

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC
SERVICE COMMISSION HELD VIA MICROSOFT TEAMS VIDEO CONFERENCING ON
OCTOBER 29, 2020

Commission Chair Daniel C. Scripps called the meeting to order at 1:30 p.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: Daniel C. Scripps, Chair (participating from Leelanau County)
Sally A. Talberg, Commissioner (participating from Ingham County)
Tremaine L. Phillips, Commissioner (participating from Ingham County)

Staff: Barbara Kunkel
Lisa Felice

Additional Staff & Public Attending Telephonically/Video Conferencing: 185 Participants

I. Commissioner Phillips moved to approve today's agenda, Commissioner Talberg seconded.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The agenda was approved.

II. Commissioner Phillips moved to approve the minutes of the Regular Commission Meeting of September 24, 2020 Commissioner Talberg seconded.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-12952 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION
APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN
TDS METROCOM, LLC AND AT&T MICHIGAN
(twenty-sixth amendment)

- U-20913 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF THE INTERCONNECTION AND MUTUAL TRAFFIC EXCHANGE AGREEMENT BY AND BETWEEN WINN TELEPHONE COMPANY DBA WINN TELECOM AND BLANCHARD TELEPHONE COMPANY
(interconnection agreement)
 - U-20914 IN THE MATTER OF THE JOINT REQUEST FOR APPROVAL OF A TRAFFIC TERMINATION AGREEMENT BETWEEN CLIMAX TELEPHONE COMPANY AND MICHIGAN BELL TELEPHONE COMPANY d/b/a AT&T MICHIGAN
(interconnection agreement)
 - U-20915 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF A MULTI-STATE INTERCONNECTION AGREEMENT BETWEEN POINT BROADBAND FIBER HOLDING, LLC AND VARIOUS ATT, INC. OWNED COMPANIES, INCLUDING AT&T MICHIGAN
(interconnection agreement)
2. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES, LLC
(9-1-1 wireless, U-14000, invoice no. INV-ALCONA1) dated September 29, 2020)

B. ELECTRIC

- 1. U-18089 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR ALPENA POWER COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
(biennial review/proposed settlement agreement)
- 2. U-20701 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVAL NECESSARY FOR ALPENA POWER COMPANY TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008
(energy waste reduction reconciliation for 2019/proposed settlement agreement)
- 3. U-20705 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR NORTHERN STATES POWER COMPANY TO FULLY COMPLY

WITH PUBLIC ACT 295 OF 2008
(energy waste reduction reconciliation for 2019/proposed settlement agreement)

4. U-20707 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR UPPER MICHIGAN ENERGY RESOURCES CORPORATION TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008
(energy waste reduction reconciliation for 2019/proposed settlement agreement)
5. U-20725 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2019
(proposed settlement agreement)
6. U-20751 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR APPROVAL OF AN ANNUAL REVIEW OF ITS STATE RELIABILITY MECHANISM CHARGE TO COMPLY WITH THE REQUIREMENTS OF SECTION 6w OF 2016 PA 341
(proposed settlement agreement)
7. U-20754 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR APPROVAL OF AN ANNUAL REVIEW OF ITS STATE RELIABILITY MECHANISM CHARGE TO COMPLY WITH THE REQUIREMENTS OF SECTION 6w OF 2016 PA 341
(proposed settlement agreement)

C. GAS

1. U-20551 IN THE MATTER OF THE APPLICATION OF SEMCO ENERGY GAS COMPANY FOR APPROVAL OF A GAS COST RECOVERY PLAN AND AUTHORIZATION OF GAS COST RECOVERY FACTORS FOR THE 12 MONTHS ENDING MARCH 31, 2021
(proposed settlement agreement)
2. U-20798 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND OPERATE LATERAL 54-NE AND W-1003 WELL LINE IN THE WINTERFIELD STORAGE FIELD
(proposed settlement agreement)

Commissioner Phillips moved that the Commission approve all the orders and minute actions on the consent agenda.
Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The 10 orders and 1 minute action were adopted.

