

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON APRIL 24, 2023.

Commission Chair Daniel C. Scripps called the meeting to order at 1:06 p.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: Caitlin Mucci
Matt Helms
Lisa Felice
Blair Renfro
Chris Forist
Jesse Harlow
Ryan McAnany
Dolores Midkiff-Powell
Al Freeman
Lucy Clay
Anne Armstrong
Ben Johnson
Charlie Tidwell
Kyle Daymon
Shannon Wambaugh
Andy Hannum
Jillian Bowden
Mike Byrne
Kayla Gibbs
Kevin Krause
Shatina Jones
Li Szilagyi
Jill Rusnak
Dave Chislea
Sarah Mullkoff
Jamie Kuras
Josh Towslee
Wendy Cadwell
Anna Schiller
Jennifer Brooks
Nora Quilco
Christine Adams

Cathy Cole
Reka Voelker

Public: Andrew Minegar, MIRS
Neal Foley, DTE
Aaron Willis, DTE
Kelly Hall, Consumers Energy
Mike Torrey, Consumers Energy

Additional Staff & Public Attending Telephonically/Video Conferencing: 141 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 April 13, 2023, Commissioner Peretick seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. COMMUNICATIONS

1. U-13710 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN INTERCONNECTION AGREEMENT BETWEEN AT&T MICHIGAN AND LINGO TELECOM, LLC (sixteenth amendment)
- U-16505 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF THE APPLICATION REQUESTING APPROVAL OF A MULTI-STATE INTERCONNECTION AGREEMENT BETWEEN GRANITE TELECOMMUNICATIONS, LLC AND VARIOUS AT&T INC. OWNED COMPANIES, INCLUDING AT&T MICHIGAN (eighth amendment)

U-21404 IN THE MATTER OF THE JOINT REQUEST FOR COMMISSION APPROVAL OF AN INTERCONNECTION AND RECIPROCAL COMPENSATION AGREEMENT BETWEEN SPRINGPORT TELEPHONE CO. AND TELEPORT COMMUNICATIONS AMERICA, LLC
(interconnection agreement)

2. U-17030 IN THE MATTER OF THE APPLICATION OF BOOMERANG WIRELESS, LLC FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER ON A WIRELESS BASIS (LOW-INCOME ONLY)
(request to voluntarily include and relinquish certain exchanges/final order)

B. ELECTRIC

1. U-21198 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY TO COMMENCE A RENEWABLE ENERGY COST RECONCILIATION PROCEEDING FOR THE 12-MONTH PERIOD ENDED DECEMBER 31, 2021
(proposed settlement agreement)

C. STEAM

1. U-20825 IN THE MATTER OF THE APPLICATION OF DETROIT THERMAL, LLC FOR RECONCILIATION OF ITS STEAM SUPPLY COST RECOVERY PLAN (CASE NO. U-20824) FOR THE 12 MONTHS ENDED MARCH 31, 2022
(proposed settlement agreement)

Commissioner Phillips moved that the Commission approve all the orders on the consent agenda. Commissioner Peretick seconded that motion.

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

The 4 orders were adopted.

IV. OTHER ORDERS

A. ELECTRIC

1. U-20890 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO PROMULGATE RULES GOVERNING ELECTRIC INTERCONNECTION AND DISTRIBUTED GENERATION AND RESCIND LEGACY INTERCONNECTION AND NET METERING RULES
(rulemaking/final order)

Commission Staff Mike Byrne, Chief Operating Officer, presented a brief synopsis of the case listed above. Commissioner Phillips moved that the Commission approve the order at its April 24, 2023 meeting. Commissioner Peretick seconded that motion.

Commissioner Phillips commented:

“First, thank you Mr. Byrne (Mike) for your work in helping to lead this effort. I think this is one of the first projects/binder that I received here at that Commission. It is not only the tremendous work and efforts of the entire staff but also someone who helped to be at the head of the helm and ensuring that all of these overlapping and ongoing projects reach their conclusion.

Lastly, I would just like to thank all the stakeholders, utilities, and our staff. What most folks do not realize is that the everyday course of the work here at the Commission never stopped. It actually increased and we were still able to move through what was a fairly aggressive set of priorities while an ongoing pandemic was happening and many of us were working from home. That commitment to concluding this effort and ensuring what I think are very positive and good outcome for the people of Michigan.

Again, I just want to thank, not only our staff, but also all the representatives of our investor-owned utilities and the many different stakeholder organizations for their input throughout this process.”

