

MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE COMMISSION HELD IN ITS OFFICES AND AVAILABLE VIA MICROSOFT TEAMS VIDEO CONFERENCING ON FEBRUARY 8, 2024.

Commission Chair Daniel C. Scripps called the meeting to order at 1:03 p.m.
Executive Secretary Lisa Felice called the roll and declared there was a quorum.

PRESENT

Commission: Daniel C. Scripps, Chair
Katherine Peretick, Commissioner
Alessandra Carreon, Commissioner

Staff: Caitlin Mucci
Matt Helms
Lisa Felice
Blair Renfro
Al Freeman
Reka Holley-Voelker
Jill Rusnak
Anne Armstrong
Jamie Kuras
Jake Thelen
Dorlores Midkiff-Powell
Julie Baldwin
Kyle Daymon
Andy Hannum
Ben Johnson
Paul Ausum
Laura Weir
Sarah Mullkoff
Lisa Kindschy
Laura Maio
Cathy Cole

Public: Robert Williams
Heidi Myers, Consumers Energy
Kelly Hall, Consumers Energy
Derrell Slaughter, NRDC
Kevin Davis, West Michigan Section IEEE

Additional Staff & Public Attending Telephonically/Video Conferencing: 175 Participants

I. Commissioner Peretick moved to approve today’s agenda, Commissioner Carreon seconded.

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

The agenda was approved.

II. Commissioner Peretick moved to approve the minutes of the Regular Commission Meeting of January 18, 2024, Commissioner Carreon seconded.

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

The minutes were approved.

III. CONSENTED ORDERS

A. ELECTRIC

1. U-21323 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/ proposed settlement agreement)

2. U-21431 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR APPROVAL TO IMPLEMENT A POWER SUPPLY COST RECOVERY PLAN FOR THE 12 MONTHS ENDING DECEMBER 31, 2024
(proposed settlement agreement)

B. GAS

1. U-21071 IN THE MATTER OF THE APPLICATION OF SEMCO ENERGY GAS COMPANY FOR RECONCILIATION OF ITS GAS COST RECOVERY PLAN FOR THE 12-MONTH PERIOD ENDING MARCH 31, 2023, AND FOR RELATED RELIEF
(proposed settlement agreement)

2. U-21499 IN THE MATTER OF THE APPLICATION FOR AN ALTERNATIVE NATURAL GAS SUPPLIER FOR MI POWER AND LIGHT LLC (request to withdraw application)

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

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

The 4 orders were adopted.

IV. OTHER ORDERS

A. COMMUNICATIONS

1. U-21478 IN THE MATTER OF THE APPLICATION OF NGA 911, L.L.C. FOR A TEMPORARY AND PERMANENT LICENSE TO PROVIDE BASIC LOCAL EXCHANGE SERVICE THROUGHOUT THE STATE OF MICHIGAN (final order)

Case No. U-21478 involves an application filed by NGA 911, L.L.C., for a permanent license to provide basic local exchange service. The order before you grants the license. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

B. ELECTRIC

1. U-16901 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY, A WISCONSIN CORPORATION, FOR APPROVAL OF A CREDIT MECHANISM FOR DEPARTMENT OF ENERGY SETTLEMENT PAYMENTS, AND DEFERRED ACCOUNTING, AS NECESSARY (*ex parte*/request for extension)

Case No. U-16901 involves a notice filed by Northern States Power Company requesting Commission guidance on the fourteenth settlement payment from United States Department of Energy settlement payments. The order before you grants the request and provides guidance on the fourteenth settlement agreement as described in the order. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

2. U-21321 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 ACT 295 OF 2008, AS AMENDED BY PUBLIC ACT 342 OF 2016
(energy waste reduction plan/proposed settlement agreement)

Case No. U-21321 involves an application filed by Consumers Energy Company for approval of its energy waste reduction plan for 2024 through 2025. The order before you approves a settlement agreement resolving all issues in the case. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

Chair Scripps commented:

“I wanted to highlight a couple of items in this settlement agreement that we are approving today. I think that some of the settlement agreements and orders that we have issued around energy waste reduction plans in the last couple of years have been in some ways the most significant and probably under-appreciated work that happens at the Commission and certainly not just with the Commission, but with a broad array of participants and interested parties that have helped to create some of (in my opinion) the best energy waste reduction programs in the country.

