures incorporated into the MEMD along with appropriate updates.” 2 Tr 33. Ms. Smith avers that, “it is more appropriate to state that the MEMD process of measure inclusion and updates is not pertinent to the design of the EU framework of program levels or offerings” and that if there is “a need for additions to the MEMD, they can follow the effective and established process that is currently in place.” 2 Tr 34.

Upper Michigan Energy Resources Corporation and Michigan Gas Utilities Corporation

UMERC and MGUC jointly submitted the testimony of Richard F. Stasik, Director – State Regulatory Affairs at WEC Energy Group, the parent company of UMER and MGUC, also responding to Mr. Jester’s testimony. Mr. Stasik indicates that the Attorney General’s recommendations are inconsistent with MCL 460.1091(1). Specifically, he notes that Section 91 of Act 229 (Section 91) states that, excluding Section 89(5), Sections 71 to 89 do not apply to utilities electing to utilize EU. Therefore, Mr. Stasik contends that Section 77(2) (regarding the savings goal) and Section 80(1) (regarding the low-income household savings levels) do not “apply in instances where utilities select the state administrator and make alternative compliance payments.” See, 2 Tr 38-39.

Discussion

The Commission first expresses its gratitude to the Staff and intervenors for their participation in this case, including the technical conference and this contested proceeding. The Commission appreciates the Staff's work to implement Act 229, including conducting the collaborative and drafting the proposed framework. *See*, Exhibit S-2. At the collaborative, held on June 17, 2024, the Staff and EU presented. The Staff discussed the statutory changes in Act 229 and incorporated the same in its proposed framework. Specifically, the Staff indicates that it incorporated "the 1.5% electric savings target increase and 0.875% natural gas savings target increase beginning January 1, 2026, and the low-income expenditures increases to 25% of total EWR spend for electric and 35% total EWR spend for natural gas by 2029" into its proposed framework filed with the Commission on August 2, 2024. Staff's initial brief, p. 7. Given this, the Commission finds that the Staff has complied with the Commission's directives contained in the June 6 order.

The Commission finds that the Staff's proposed framework sets forth the requirement that a utility intending to utilize the state administrator must file a Notification of Intent biennially. 2 Tr 26; *see also*, Exhibit S-2. The framework also indicates that after the receipt of a Notification of Intent, EU "will create an EWR plan that includes a robust portfolio of programs tailored to the provider's service territory and customer mix." Staff's initial brief, p. 8 (citing 2 Tr 26-27). The proposed framework also allows for inclusion of pilots and education. 2 Tr 28. As noted by the Staff, the proposed framework does not apply to utilities that administer their own EWR plans. 2 Tr 28. The proposed framework also utilizes Act 229 as a guide to set appropriate EWR targets and expansion of the income qualified program. Specifically, Section 77 includes an increase in EWR savings targets to 1.5% for electric and 0.875% for gas, and Section 80 requires, by

January 1, 2029, expansion of the income qualified program to 25% of the total EWR spending for electric providers and 35% of the total EWR spending for gas providers.

As noted, the Attorney General and CUB rely upon Section 77(2) to recommend that the framework reflect the statutory goal of 2% “unless a utility demonstrates that the resulting payments would be unreasonable.” Attorney General and CUB’s initial brief, p. 4 (citing 2 Tr 51). This recommendation was disputed by both the Staff and jointly by UMERB and MGUC.

The Staff responds that Act 229 provides more flexibility in setting the alternative compliance payment for a provider electing to utilize the state administrator rather than providers administering their own EWR plans. The Staff also notes that providers electing to use the state administrator do not have the ability to receive a financial incentive for exceeding the minimum savings goal. Staff’s initial brief, pp. 10-11. Further, the Staff states that “historically, regulated utility providers have had EWR levels above the legislative target established within their integrated resource plan (IRP) contested case proceedings,” and the Staff further “asserts that an IRP or utility-specific EWR case is a more suitable proceeding to address EWR savings above the legislative mandate.” *Id.*, p. 11.

The Staff also indicates that “the consensus based on the collaborative was that alternative compliance payments from utility providers should be developed on a per utility basis” as opposed to the historical alternative compliance payment being “fixed at 2% of the previous year’s sales for both electric and natural gas providers. *See*, Section 91(1)(a) of [Public] Act 295 of 2008.” Staff’s initial brief, p. 12 (citing 2 Tr 26). The Staff continues, stating that:

[c]urrently, utilities electing to join the compliance programs provided by EU are assessed a per utility fee based on their service territory needs, challenges, and currently approved targets. All utilities electing EU have different targets, which are established either through an IRP or EWR proceeding. These costs vary for each service territory, but none fall below 2% of total utility sales revenues.

