

MINUTES OF THE SPECIAL COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON AUGUST 25, 2021.

Commission Chair Daniel C. Scripps called the meeting to order at 10:30 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: Barbara Kunkel
Lisa Felice
Ryan Laruwe
Chris Forist
Drew Simon

Public: Anna Nichols, Associated Press
Mike O'Brien, I&M Power Co.
Craig Mauger, The Detroit News
Camilo Serna, DTE

Additional Staff & Public Attending Telephonically/Video Conferencing: 108 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 August 11, 2021, Commissioner Peretick seconded.

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

The minutes were approved.

III. APPROVAL OF ORDER

A. ELECTRIC

1. U-21122 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO REVIEW THE RESPONSE OF ALPENA POWER COMPANY, CONSUMERS ENERGY COMPANY, DTE ELECTRIC COMPANY, INDIANA MICHIGAN POWER COMPANY, NORTHERN STATES POWER COMPANY, UPPER MICHIGAN ENERGY RESOURCES CORPORATION, AND UPPER PENINSULA POWER COMPANY TO RECENT STORM DAMAGE IN THEIR SERVICE TERRITORIES (order opening docket)
- U-20147 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO OPEN A DOCKET FOR CERTAIN REGULATED ELECTRIC UTILITIES TO FILE THEIR DISTRIBUTION INVESTMENT AND MAINTENANCE PLANS AND FOR OTHER RELATED, UNCONTESTED MATTERS

Commission Staff Charyl Kirkland, Energy Operations Division, presented a brief synopsis of the case listed above. Commissioner Phillips moved that the Commission approve the order at its August 25, 2021 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

"I would like to stress the great work and appreciation that the Commission has for Ms. Kirkland, Mr. Becker, Mr. Evans, Mr. Sheldon, and the others who have been involved in updating the Technical Standards for Electric System Performance and Service Quality Rules and Billing Rules. There has been a lot of work over that last two years, which I think is clear from Ms. Kirkland's presentation. We are nearing the beginning of the end (or the end of the beginning) moving towards the formal part. We should be able to do this shortly."

Commissioner Peretick commented:

"I wanted to take the opportunity to thank all of the customers affected by these storms for their patience, as well as for their contributions of help, shelter, cooling, refrigeration, and emotional support for those impacted in their communities. It is always encouraging to see a community come together when faced with an emergency.

I also want to thank the thousands of utility line workers, wire guards, clearing crews, and call center representatives who stepped up and worked many long hours to restore power in our state. We at the Commission know that we need to do better for our residents' electric reliability and resiliency, and that is why we're asking for more data, more transparency, and more engagement to prepare and harden our electric distribution system to better withstand the increasingly extreme weather we are experiencing.

The two largest storms in DTE Electric’s 135-year history happened in 2017 and August 2021, and we can no longer treat these events as rare. We need to ensure that we are prepared and use all the tools that we have to keep our residents safe, informed, and without unnecessary financial burden.

I think that the transparency and data that we are asking for as a part of this order is a good first step to work toward this goal. We need to understand the areas of our state that are in the most need, what activities increase reliability and resiliency effectively, and the financial costs and benefits that come with these efforts.

This needs to be a data-driven process and results must be measurable and clear. Everyone who pays for electricity has a right to expect their utilities to anticipate extreme weather events, provide a grid that can withstand this weather, and be prepared to restore power expediently and safely when the grid does fail.

As Ms. Kirkland mentioned in her presentation, we are hosting a technical conference on emergency preparedness, distribution reliability, and storm response on October 22. I encourage anyone interested in providing input on topics you would like to see addressed in this conference to email us and let us know via the contact information in our order issued today. Your input is valued and appreciated as we work to improve our grid’s reliability and resiliency.”