IV. OTHER ORDERS

A. COMMUNICATIONS

1. U-20744 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, DIRECTING BLUE JAY WIRELESS, LLC, TO SHOW CAUSE WHY IT SHOULD NOT BE FOUND TO BE IN VIOLATION OF FEDERAL AND STATE REQUIREMENTS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER FOR PURPOSES OF OFFERING LIFELINE SERVICE ON A WIRELESS BASIS (final order)

Case No. U-20744 involves an action, on the Commission’s own motion, to order Blue Jay Wireless, LLC, to show cause why it should not be found in violation of federal and state requirements for designation as an eligible telecommunications carrier for purposes of offering Lifeline service on a wireless basis. The order before you revokes Blue Jay Wireless, LLC’s designation as an eligible communications carrier for purposes of providing Lifeline service in the state of Michigan. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Commissioner Phillips thanked the Telecommunications Division for prioritizing customer safety and continued access to vital communication services in Michigan. Commissioner Phillips also noted that despite the persistent failure of Blue Jay Wireless to comply with federal and state ETC requirements necessary to sustain and offer lifeline to Michigan residents, there are still a number of lifeline providers currently active across the state. Commission Phillips encouraged customers in need of assistance to visit the MPSC website on more information regarding lifeline eligibility requirements, as well as availability.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

2. U-20830 IN THE MATTER OF THE APPLICATION OF CATHECT COMMUNICATIONS INC. FOR A TEMPORARY AND PERMANENT LICENSE TO PROVIDE LOCAL EXCHANGE SERVICE THROUGHOUT THE STATE OF MICHIGAN (final order)

Case No. U-20830 involves an application filed by Cathect Communications Inc. for a temporary and permanent license to provide basic local exchange service throughout the state of Michigan. The order before you dismisses the original and amended applications without prejudice. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

B. ELECTRIC

1. U-15805 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR CONSUMERS ENERGY COMPANY TO FULLY COMPLY WITH PUBLIC ACTS 286 AND 295 OF 2008
(*ex parte*/proposed amendment to renewable energy purchase agreement)

Case No. U-15805 involves an application by Consumers Energy Company for *ex parte* Commission review and approval of an amendment to its Renewable Energy Purchase Agreement with River Fork Solar, LLC. The order before you approves the amendment to the Renewable Energy Purchase Agreement with River Fork Solar, LLC. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

2. U-18361 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO PROMULGATE RULES REQUIRED BY MCL 460.10ee(1)

(final order/closing docket)

Case No. U-18361 involves the promulgation of rules establishing a Code of Conduct for utilities and alternative electric suppliers. The order before you responds to a request for clarification and closes the docket in Case No. U-18361. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

3. U-20202 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR RECONCILIATION OF ITS POWER SUPPLY COST RECOVERY PLAN FOR THE 12 MONTHS ENDING DECEMBER 31, 2018
(final order)

Case No. U-20202 involves an application filed by Consumers Energy Company for reconciliation of power supply cost recovery expenses and revenues for calendar year 2018. The order before you approves the application, as modified by this order. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

4. U-20374 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, REGARDING THE REGULATORY REVIEWS, REVISIONS, DETERMINATIONS, AND/OR APPROVALS NECESSARY FOR INDIANA MICHIGAN POWER COMPANY TO FULLY COMPLY WITH PUBLIC ACT 295 OF 2008, AS AMENDED BY PUBLIC ACT 342 OF 2016
(energy waste reduction plan for 2020 and 2021/final order)

Case No. U-20374 involves an application filed by Indiana Michigan Power Company requesting approval of its 2020 and 2021 energy waste reduction plan. The order before you approves the energy waste reduction plan, in part. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

5. U-20563 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR RECONCILIATION OF ITS 2018 DEMAND RESPONSE PROGRAM COSTS
(final order)

Case No. U-20563 involves an application filed by Consumers Energy Company requesting authority to reconcile its 2018 demand response program costs. The order before you approves the reconciliation, as modified by the order, and directs Consumers Energy Company to provide notice to the Commission Staff whenever demand response expenditures will exceed the amount approved for expenditure by 10% of approved expenditures. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

6. U-20604 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF POWER PURCHASE AGREEMENTS
(*ex parte*/proposed amendment to power purchase agreements)

Case No. U-20604 involves an application by Consumers Energy Company for *ex parte* approval of amended power purchase agreements. The order before you approves the amended power purchase agreements. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

7. U-20628 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER ISSUES

RELATED TO IMPLEMENTATION OF EFFECTIVE DEMAND
RESPONSE TARIFFS AND EFFICIENT DEPLOYMENT OF LOAD-
MODIFYING RESOURCES

(demand response reporting/interim order)

U-20348

IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO
ADDRESS OUTSTANDING ISSUES REGARDING DEMAND
RESPONSE AGGREGATION FOR ALTERNATIVE ELECTRIC
SUPPLIER LOAD

Case Nos. U-20628 *et al.* involve a matter, on the Commission's own motion, regarding electric demand response tariffs and efficient deployment of load-modifying resources. The order before you discusses the Commission Staff's final report filed on July 31, 2020, in Case No. U-20628; provides direction for the Commission Staff and Michigan rate-regulated utilities regarding demand response moving forward; and reopens the docket in Case No. U-20348 for comment and review as set forth in the order. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Chair Scripps commented:

"Before we move to the vote, I wanted to say a few words on this order.