* * *

Staff posits that costs associated with EWR programs will vary based on the unique challenges of each service territory, a utility's interest in special program designs specific to their customer base, and the low-income population of a service territory, which may all impact assumptions. Given the collaborative consensus, current and former compliance payment structures, and the unique needs of individual service territories, Staff recommends the Commission calculate compliance payments on a per utility basis as outlined in the EWR framework for EU on a biennial election basis.

Staff's initial brief, pp. 12-13 (citations omitted).

UMERC and MGUC contend that the Staff's and the Attorney General and CUB's "proposals to apply the requirements of Sections 77 and 80 to providers that elect to use the state administrator and make alternative compliance payments are wholly inconsistent with the clear mandate of the law." UMERC and MGUC's initial brief, p. 6. Specifically, they contend that if a utility provider elects to utilize EU, the language in Section 91(1) specifically exempts both the provider and the administrator from the requirements set forth in Sections 77 and 80. UMERC and MGUC further state that:

in the context of these provider-specific contested cases, if savings targets, goals, and low-income funding levels are to be established they should be based on competent, material, and substantial evidence presented in those cases by the administrator and parties as unique to the provider's service territories and the provider's customer needs.

UMERC and MGUC's initial brief, p. 7 (footnote omitted). UMERC and MGUC also argue that the Staff appropriately acknowledges that providers electing to utilize the state administrator cannot take advantage of legislative benefits such as financial incentive mechanisms. However, UMERC and MGUC aver that this reasoning should not only apply to the Attorney General and CUB's position but also to reject the Staff's application of Sections 77 and 80 in the proposed framework. UMERC and MGUC's reply brief, p. 5.

The Staff agrees with the assertion that Sections 77 and 80 do not set forth requirements for utilities electing to utilize the state administrator. The Staff notes, however, that:

historically the EU program has been directed by the Commission to meet most, if not all, of the legislative requirements for its EU participating providers. Aligning the EU program as closely possible with the legislative directives that do not apply, allows for the most robust EWR programs for those participating providers' customers. It allows those customers to receive the benefits and program offerings that other Michigan residents and businesses are able to take advantage of through providers electing to independently administer their own programs.

Staff's initial brief, p. 11.

Similarly, the Attorney General and CUB acknowledge that "Sections 71 through 89 do not apply because Section 91 applies," and that "Section 91 directs the Commission to adopt the framework EWR program the independent administrator will use." Attorney General and CUB's initial brief, p. 6. In their reply brief, the Attorney General and CUB add that "[t]here are no specific elements that the Commission must include in or exclude from the framework it adopts, so the Commission is free to adopt a framework that includes the energy savings targets and low-income requirements from Sections 77 and 80." Attorney General and CUB's reply brief, pp. 3-4. Further, the Attorney General and CUB contend that incorporation of requirements from Sections 77 and 80 into the EWR framework "is not the same thing as applying those sections to utilities that make alternative compliance payments." Attorney General and CUB's reply brief, p. 5. In sum, the Attorney General and CUB aver that it is reasonable for the Commission to ground the framework in other sections of Act 229 given that Section 91 does not provide specific guidance as to the contents of the framework. Attorney General and CUB's reply brief, pp. 5-6.

In response to the Staff, the Attorney General and CUB aver that:

the absence of a potential financial incentive is no reason not to incorporate the 2% goal into the Framework as Mr. Jester recommends. The election of the independent administrator is voluntary and allows utilities to experience the benefits of custom EWR programming tailored to their unique needs without

having to design their own programs and plans. Should a utility prefer the opportunity to seek a financial incentive for exceeding the minimum standard, it is free to develop its own EWR programs and plans. Mr. Jester's recommendation also ensures that the Framework is sufficiently flexible to allow for a lower savings target if a utility cannot reasonably afford the alternative compliance payment necessary to achieve more than the minimum standard.

Attorney General and CUB's initial brief, p. 5. With respect to the Staff's assertion that an IRP or utility-specific EWR proceeding would be a more appropriate venue for addressing EWR savings above the framework's minimum of 1.5%, the Attorney General and CUB state that "not all utilities that opt to make alternative compliance payments are required to file IRPs." Continuing, they aver that:

[t]o model a 2% energy savings target for IRP purposes, a utility would need to know how much achieving the 2% goal would cost. Without the independent administrator developing an EWR plan and corresponding payment amount to achieve 2% energy savings, a utility that opts to make alternative compliance payments cannot effectively model that savings level for IRP purposes.