Commissioner Peretick commented:

“I want to thank you, Mr. Byrne, all of the staff, and stakeholders who participated in this process. It has been an important and in-depth process over the last 3+ years. It touched almost all parts of the MPSC. It has been a tremendous amount of work. I highly recommend, if you have not read the final report that Mr. Byrne was referring to, either familiarize yourself with all of the work that happened or remind yourself of all the work that happened as a part of this process and the incredible amount of work that staff has been able to accomplish.”

Chair Scripps commented:

“Before we close, everything has been said but as we used to say in legislative caucus discussions – not everybody has said it. I would echo the thanks and kudos of my colleagues. When we set out with this MI Power Grid initiative, the focus was on action. There were a lot of states around the country who had studied a lot of issues that are facing us, but not everybody had brought it from studying to actually changing the regulatory framework to try to keep up with and indeed anticipate the changes taking place and that are likely to come. It is one of the pieces of this initiative that I

am most proud in addition to the really distributed leadership. I guess, to echo the distributed energy resources that we were really focusing on among the three of us and former Chair Talberg, as well as the many, many staff leads that contributed to the work groups and the reports that came out of this. This was the focus on translating those recommendations into action. We have got a couple of things in front of us today, including (most notably) the interconnection rules that pre-dated the launch of MI Power Grid and are being finalized today that reflect on that focus. Ultimately, this needs to result in changes, and changes to rules, and orders that have specific directives, planning processes, etc. that I think is the most enduring legacy of the MI Power Grid initiative even as we know that the work is not yet wrapped up.

I echo the kudos of my colleagues, Mr. Byrne, and to the entire staff of the Commission, as well as the many, many other stakeholders that participated in those hundreds of discussions that you detailed.”

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

The order was adopted.

2. U-20898 IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER ISSUES RELATED TO IMPLEMENTATION OF EFFECTIVE NEW TECHNOLOGIES AND BUSINESS MODELS (opportunity to submit comments/interim order)

Case No. U-20898 involves the establishment, on the Commission’s own motion, of the New Technologies and Business Models workgroup. The order before you establishes a period for the filing of comments on the February 1, 2023 benefit cost analysis proposal and six related questions described in the order. Comments are due no later than June 23, 2023. Commissioner Phillips moved that the Commission approve the order at its April 24, 2023 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

3. U-20959 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO COMMENCE A COLLABORATIVE TO CONSIDER ISSUES RELATED TO THE FURTHER ENGAGEMENT, EDUCATION, AND PARTICIPATION OF UTILITY CUSTOMERS (interim order)

Case No. U-20959 involves petitions for appeal filed by Consumers Energy Company and filed jointly by DTE Electric Company and DTE Gas Company of the order issued in this docket on September 8, 2022. The order before you grants the petitions for rehearing. The Commission seeks additional comments and feedback from any person and from the Commission Staff on the March 25, 2022 MI Power Grid Status Report. Commissioner Phillips moved that the Commission approve the order at its April 24, 2023 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

4. U-21251 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO ESTABLISH A WORKGROUP TO CONDUCT AN ELECTRIC GRID INTEGRATION STUDY AND TO MAKE RECOMMENDATIONS TO IMPROVE THE READINESS OF THE DISTRIBUTION SYSTEM FOR DISTRIBUTED ENERGY RESOURCES AND ELECTRIC VEHICLE INFRASTRUCTURE
(opportunity to submit comments/interim order)

Case No. U-21251 involves a matter, on the Commission’s own motion, to establish a workgroup to conduct an electric grid integration study and to make recommendations to improve the readiness of the distribution system for distributed energy resources and electric vehicle infrastructure. The order before you requests comments and replies to comments on the preliminary grid integration report to be filed in the docket by the deadlines set forth therein. Commissioner Phillips moved that the Commission approve the order at its April 24, 2023 meeting. Commissioner Peretick seconded that motion.

Commissioner Phillips commented:

“This is one of those MI Power Grid efforts that is even more important today than it was at the time we established the kicked off MI Power Grid. Just understanding what the challenges are and how we can look across our region, as well as nationally, at the policies, practices, and technologies that can allow us to best leverage and integrate electric vehicle infrastructure and distributed energy systems. I think we all understand, especially with some of the reliability challenges that we have faced over the last several months, that this is of imminent importance that we best figure out how to integrate these technologies in a way that does not compromise the affordability of those utilizing our electric distribution systems.

I am happy that we are getting to the point of conclusion, taking in comments for this grid integration study as requested by the Senate. Thank you to all of the many staff who have worked

on this effort for well over a year. Thank you to our partners at the National Renewable Energy Laboratory for their partnership, particularly in the area of exploring how to improve our investor-owned utility hosting capacity maps as they are currently issued.

Lastly, thank you to the stakeholders and the utilities that have continued to provide input, insight, and guidance into this process as well. Thank you, Chair.”

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

The order was adopted.