First, I want to thank the Staff leads for this workgroup, Erik Hanser and Katie Smith, who have done a tremendous job in working through the many issues involved. This workgroup came out of the recommendations from last year's Statewide Energy Assessment on how to ensure that demand response is there when we need it, and to look at the many technical and communication issues involved.

DR is a valuable resource, particularly with increased power plant retirements and the need to efficiently meet customer demand during peak periods. Accordingly, DR must evolve with changes in markets, technology, and communications and continuously improve, and the recommendations from Staff report and actions taken today further our progress on these issues.

In addition, against the backdrop of the Sept. 17 decision from the Federal Energy Regulatory Commission in Order 2222 that allows for the aggregation of distributed energy resources – as well as the current constraints in terms of capacity in MISO Zone 7, and the lack of availability of certain resources – we find it prudent to revisit the current ban on aggregated demand response articulated in our August 8, 2019 order in Case No. U-20348. To that end, we are re-opening Case No. U-20348 for the purpose of accepting comments to the following questions:

1. Should the partial ban on DR aggregation maintained in the August 8 order be lifted to allow full participation of aggregated DR resources in the wholesale markets?
2. Should the Commission delay its final decision on lifting the partial ban on DR aggregation until the Commission receives greater clarity from the RTOs and FERC, including around implementation of Order 2222? If the Commission determines the ban should be lifted, should the effective date coincide with the implementation of Order 2222?

3. Are the safeguards put in place for aggregation of DR for customers participating in the retail open access market sufficient or are additional measures needed if the current ban is lifted?
4. Are current Commission processes and procedures, including capacity demonstrations, sufficient to ensure visibility into DR aggregator activity and related accounting for maintaining operational reliability and supporting utility resource planning and procurement? If not, what changes are needed?
 - a. How should double counting of DR be avoided, particularly for customers currently enrolled in utility DR programs?
 - b. To what extent should ~~the~~ Commission processes and procedures interact and/or overlap with RTO processes to ensure proper registration, information sharing, and transparency? Are RTO processes alone sufficient to provide visibility into DR aggregator activity?
 - c. If it is found that more information or oversight is needed for operations, planning, or customer protection and disclosure, are there statutory limitations that would stymie the Commission's ability to obtain sufficient information on DR aggregation?

We look forward to input from various stakeholders to inform the Commission's consideration of this issue going forward.

Again, many thanks to Mr. Hanser and Ms. Smith, as well as to all the stakeholders who participated in this process, for their work and contributions."

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

- | | | |
|----|---------|--|
| 8. | U-20633 | IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER ISSUES RELATED TO INTEGRATED RESOURCE AND DISTRIBUTION PLANS
(interim order) |
| | U-15896 | IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF MCL 460.6s OF 2016 PA 341 |
| | U-18418 | IN THE MATTER, ON THE COMMISSION'S OWN MOTION TO IMPLEMENT THE PROVISIONS OF SECTION 6t(1) OF 2016 PA 341 |
| | U-18461 | IN THE MATTER, ON THE COMMISSION'S OWN MOTION TO IMPLEMENT THE PROVISIONS OF SECTION 6t OF 2016 PA 341 |

Case Nos. U-20633 *et al.* involves a matter, on the Commission's own motion, directing the Commission Staff to develop recommendations to

be considered by the Commission as to how utilities may best consider, in their integrated resource plans, the emission reduction targets set by Executive Directive 2020-10. Accordingly, the order before you directs the Commission Staff to develop a Straw Proposal to present to stakeholders within the MI Power Grid Phase 2 Advanced Planning workgroup; to file a report in Case No. U-20633 summarizing the Straw Proposal, any other proposals, and stakeholder feedback; and to provide a recommendation. The order also provides stakeholders and interested persons an opportunity to comment on the Commission Staff's report. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

9. U-20645 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO
ESTABLISH MI POWER GRID
(technology pilots/interim order)

Commission Staff Dr. Joy Wang, Energy Resources Division, presented a brief synopsis of the case listed above. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Commissioner Phillips commented:

"I would like to applaud Dr. Wang and the energy programs and technology pilot's stakeholder community for covering so much ground. It was a tumultuous eight-month period from the kickoff of the stakeholder meetings in February to the release of the final report in September.