Id. Thus, in the alternative, the Attorney General and CUB suggest that the Commission add to the framework the requirement that the state administrator provide payment options at different savings levels, including the 2% statutory energy savings goal. *Id.*, p. 7.

As quoted above, MCL 460.1091(2) provides that the Commission shall adopt an EWR framework to be utilized by the state administrator program and to determine an "appropriate amount of alternative compliance payments for effective administration of energy waste reduction programs consistent with that framework." The Commission agrees with the contentions on record that its authority is grounded in this statute. However, the Commission disagrees that Section 91 prohibits it from looking to other statutory provisions in developing the appropriate framework. The Commission finds that, in establishing the proposed framework, the Staff appropriately utilized Section 77 for guidance. Specifically, the Commission finds that it is reasonable to include an EWR savings target within the framework and that utilizing the statutory

minimum established by the legislature for utility providers that self-implement EWR programs is well-supported on the record.

As noted by the Staff, alternative compliance payments were historically set at a fixed 2% of the previous year's sales. Section 91 provides the Commission with the authority to establish the alternative compliance payment, and the Commission finds that basing the alternative compliance payment upon the cost to meet an EWR target is the most reasonable and prudent method. The Commission agrees with the Staff's position that alternative compliance payments should be determined on a per utility basis, as described in the Staff's proposed framework. As such, the Commission adopts the Staff's proposed framework for establishing alternative compliance payments on a per utility basis, including setting forth a minimum EWR savings target of 1.5% for companies electing to utilize the state administrator.

Notwithstanding the above, the Commission finds that it is also appropriate to incorporate the option to exceed the minimum EWR savings target of 1.5%, consistent with the statutory goal of reaching 2% EWR savings as suggested by the Attorney General and CUB. *See*, Attorney General and CUB's reply brief, p. 7; *see also*, MCL 460.1077. Therefore, the Commission finds that the Staff shall work with EU to provide any utility electing to utilize the state administrator's additional EWR programming options, including additional alternative compliance payment prices, to inform opportunities for a utility provider to achieve additional savings above the 1.5% minimum in the framework (i.e., the statutory goal of 2%). The Commission finds that developing alternative compliance payments at differing savings levels will assist with modeling higher savings levels in IRP proceedings and provide utilities the opportunity to explore additional options.

The Commission finds that the Staff also reasonably incorporated the requirements of Section 80 into the proposed framework. UMER and MGUC raise the same concern regarding the applicability of Section 80 to utility providers that elect to utilize the state administrator. However, the Commission again finds that Section 91 gives it the authority to develop the appropriate framework and does not prohibit the Commission from looking to other statutory provisions for guidance in the development of the framework.

The Attorney General and CUB aver that the proposed framework should be amended to expressly include the language in Section 80. Specifically, they contend that the framework is silent on the goal for low-income EWR programs and these goals are not implied within the framework as stated by the Staff. Attorney General and CUB's initial brief, pp. 6-7. The Staff responds:

that the statute provides the appropriate metrics for calculating low-income expenditures. As stated in Staff's rebuttal testimony, costs will vary based on the unique challenges of each service territory, whether the utility is interested in special program designs for their customers, and the level of low-income concentrations. Staff maintains that the Alternative Compliance Payment for each utility provider should be determined once the program offerings are developed.

Staff's initial brief, pp. 14-15 (citations omitted).

The Commission finds that the proposed framework appropriately indicates that programming offered by EU will include an income qualified program with "a minimum of 25% of the electric provider's total EWR plan budget and a minimum of, 35% of a gas provider's EWR plan budget." Exhibit S-2, p. 3. The Commission emphasizes that the low-income percentages reflected in the framework are a minimum.

In addition, the Attorney General and CUB aver that "a MEMD that lacks adequate efficient electrification, health and safety, and similar measures will inhibit those utilities' ability to meet the standards and achieve the goals of [Act 229]." Attorney General and CUB's initial brief, p. 8.