Under the agreement that we have in front of us today, Consumers is not only seeking to continue to meet 2% annual energy savings on the electric side and 1% savings on the natural gas side, but also includes a whole host of program design elements for their income qualified multi-family energy waste reduction program pilots focused on health and safety measures, as well as lighting and HVAC and commercial buildings. It adds new measures relating to building envelope improvements and education and awareness around heat pumps and outlines how Consumers will engage with programs to support its customers under the Inflation Reduction Act.

I want to thank our staff, certainly who have both led the development in the specific cases, but maybe just as important or more so, the collection of interested parties over many years to foster an opportunity for discussion of these issues, including the parties to this case which include Attorney General Dana Nessel, the Natural Resources Defense Council, the National Housing Trust, the Ecology Center, Sierra Club, and again our staff. I appreciate the hard work that goes into this settlement that we are approving. It is not the most recognized of our cases, but no less important for that fact.”

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

The order was adopted.

- 3. U-21455 IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY, A WISCONSIN CORPORATION, FOR APPROVAL OF INTERCONNECTION PROCEDURES PURSUANT TO R 460.920
(interim order/opportunity to comment)
- U-21467 IN THE MATTER OF THE APPLICATION OF INDIANA MICHIGAN POWER COMPANY FOR APPROVAL OF INTERCONNECTION PROCEDURES, FORMS, AGREEMENTS AND RELATED RELIEF
- U-21477 IN THE MATTER OF THE APPLICATION OF UPPER PENINSULA POWER COMPANY FOR APPROVAL OF INTERCONNECTION PROCEDURES PURSUANT TO R 460.920
- U-21479 IN THE MATTER OF THE APPLICATION OF UPPER MICHIGAN ENERGY RESOURCES CORPORATION FOR APPROVAL OF INTERCONNECTION PROCEDURES PURSUANT TO R 460.920
- U-21480 IN THE MATTER OF THE APPLICATION OF CONSUMERS ENERGY COMPANY FOR APPROVAL OF INTERCONNECTION PROCEDURES AND FORMS
- U-21481 IN THE MATTER OF THE REQUEST OF ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION, CHERRYLAND ELECTRIC COOPERATIVE, CLOVERLAND ELECTRIC COOPERATIVE, GREAT LAKES ENERGY COOPERATIVE, HOMEWORKS TRI-COUNTY ELECTRIC COOPERATIVE, MIDWEST ENERGY & COMMUNICATIONS, ONTONAGON COUNTY REA, PRESQUE ISLE ELECTRIC & GAS CO-OP, AND THUMB ELECTRIC COOPERATIVE, INDIVIDUALLY AND COLLECTIVELY, FOR APPROVAL OF INTERCONNECTION PROCEDURES, FORMS, FEES AND RELATED RELIEF
- U-21482 IN THE MATTER OF THE APPLICATION OF DTE ELECTRIC COMPANY FOR APPROVAL OF INTERCONNECTION PROCEDURES AND WAIVERS FROM INTERCONNECTION AND DISTRIBUTED GENERATION STANDARDS R 460.901a, ET. SEQ.
- U-21483 IN THE MATTER OF THE APPLICATION OF ALPENA POWER COMPANY FOR APPROVAL OF ITS PROPOSED

U-21543

INTERCONNECTION PROCEDURES AND FORMS, SUBMITTED PURSUANT TO THE COMMISSION'S OWN MOTION, COMMENCING A COLLABORATIVE FOR THE DEVELOPMENT OF ELECTRIC UTILITY INTERCONNECTION PROCEDURES IN THE MATTER, ON THE COMMISSION'S OWN MOTION, TO APPROVE PROCEDURES, AGREEMENTS, AND FORMS, FOR USE WITH THE LEVEL 1, 2, AND 3 INTERCONNECTION AND DISTRIBUTED GENERATION PROGRAMS

Case Nos. U-21455 *et al.* involve interconnection procedures filed by rate-regulated electric utilities and member-regulated electric cooperatives pursuant to Mich Admin Code, R 460.920. The order before you converts Case No. U-21482 to a contested matter; denies the applications in certain dockets; directs affected utilities to file updated interconnection procedures and solicits comments; and solicits comments on a standard level 1, 2, and 3 interconnection agreement. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

Chair Scripps commented:

“This is an interesting set of proceedings. A number of years went into updating our rules around interconnection. That followed with the filing of interconnection. In that time, we had significant energy legislation that was enacted in 2023 that we will talk about in just a minute. That creates some additional opportunities certainly, but also some conflicts with where we have been. This order attempts to sort through some of those things. We will have more work in front of us implementing the legislation, but also resolving some of the conflicts.