I would also like to thank staff throughout the Commission as the draft and review of the energy programs and technology pilot report and the compilation of the data within the report was truly a team effort. The compilation of the report involved staff from several MPSC divisions, and they voluntarily put forth their time and support to the workgroup. At one point, staff identified and reviewed over 155 cases in order to generate a comprehensive list of filed utility pilots from 2008 to 2019.

Moving forward, the staff recommendations put forth in the order before the Commission today, will allow the Commission and staff to be for consistent and rigorous in our review of utility pilots, and will provide electric and gas utilities with better expectations on what the Commission expects from the next generation of utility pilots; particularly in the context of the mission and goals of the MPSC and the MI Power Grid initiative.

Lastly, this will also allow for the increased transparency and accessibility of past and on-going utility pilot and technology and program implementations."

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

10. U-20828 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF A TEMPORARY WAIVER OF CERTAIN REGULATORY REQUIREMENTS IMPACTED BY THE NOVEL CORONAVIRUS (COVID-19) PANDEMIC
(*ex parte*/final order)

Case No. U-20828 involves an application filed by Consumers Energy Company for temporary waivers of certain regulatory requirements impacted by the COVID-19 pandemic. The order before you approves five and denies one of the requested waivers. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

11. U-20846 IN THE MATTER OF THE COMPLAINT OF RANDALL W. PHILLIPS AGAINST CONSUMERS ENERGY COMPANY
(final order)

Case No. U-20846 involves a complaint filed by Randall W. Phillips against Consumers Energy Company. The order before you dismisses the complaint without prejudice. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

12. U-20898 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER ISSUES RELATED TO NEW TECHNOLOGIES AND BUSINESS MODELS
(interim order)

Case No. U-20898 involves the establishment, on the Commission's own motion, of a collaborative to consider issues related to implementation of effective new technologies and business models. The order before you establishes the collaborative, provides direction for the Commission Staff and stakeholders, and sets a date for the filing of the first status report. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Commissioner Talberg commented:

"Thank you, Chair Scripps. This New Technologies and Business Models workgroup being launched with this order is part of phase 2 of MI Power Grid.

The goal of this effort is to address regulatory and business model barriers to the deployment and full utilization of clean, distributed energy resources in Michigan. We realize the need to adapt the regulatory framework to allow for different applications of distributed energy resources and to define the appropriate roles of utilities, customers, third party developers and entrepreneurs in supporting a more decentralized energy system that is clean, affordable, reliable, and accessible.

There have been several recent developments that affect this effort – such as Governor Whitmer's MI Healthy Climate plan to be carbon neutral by 2050, FERC Order 2222 providing for aggregation of distributed energy resources in wholesale electricity markets, the Governor's creation of Michigan Council on Future Mobility and Electrification (that Commissioner Phillips serves on to represent the MPSC), and continued implementation of utility EV programs.

The workgroup will be designed to create a shared understanding of different technologies and their potential applications, and to identify barriers and potential solutions for consideration by the Commission. The examination of barriers should focus on issues and solutions that the Commission, in its oversight of utilities under the current regulated market model established by the Michigan Legislature, can address. But we recognize that market, policy, or legal impediments to certain technology applications may be identified through this process that extend beyond the Commission's ability to address directly under its existing authority.

The group will focus on several technologies – EVs, storage, microgrids, distributed energy generation, and heat pumps. Just one example is the question of sale for resale provisions with EVs charging installations that have onsite energy storage or electric generation. Another question relates to a microgrid that has multiple users.

This workgroup ties into many other ongoing or planned efforts related to energy planning, competitive procurement, incentives, and rates, and will require close coordination. What is unique here is the technology-specific lens, but also think about the role of the utility in operating a distribution system with all these various forms of distributed energy resources.

This effort will be led by Joy Wang in the Energy Resources Division with a great team from across the MPSC. I think it will be an opportunity to learn a lot. The first workgroup meeting will be in January. Encourage those who are interested to sign up for the list serv to receive updates."