Commissioner Phillips commented:

“I just wanted to emphasize that, through this order, the Commission has an interest in gaining more understanding and gathering more information on the costs and benefits of undergrounding wires along our distribution system. Not only to understand what the costs and benefits are, but what are the different safety and reliability benefits of potentially undergrounding some of the overhead wire distribution system. Frankly, we know that there is some mystique around undergrounding of our overhead wire system. It is one of the Holy Grails within the electric industry (maybe not as much as nuclear fusion) but certainly something that we want to take a firmer, more earnest look at and there must be a place in between business as usual and undergrounding that entire distribution system. We are very interested in pilots that can look at certain, most vulnerable circuits, as well as segments of that distribution system where it is less cost-prohibitive or beneficial to begin to look at different options for undergrounding and reducing the susceptibility of those smaller segments of those particularly vulnerable circuits.

That is another point that I would like to emphasize that we have outlined in this order. We are looking for further information from not only our regulated utilities, but also from stakeholders on different pilots and also best practices that are being employed by other utilities across country on how we can look for guidance on how to implement some of those solutions here in the state of Michigan. Thank you.”

Chair Scripps commented:

“I would like to echo the thanks for the union line workers and the others involved in the storm response and for the customers going through this. I would like to highlight the role of transparency and data collection, investigation into undergrounding, and updating our Service Quality Rules.

Updating the reliability of our distribution service has been a focus of this Commission for a number of years. It seems as you go back, there is some explanation of this in the order that is before us today. Looking at the Commission's response to storm events throughout the years (going back to 1991) a number of times coming out of that, it has been a cycle of wanting to see more tree trimming, vegetation management, and grid hardening and some other things. I think the difference in this case over the last couple of years, really trying to move away from a cycle of a bad storm, and then a response, and then another bad storm and another response, to how do we make this part of the business practice of business as usual in a going-forward basis. Providing securitization and recovery mechanisms for tree trimming so that it becomes an enduring part of the utilities' strategy and not something that gets left behind as the emphasis and attention changes to other issues, including specifics in distribution plans to give greater transparency into utility planning. Specifically, for DTE and Consumers, adding information on improving the metrics around customer outages and beginning to attach some financial mechanisms, incentives, and penalties to those things. They are more likely to be enduring at we go forward and as we continue to work on a range of issues before us. They can continue to receive the attention that they need. It is the blocking and tackling that ultimately can deliver results for customers in terms of reducing the number of outages, duration of outages, and the number of customers experiencing repetitive outages.

The events of this last week have shown, really laid bare that even as we are doing a lot of these things, we need to do more of it and we need to do it faster. That is one of the key takeaways that we are counting on our grid more than ever; when you think about vehicle electrification and the other pieces. The extreme storms are happening more frequently than ever and so making sure that we stay on top of distribution and reliability is more important now than ever. Continuing some of the work around vegetation management and hardening distribution upgrades but do more and do it faster.

Extreme weather is happening more frequently and we have for a long time, relied on historical data to guide our investments in the grid and investments in generation, etc. I am not sure that is appropriate anymore (or at least appropriate to only rely on historicals) in thinking about what the future holds. In an era of climate change and extreme weather, I think that the future may look very materially different than what we have experienced in the past. How do we begin anticipating some of these changes and modeling them so that we are ready for whatever the future holds? Even if the future looks different than what we have experienced historically. One of the pieces in this order is to ask for comments on how to begin changing who we think about modeling and forecasting so that we are ready for a future that may look significantly different.

There is a lot here. I think it reflects a Commission who continues to place a significant priority on the reliability of our distribution system. There is no silver bullet. I think we are going to look at a range of things. We are going to learn together. We appreciate the engagement of the utilities and other stakeholders in this process. Things including additional reporting, the technical conference, and other strategies, I think are the right ones. Again, we have got to do more and we have got to do it faster. Today marks the surge on the surge for a prioritization of distribution and reliability in Michigan.”

Vote: Yeas – Scripps, Phillips, Peretick

Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

There were no public comments.

A recording of the proceedings of the August 25, 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 September 9, 2021 at 1:30 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 10:59 a.m.

Lisa Felice
Executive Secretary