5. U-21400 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO OPEN A DOCKET TO ESTABLISH A WORKGROUP TO REVIEW AND CONSIDER ISSUES RELATED TO THE CREATION OF FINANCIAL INCENTIVES AND PENALTIES INVOLVING OUTAGES AND DISTRIBUTION PERFORMANCE (order opening docket)

Case No. U-21400 involves a matter, on the Commission’s own motion, to commence a workgroup for the consideration of financial incentives and penalties as they relate to the reliability and resilience of the electric power system in Michigan. The order before you directs the Commission Staff to convene a Financial Incentives and Disincentives workgroup and file a report of the workgroup’s investigations and findings by December 31, 2023. Commissioner Phillips moved that the Commission approve the order at its April 24, 2023 meeting. Commissioner Peretick seconded that motion.

Chair Scripps commented:

“This, in many ways, I have seen as a capstone to the MI Power Grid Initiative’s work, really understanding the implications for the regulatory framework, itself in terms of the work that has been done. The use of incentives and disincentives, the use of performance-based regulation, more broadly can mean many things. Indeed, this Commission, at the prompting of the legislature in the 2016 energy reforms, has developed a report on potential uses and, in some places, including maybe most notably in the energy waste reduction space, but also in others. We have been able to tier planning efforts, incentives, and the statutory minimums to achieve, in some cases, best-in-class performance around energy waste reduction programs when you look around the country. Given some of the challenges facing the distribution grids, both in the immediate challenges in terms of reliability and resilience that we have been talking about for a number of years now, but also the emerging challenges in terms of the integration of distributed energy resources and maintaining reliability and indeed in increasing reliability, even as we rely – to an ever and ever greater extent, on the distribution grid. We found it appropriate in launching this to narrow the focus of the inquiry, at least in the beginning stages, to what I call a reliability plus focus. Reliability, first and foremost in terms of some of the challenges around the number of outages, duration of outages, and the number of customers experiencing multiple outages. The plus is making sure that we maintain

reliability even as we continue to electrify and use (most notably transportation) but also potentially some applications in building, heating, and industrial processes. All of which can add still greater importance to the distribution grid. This reliability plus focus of incentives and disincentives is an effort to align how the utilities make money with the service and the performance of the grid that is ultimately delivered to customers. We hope that this allows for a win-win approach in terms of ultimately getting all of us rowing in the same direction to the results that we need today and increasingly we will need as we look to the future.”

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

The order was adopted.

B. GAS

1. U-21062 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF A GAS COST RECOVERY PLAN AND AUTHORIZATION OF GAS COST RECOVERY FACTORS FOR THE 12 MONTHS ENDING MARCH 31, 2023
(final order)

Case No. U-21062 involves an application filed by Consumers Energy Company seeking approval of its gas cost recovery plan and gas cost recovery factors for the 12 months ending March 31, 2023. The order before you approves the application as revised and accepts the company’s five-year forecast. Commissioner Phillips moved that the Commission approve the order at its April 24, 2023 meeting. Commissioner Peretick seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

David Pentescu provided comments on the MI Power Grid initiative, the increased demand on electrification and the balance regarding high voltage transmission/distribution lines for public good, manage the grid, and the relationship with the public.

Commissioner Phillips announced:

“As many of you know, this is my last meeting here with the Public Service Commission. It has been the greatest honor of my life to be able to take this role, work with all of you, and serve the people of Michigan through some pretty challenging times. What I said to our staff during lunch here today (but all of you were not present), it is not only what I appreciate about you all – it is not only the technical acumen, which is boundless here at the Commission – is our ability to regulate with empathy and have that expressed through our decision-making and through our orders. I think it has led us to be better regulators, to create and generate better public policy for the people of Michigan. Maybe that is not the expectation of regulators, but I do think it has allowed us to serve the people here in a much more effective manner.

I have many further thanks to give. I know the convoy of my family is in route, so we should hear them before we see them shortly. I especially would like to thank them. For any of us that work in this area, whether it is the three of us, staff, stakeholders, those who work for the utilities that we regulate, you have to have a pretty big partnership with your spouse and with your family in order to take on these roles. They can be all-encompassing. The weather does not give a damn sometimes if you have other obligations. You really do need that entire family support in order to do the important work that we do. For my wife Andrea, for my mother and father, and especially my mother-in-law, I cannot thank them enough for all the support they have provided.

I will go ahead and wrap things up there. I know that we have other opportunities for me to speak. I love the both of you. Again, it has been a pleasure and an honor. I thank you once again for giving me the ability to serve in this capacity.”

A recording of the proceedings of the April 24, 2023 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 Thursday, May 18, 2023 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 1:35 p.m.

Lisa Felice
Executive Secretary