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

13. U-20905 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO EXAMINE THE CHANGES TO THE REGULATIONS IMPLEMENTING THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*, PURSUANT TO FEDERAL ENERGY REGULATORY COMMISSION FINAL ORDER NO. 872 (interim order)
- U-18089 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR ALPENA POWER COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
- U-18090 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR CONSUMERS ENERGY COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
- U-18091 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR DTE ELECTRIC COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
- U-18092 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR INDIANA MICHIGAN POWER COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
- U-18093 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR NORTHERN STATES POWER COMPANY TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
- U-18095 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, ESTABLISHING THE METHOD AND AVOIDED COST CALCULATION FOR UPPER MICHIGAN ENERGY RESOURCES CORPORATION TO FULLY COMPLY WITH THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978, 16 USC 2601 *ET SEQ.*
- U-20645 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO ESTABLISH MI POWER GRID
- U-20852 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER BEST

PRACTICES TO ENSURE COST-EFFECTIVE DEVELOPMENT OF
NEW ENERGY RESOURCES AND TO LIMIT PROCUREMENT
BARRIERS FOR EMERGING TECHNOLOGIES, INCLUDING
PROCESSES FOR COMPETITIVE BIDDING

Commission Staff Caitlin Mucci, Regulatory Affairs Division, presented a brief synopsis of the cases listed above. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Commissioner Talberg commented:

“Thank you, Chair Scripps. First, want to thank Ms. Mucci for her leadership on PURPA implementation issues, including staying abreast of developments in other states and at FERC.

FERC’s Order 872 provides a path to address two challenging aspects of PURPA implementation for state commissions given rapidly changing markets for energy technologies.

First, it provides flexibility for pricing of avoided costs to be in sync with market forces.

Second, it provides a competitive bidding framework – with proper protocols and state oversight -- to be used in lieu of administratively determining the utility’s capacity need. This second item is timely given that we have the competitive procurement workgroup underway as part of MI Power Grid and could incorporate these concepts into any new guidelines or rules. I look forward to the comments from stakeholders on this topic to address how MI should implement Order 872.”

Chair Scripps commented:

“Thank you, Commissioner Talberg, and appreciate your leadership on this area as well. It speaks to the thoughtfulness of our regulatory framework that many of our actions over the past several years in some ways anticipated what FERC has done, and we look forward to comments from the stakeholder community about what remaining tweaks might be necessary.

I also echo your praise for Ms. Mucci’s leadership on this. I am sure she doesn’t think it’s a coincidence that we time this order for Halloween week given the scary elements of PURPA, but your leadership on this has truly been “spook-tacular.”

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

C. GAS

- | | | |
|----|---------|---|
| 1. | U-20839 | IN THE MATTER OF THE APPLICATION OF DTE GAS COMPANY
SEEKING AUTHORITY TO AMEND ITS VOLUNTARY
BIOGREENGAS PROGRAM AND IMPLEMENT A NEW
VOLUNTARY RENEWABLE GAS PROGRAM PILOT |
|----|---------|---|

(*ex parte*/final order)

Case No. U-20839 involves a revised application from DTE Gas Company for *ex parte* approval to amend its voluntary BioGreenGas program and implement a new voluntary emissions offset program pilot. The order before you approves the application, as revised. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

2. U-20885 IN THE MATTER OF RPA ENERGY, INC. dba GREEN CHOICE ENERGY, FOR A LICENSE AS AN ALTERNATIVE GAS SUPPLIER (final order)

Case No. U-20885 involves an application by RPA Energy, Inc., dba Green Choice Energy, for a license as an alternative gas supplier. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its October 29, 2020 meeting. Commissioner Talberg seconded that motion.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The order was adopted.

V. UPDATE FROM COMMISSION STAFF REGARDING MI POWER GRID

Commission Staff Heather Cantin, Strategic Operations Division, presented an update regarding MI Power Grid. A copy of the presentation is located on the Commission's website at: <https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t000000EjZIEAAV> .

Chair Scripps commented:

“Thank you, Ms. Cantin for that comprehensive review of the work to date with the MI Power Grid initiative and where we stand in the process.

I also want to echo your thanks for the work of our Staff over the last year for their fine work. As we've gone through today's orders and indeed the orders we've issued over the past year connected with this initiative, I think it's clear just how many staff are involved in this initiative, from literally every corner of the Commission – from rate design to customer assistance to operations and every place in between.