While acknowledging that the Commission has addressed the need to incorporate EFEL measures into the MEMD in Case No. U-21567, the Attorney General and CUB state that:

[t]he Commission has not yet addressed the need for non-EFEL measures relating to PA 229. These measures are needed to ensure that utilities that elect to use the independent administrator can achieve the standards and goals in the Act. Accordingly, the Commission should direct Staff and the Energy Optimization Collaborative to develop an MEMD that is inclusive of health and safety measures for low-income EWR programming and other measures necessary to fully implement PA 229 in addition to making the MEMD inclusive of EFEL as it did in Case No. U-21567.

Attorney General and CUB’s initial brief, p. 11.

In response, the Staff contends that, with respect to the MEMD, the November 7, 2024 order in Case No. U-21567 “renders any further discussion on the issue in this case moot.” Staff’s initial brief, p. 16. Similarly, UMER and MGUC aver that any discussion of revisions to the MEMD “in this proceeding would be redundant and administratively inefficient.” UMER and MGUC’s initial brief, p. 7; *see also*, UMER and MGUC’s reply brief, pp. 6-7.

With respect to the MEMD, the Commission agrees with the Staff’s and UMER’s and MGUC’s positions that issues pertaining to the MEMD should be addressed in the ongoing proceeding in Case No. U-21567.

Conclusion

The Commission again notes its appreciation for the active participation in this proceeding. The engagement has allowed the Commission to highlight the importance of the statutory provisions and make adjustments to the Staff’s proposed framework. Overall, the Commission finds that the Staff’s proposed framework is reasonable and is adopted, consistent with the modifications discussed above. The Commission further concludes that the Staff’s proposed framework, as modified, is consistent with the legislative directive in Section 91. The framework

provides clear guidance for utilities that elect to utilize the state administrator rather than self-implementing EWR programming. In that regard, the Commission emphasizes that a utility is not required to elect to utilize EU. In addition, the Commission finds that utilities wishing to participate in the EU program should file a Notification of Intent to elect to use the state administrator and work with the selected contractor to provide all relevant information to allow for a successful program for their customers. This relevant information includes but is not limited to contractor-requested sales data and customer data deemed necessary to meet legislative requirements. The Notification of Intent to elect to use the state administrator form can be found on the Commission's website.

THEREFORE, IT IS ORDERED that the Commission Staff's proposed framework energy waste reduction program, as specifically modified in this order, is adopted.

The Commission reserves jurisdiction and may issue further orders as necessary.

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 LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@michigan.gov. 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 27, 2025.

Lisa Felice, Executive Secretary


PROOF OF SERVICE

STATE OF MICHIGAN)

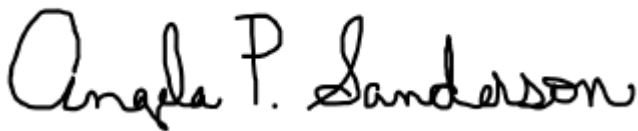
Case No. U-21654

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on February 27, 2025 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 Brown

Subscribed and sworn to before me
this 27th day of February 2025.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21654

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Ardent Natural Gas, LLC
Bay City Electric Light & Power
Bayfield Electric
Bishop Energy
Brauker, Linda
BP Energy Retail Company, LLC
BP Energy Retail Company LLC
Calpine Energy Solutions
Chappelle, Laura
Cherryland Electric
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Cherryland Electric
Cherryland Electric
Cherryland Electric Cooperative
Citizens Gas Fuel Company
City of Crystal Falls
City of Escanaba
City of Gladstone
City of Marshall
City of Portland
Cloverland Electric
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Eligo Energy MI, LLC
Eligo Energy MI, LLC
Energy Harbor
Energy International Power Marketing d/b/a PowerOne
Energy Michigan
Engie Gas & Power LLC
ENGIE Gas & Power f/k/a Plymouth Energy
Everyday Energy, LLC d/b/a Energy Rewards
Felice, Lisa
First Energy
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Great Lakes Energy Cooperative
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Greenlight Energy Inc.
Gustafson, Lisa
Hillsdale Board of Public Utilities
HomeWorks Tri-County Electric Cooperative
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Residents Energy LLC
RPA Energy d/b/a Green Choice Energy
Santana Energy
Santana Energy
Santanna Natural Gas Corporation
SouthStar d/b/a Grand Rapids Energy
Spark Energy Gas, LP
Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)
Stephenson Utilities Department
Superior Energy Company
Symmetry Energy Solutions, LLC
Texas Retail Energy, LLC
Tital Gas, LLC d/b/a CleanSkyEnergy
Thumb Electric Cooperative
Tomorrow Energy Corporation
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Tri-County Electric
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