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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON JULY 2, 2021.

Commission Chair Daniel C. Scripps called the meeting to order at 10:33 a.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: Daniel C. Scripps, Chair
Tremaine L. Phillips, Commissioner
Katherine Peretick, Commissioner

Staff: Alissa Day
Lisa Felice
Barbara Kunkel

Additional Staff & Public Attending Telephonically/Video Conferencing: 94 Participants

- I.** Commissioner Phillips moved to approve today's agenda, Commissioner Peretick seconded.

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

The agenda was approved.

- II.** Commissioner Phillips moved to approve the minutes of the Regular Commission Meeting of June 23, 2021, Commissioner Peretick seconded.

Vote: Yeas – Scripps, Phillips, Peretick
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 AT&T MICHIGAN AND TDS METROCOM, LLC (twenty-seventh amendment)
2. MINUTE ACTION PENINSULA FIBER NETWORK NEXT GENERATION SERVICES, LLC (9-1-1 wireless, U-14000, invoice no. INV-Jackso1 dated June 21, 2021)
3. MINUTE ACTION METRO ACT (tax credit determination report)

Commissioner Phillips moved that the Commission approve the order and minute actions on the consent agenda. Commissioner Peretick seconded that motion.

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

The 1 order and 2 minute actions were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. U-17377 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF 2013 PA 95 (proposed low-income energy assistance funding factor/interim order)

Case No. U-17377 involves setting the Low-Income Energy Assistance Fund factor. The order before you establishes a deadline for the filing of comments on the proposed factor. Commissioner Phillips moved that the Commission approve the order at its July 2, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

2. 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
(notice of opportunity to comment/interim order)

Case No. U-20852 involves a matter, on the Commission's own motion, requesting stakeholder comments on the Commission Staff's Competitive Procurement report and the Commission's procedure for competitive procurement. The order before you invites interested persons to submit comments in this docket no later than 5:00 p.m. (Eastern time) on July 30, 2021, and reply comments may be filed in this docket by 5:00 p.m. (Eastern time) on August 13, 2021. Commissioner Phillips moved that the Commission approve the order at its July 2, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-20886 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO OPEN A DOCKET FOR LOAD SERVING ENTITIES IN MICHIGAN TO FILE THEIR CAPACITY DEMONSTRATIONS AS REQUIRED BY MCL 460.6w
(order closing docket)
- U-21099 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO OPEN A DOCKET FOR LOAD SERVING ENTITIES IN MICHIGAN TO FILE THEIR CAPACITY DEMONSTRATIONS AS REQUIRED BY MCL 460.6w
(2025/2026 planning year/order opening docket)

Case Nos. U-20886 *et al.* are dockets opened on the Commission's own motion for the receipt of capacity demonstration filings required by MCL 460.6w. The order before you adopts the findings and recommendations contained in the Commission Staff's March 26, 2021 report and opens a new docket for the receipt of planning year 2025/2026 capacity demonstration filings. Commissioner Phillips moved that the Commission approve the order at its July 2, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“Before we vote on this matter, I want to thank the Staff involved in this annual effort, particularly those in the Resource Adequacy and Customer Choice Section of our Energy Resources Division, for their good work.

Making sure we have adequate capacity to meet our electricity needs remains a top-of-mind priority of this Commission, and these annual capacity demonstrations are a key part of meeting that responsibility. Given the events in Texas this winter and the ongoing challenges in California and elsewhere, this issue is getting increasing attention across the country, and it should. I think the framework established by the Michigan Legislature in 2016 continues to provide a solid foundation for meeting these reliability challenges, and also helps avoid or limit the price spikes we’ve seen triggered by last-minute purchases when supplies are tight.

We will continue to keep a close eye on these reliability issues as the electricity system continues to evolve, including looking at available generation capacity, increases in our ability to import – and export – resources into and out of Michigan, demand side options that provide additional options and flexibility, and other resources and opportunities, and I appreciate the participation of all parties – Staff, utilities, and other stakeholders – in these annual capacity demonstrations.”

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

The order was adopted.