The Staff has taken this on at a time this initiative in addition to their ongoing work, which is considerable, and all at a challenging and uncertain time – made all the more so by the COVID pandemic. The work of the Staff has been exceptional. And I want to thank you for taking this on. I also want to echo your thanks to the stakeholders. We have, as you noted, dozens and perhaps even hundreds of participants, hundreds of hours logged through meetings and discussions, thousands of pages of comments. We have benefited from having some of the best minds in Michigan and indeed nationally working on these issues and adding their expertise and their perspectives in what I think is a model of a collaborative process. There are differences, of course, but working through challenging issues and trying to find solutions that put us on the right path.

I would add, and I think this is borne out by some of the actions taken today and over the past year, the focus of this initiative remains on action. This work is not designed as an academic exercise, or to result in fancy reports, but to lead to the steps necessary to ensure that Michigan residents and businesses reap the benefits of the ongoing transitions taking place in the electricity sector. And I think that's what's happening – guidance on future utility distribution and integrated resource plan filings, additional rigor in evaluating the purpose and results of pilot projects and the creation of the MI Pilot Database – I'm just incredibly excited about that as a way of collecting our learnings, updates to interconnection and service quality rules, consideration of new forms of DR and DER utilization, and much, much more. So, this is an ambitious project, but one that I am confident will continue to pay dividends for decades to come.

Finally, want to thank my fellow Commissioners. This has from the beginning been a truly and fully collaborative process, launched by then-Chair Talberg – and has benefited tremendously from the ongoing thoughtfulness, creativity, curiosity, and passion of Commissioners Phillips and Talberg, and together with the many staff and stakeholders, the work to date sets us up well for the work to come.”

VI. PUBLIC COMMENTS

Emily asked the Commission, “What is the next step for entities who would like to be involved in the case regarding demand response aggregation? Is there an opportunity now to intervene?” Commission Staff Cathy Cole referred Emily to Case No. U-20628 on the Commission’s website <https://mi-psc.force.com/s/case/500t000000LvLp7AAF/in-the-matter-on-the-commissions-own-motion-to-commence-a-collaborative-to-consider-issues-related-to-implementation-of-effective-demand-response-tariffs-and-efficient-deployment-of-load-modifying-resources> .

Bridget Vial, Michigan Environmental Justice Coalition commented on DTE’s filing in Case No. U-20921.

Chair Scripps commented:

“The MPSC Staff released its 2020-21 Winter Energy Appraisal earlier today. It’s no surprise that the continued impact of the pandemic has thrown a curveball to forecasting. At the same time, the pandemic has upended typical energy use patterns — driving down business energy use while increasing residential energy demand. A few highlights from the Appraisal:

- The industrial sector is expected to see a significant decline in natural gas use due to the impact of COVID-19 on regional and global economic activity.
- Retail propane prices started the heating season at an average of \$1.66 per gallon, a 6-cent increase from the 2019 winter average, but a 1-cent decrease from this time last year.
- Electricity sales declined noticeably with the onset of COVID-19, and no supply shortages or transmission constraints are expected. Residential electric bills are generally higher, due in part to the prevalence of remote working.
- Demand for motor gasoline in 2019 declined for the first time since 2012, falling 4.3% to 4.6 billion gallons. The Energy Information Administration expects Midwest gasoline prices to average \$2.02 in 2020, 46 cents lower than a year ago.
- Michigan produced about 5.1 million barrels of crude oil in 2019, down marginally from 5.4 million barrels in 2018, with prices for Michigan sweet and sour crude oil averaging about \$50 per barrel and \$45 per barrel, respectively.”

The Appraisal is located on the Commission’s website at:

https://www.michigan.gov/mpsc/0,9535,7-395-93253_93280-543696--,00.html .

Chair Scripps commented:

“Second, and relatedly, a reminder that for those struggling with utility bills amidst the pandemic and the economic consequences, a reminder that help is available. The new fiscal year for assistance programs began Oct. 1, and utilities also have flexible payment options, and many have additional protections in place. If you are struggling, please call your energy provider and ask what options are available for both assistance and flexibility, or please reach out by dialing 2-1-1, or going to:

www.mi211.org or visiting the Michigan Public Service Commission’s website at:
www.Michigan.gov/mpsc .

A recording of the proceedings of the October 29, 2020 meeting is archived at:

https://www.michigan.gov/mpsc/0,9535,7-395-93307_93316_93317_93875---Y,00.html .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on November 19, 2020 at 1:30 p.m.

Commissioner Phillips moved that the Commission adjourn, Commissioner Talberg seconded.

Vote: Yeas – Scripps, Talberg, Phillips
Nays – None

The motion was approved.

The meeting adjourned at 2:45 p.m.

Lisa Felice
Executive Secretary