STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of **DTE ELECTRIC COMPANY's** application for the regulatory reviews, revisions, determinations, and/or approvals necessary to fully comply with Public Act 295 of 2008, as amended.

Case No. U-21361

At the April 24, 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

<u>ORDER</u>

On December 10, 2024, DTE Electric Company (DTE Electric) filed an application (December 10 application), with a supporting affidavit and attachment, pursuant to Public Act 295 of 2008, MCL 460.1001 *et seq.*, as amended, and other applicable laws, requesting *ex parte* approval of the City of Detroit Solar Park (Detroit Solar Park or the Project) and the related Engineering, Procurement, and Construction Master Service Agreement (EPC MSA) and the Master Supply Agreement for solar panel modules (Module MSA) (collectively, the Contracts) for the Project. DTE Electric's request for relief includes a request for a Commission finding that the Project and Contracts are consistent with DTE Electric's current amended renewable energy plan (REP) approved in the May 18, 2023 order in this case (May 18 order), and that the Project and Contracts will reasonably and prudently fulfill demand for the special contract between DTE Electric and the City of Detroit approved by the Commission in the December 19, 2024 order in this case (December 19, order) under DTE Electric's voluntary green pricing (VGP) program. December 10 application, pp. 1-3; *see also*, December 19 order, p. 3.

DTE Electric explains that in the June 9, 2021 order in consolidated Case Nos. U-20713 and U-20851 (June 9 order) (DTE Electric's previous VGP and REP cases, respectively), the Commission approved a partial settlement agreement that allows customers to request renewable energy projects specific to their needs. December 10 application, p. 2; *see also*, June 9 order, p. 53. Specifically, Paragraph 9 of the partial settlement agreement in Case Nos. U-20713 *et al.* established that DTE Electric will include customer-requested offerings in its MIGreenPower program that will be implemented through the execution of individual special contracts that are filed with the Commission on an *ex parte* basis. December 10 application, pp. 2-3; June 9 order, Exhibit A, pp. 7-9.

DTE Electric further explains that in the May 18 order the Commission approved DTE Electric's current amended REP, which included the company's request for an additional 300 megawatts (MW) of solar to be built for unnamed customer-requested projects and subsequent contracts under the MIGreenPower program. December 10 application, p. 3; *see also*, May 18 order, pp. 3, 7.

On September 6, 2024, DTE Electric filed an application in the instant docket (September 6 application) for *ex parte* approval of the special contract with the City of Detroit to build up to 10 MW of dedicated solar projects to support the City of Detroit's Solar Neighborhoods program for a 35-year period. December 10 application, p. 3; *see also*, September 6 application, p. 2. In the September 6 application, DTE Electric confirmed that the special contract between DTE Electric and the City of Detroit constitutes a 10 MW portion of the additional 300 MW of unnamed customer-requested projects and subsequent contracts approved in the May 18 order.

September 6 application, p. 2. DTE Electric then averred that the special contract was consistent with the May 18 order and that the pricing of the special contract mirrors the subscription charge and associated bill credit methodology of MIGreenPower Rider 17 whereby the revenue from the special contract will cover the revenue requirement of the project over the life of the special contract. *Id.* On December 19, 2024, the Commission issued an order in this docket (December 19 order) approving the special contract between DTE Electric and the City of Detroit in this docket. December 19 order, p. 3.

DTE Electric's December 10 application seeks the Commission's *ex parte* approval of the Contracts necessary to develop the Project and fulfill the special contract with the City of Detroit. As detailed in the supporting Affidavit of Michael Rivet, Director of Renewable Energy Development at DTE Electric, the Project will be developed in the Van Dyke/Lynch neighborhood in the City of Detroit, Wayne County. The Project will interconnect on DTE Electric's subtransmission network in the City of Detroit, Wayne County, and is anticipated to provide 10 MW_{AC}^{-1} of renewable energy nameplate capacity. The commercial operation date (COD) of Detroit Solar Park is expected to occur in the third quarter of 2026. The estimated installed cost of the Project is \$3,486 per kilowatt, which aligns with the approved special contract. The Project will be eligible for the 30% federal Investment Tax Credit (ITC). DTE Electric indicated that the nominal ITC value for the Project is approximately \$10 million. December 10 application, p. 3; *see also, id.*, Affidavit of Michael Rivet, p. 4.

With respect to the Contracts necessary to construct the Project, DTE Electric represents that through a competitive bidding process, the company entered into a Module MSA with Canadian

 $^{^{1}}$ In "10 MW_{AC}," the "AC" stands for alternating current.

Solar (USA) Energy Corporation (Canadian Solar),² and an EPC MSA with Motor City Electric Company. December 10 application, p. 3. DTE Electric consulted with the Commission Staff on December 3, 2024 to provide an overview and review of the Project and related Module MSA and EPC MSA. December 10 application, pp. 3-4.

The Commission has reviewed DTE Electric's December 10 application, the supporting affidavit and attachment, the applicable statutory language and Commission orders, as well as the partial settlement agreements in Case Nos. U-20713 *et al.* and Case No. U-21172,³ and finds that the Project and related Contracts should be approved. The Commission finds that the Project and Contracts are consistent with the May 18 and December 19 orders, along with the partial settlement agreements in Case Nos. U-20713 *et al.* and U-21172.

As to cost recovery, the Commission shall review the reasonableness and prudence of the final cost for the Project in the appropriate renewable energy reconciliation proceeding following the Project's COD. The Commission further finds that *ex parte* review and approval is appropriate because approval of the Project and Contracts will not affect rates or rate schedules resulting in an increase in the cost of service to customers. *See*, MCL 460.6a(3).

² The Module MSA attached to the December 10 application lists Canadian Solar (USA) Inc., as the contracting party with DTE Electric. However, the Commission refers to Canadian Solar by the business entity name listed in the Michigan Corporations Division Online Filing System, which is Canadian Solar (USA) Energy Corporation. For the purposes of this order, they are considered to be the same entity.

³ Case No. U-21172 involves DTE Electric's previous VGP case which was resolved by a partial settlement agreement approved by the Commission in the July 2, 2024 order in that case (July 2 order). Relevant to this proceeding, the partial settlement agreement in Case No. U-21172 contained requirements for special contracts entered into by DTE Electric. *See*, July 2 order, Exhibit A, Paragraphs 10 and 11. In the December 19 order, the Commission found that the special contract between DTE Electric and the City of Detroit conformed with the relevant requirements of the partial settlement agreement in Case No. U-21172. December 19 order, p. 3.

THEREFORE, IT IS ORDERED that the December 10, 2024 application filed by DTE Electric Company seeking *ex parte* approval of the City of Detroit Solar Park, including the Engineering, Procurement, and Construction Master Service Agreement and Master Supply Agreement for solar panel modules, and related relief, is approved.

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 <u>LARA-MPSC-</u> <u>Edockets@michigan.gov</u> and to the Michigan Department of Attorney General - Public Service Division at <u>sheac1@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 April 24, 2025.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-21361

County of Ingham

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Brianna Brown being duly sworn, deposes and says that on April 24, 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

Subscribed and sworn to before me this 24th day of April 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-21361

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