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| 4. | 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 <i>ET SEQ.</i> , PURSUANT TO FEDERAL ENERGY REGULATORY COMMISSION FINAL ORDER NO. 872 (legally enforceable obligation criteria/proceedings to review) |
| | 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 <i>ET SEQ.</i> |
| | 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 <i>ET SEQ.</i> |
| | 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 <i>ET SEQ.</i> |

- 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 case listed above. Commissioner Phillips moved that the Commission approve the order at its July 2, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“PURPA issues are almost inherently complex as we’ve learned over the last several years, with huge contributions from the Renewable Energy Section of our Energy Resources Division, our Energy Markets Section, our Commission Advisors, and the Staff Attorneys in the Regulatory Affairs Division. It’s truly been a team effort. When you look at where we’ve come from, several years ago starting with some issues that were in front of us and wanting to update our PURPA parameters and guidance, starting with updating AC, working through some of the IC issues in the utility queues, and then today’s order which adds guidance and a dispute resolution process for the criteria to be used in evaluating whether a LEO has been established, consistent with the recent FERC guidance in Orders 872 and 872-A, I think we’ve come a long way.

The criteria included in this order can help in adding certainty to whether a qualified facility has established commercial viability and has demonstrated a true financial commitment to moving their project through the development phases, and also provides for an expedited review when disputes remain that goes from a filing by the Qualifying Facility to a Staff determination on whether an LEO exists in approximately 3.5 months, and then ultimately if that determination were to be appealed, a final decision from the Commission approximately 7.5 months after the QF files.

I think that expedited approach to resolving disputes – and hopefully avoiding disputes by providing greater clarity around what it is that we would see as being consistent with the FERC criteria of commercial viability and financial commitment – strikes the right balance between a developer’s interest in moving a project forward and the utility’s responsibility to continue to plan for their resources now and into the future.

Again, I commend the Staff, the utilities, the developers, and the many other stakeholders who have been involved in this process, not just in this proceeding, but over the past several years for their contributions to this effort.”

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

The order was adopted.

5. U-21094 IN THE MATTER OF THE APPLICATION OF ALPENA POWER COMPANY FOR APPROVAL OF POWER PURCHASE AGREEMENTS
(*ex parte*/ Thunder Bay Power/final order)

Case No. U-21094 involves an application by Alpena Power Company requesting *ex parte* approval of power purchase agreements. The order before you approves the application. Commissioner Phillips moved that the Commission approve the order at its July 2, 2021 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

There were no public comments.

Chair Scripps announced:

“With the significant outages we’ve experienced across the state over the last couple of weeks, I want to take a moment to acknowledge the frustrations of those who have lost power, and also the efforts of our utilities and the line workers to get people reconnected.

Between severe storms that produced tornados in some parts of the state and massive amounts of rain that led to flooding in other parts, we’ve seen a significant number of Michiganders who have lost power. We continue to work on strategies to improve the performance of our distribution system

through enhanced vegetation management and investments in grid hardening, as well as working to increase outage credits for customers, but there's still more work to do.

At the same time, I want to recognize the line workers who have been working tirelessly in very challenging conditions to restore power to their neighbors and fellow Michiganders, and in particular want to recognize the sacrifice of the DTE line worker who tragically lost his life earlier this week, working heroically to try and bring the power back on. It's a reminder of the costs of the system that we so often take for granted – the human costs involved – and the thoughts of this Commission I know are with that line worker's family, and the broader line worker and DTE families who come together at times like these."

Commissioner Phillips announced:

"The Commission family would like to express our thoughts and condolences to the family, friends, and colleagues of Alec Esparza. Alec was a rising star with the energy and environment team at Public Sector Consultants, who unexpectedly passed away at the age of 25. Though, I had only the brief opportunity to work with Alec in my time here at the Commission, I can say that he was one of the most sincere, genuine, and intellectually curious individuals that I have met in my time here in Lansing. We send our condolences to those in his family, as well as to our close friends at Public Sector Consultants.

His family has advised that those interested in honoring the life of Alec Esparza, are encouraged to make donations to either the Clean Air Task Force or the Climate Emergency Fund."

A recording of the proceedings of the July 2, 2021 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 Tuesday, July 27, 2021 at 1:00 p.m.

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

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

The motion was approved.

The meeting adjourned at 10:56 a.m.

Lisa Felice
Executive Secretary