In the meantime, I would encourage all parties in the interconnection process, both utilities and developers, to exercise good faith in processing the applications that ultimately are filed and a reminder to all that even as we work through this, what is written into Statute is what ultimately controls and where we get our authority as the Commission. That is what we will look to in adjudicating any disputes that come forward.”

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

The order was adopted.

4. U-21556 2023 ENERGY WASTE REDUCTION RECONCILIATION AND ANNUAL REPORT FILING (order assigning dockets) ALPENA POWER COMPANY
U-21557 CONSUMERS ENERGY COMPANY
U-21558 DTE ELECTRIC COMPANY AND DTE GAS COMPANY

U-21559 INDIANA MICHIGAN POWER COMPANY
U-21560 NORTHERN STATES POWER COMPANY
U-21561 UPPER PENINSULA POWER COMPANY
U-21562 UPPER MICHIGAN ENERGY RESOURCES CORPORATION
U-21563 MICHIGAN GAS UTILITIES CORPORATION
U-21564 SEMCO ENERGY, INC.

Case Nos. U-21556 *et al.* assign docket numbers and filing deadlines for energy waste reduction reconciliation proceedings and annual reports. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

5. U-21547 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO OPEN A DOCKET TO IMPLEMENT THE PROVISIONS OF PUBLIC 233 OF 2023
(interim order/opportunity to comment)

Commission Staff Reka Holley, Strategic Operations Division, presented a brief synopsis of the case listed above. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

Commissioner Peretick commented:

“I would like to take this opportunity to address the series of Commission Own Motion orders pertaining to implementation of the energy legislation enacted on November 29th of last year. As described by Ms. Holley-Voelker, these orders detail a number of new directives expanding MPSC jurisdictional authority, including requiring renewable energy plans, incorporating key revisions into IRP planning provisions, planning for multiple technical studies and feasibilities, and soliciting substantial input/public comment from interested parties.

I want to highlight two significant pieces. First, through the combined enactment of PA 231 and 235, Michigan will make substantial strides towards a cleaner, more sustainable energy future. Accelerating the transition to renewable energy; assessing the build out of energy storage; holistically evaluating electrification, demand response, and EWR potential; and reducing the barriers to siting renewable generation are necessary steps in the transition - and are now in our hands to ensure fair, cost-effective, and equitable implementation.

The legislation also makes significant improvements towards increasing participation and access to the regulatory process, and an intentional evaluation of environmental justice impacts, public health impacts, affordability, greenhouse gas emissions, and electrification.

The orders described by Ms. Holley-Voelker outline several ways for interested parties to participate and provide input on the details of the new energy directives. Fully understanding the impacts on all communities and incorporating public input into the implementation of these laws is crucial.

We strive to achieve procedural equity by creating inclusive and accessible ways for interested parties to shape the direction of these critical policies. So, whether you are a developer, a local unit of government, a regulated (or non-regulated) utility, or a “traditional” intervening party, as well as those representing customer groups, frontline communities, or academic researchers – we want to hear from you.

There will be numerous comment and reply comment opportunities established in many of the dockets along with engagement sessions and public hearings throughout the year. Several of the dockets ask for feedback on helping to provide insight, perspective, and clarifications on effectuation of the policies. Providing your direct input into these processes to shape Michigan’s energy future will be invaluable.”

Commissioner Carreon commented:

“First, thanks to Ms. Holley-Voelker for an excellent job describing comprehensively the breadth of next steps and wide-ranging engagement that Commissioner Peretick noted will be associated with implementation of the 2023 energy legislation.

I wanted to highlight that there are numerous inter-related issues and topics that are named in the multiple orders that we are issuing today. In some cases, we point to those direct overlaps in our orders, but, given the extensive engagement and ongoing research that the MPSC will lead and that will take place throughout our state this year and beyond, we can expect to see interwoven workstreams between many of the actions we are announcing today to mark the implementation onset of our new clean energy legislation.

I’d like to invite special attention to a few of these intersecting areas within our calls for comment and upcoming studies; these areas include calculating greenhouse gas emissions, ensuring affordability, and identifying environmental justice communities.

For example, while we seek input in updating our Michigan Integrated Resource Planning Parameters and Integrated Resource Plan filing requirements for long-term forecasts of greenhouse gas emissions and other pollutants, it would be helpful to ensure consistency among our assumptions, factors, and methodologies for this application with other areas in which the Commission considers greenhouse gas emission reductions, including in its review of energy waste reduction and efficient electrification programs.

Similarly, in evaluating projected rate and affordability impacts over a longer-term planning horizon for Integrated Resource Plans, it will be important to harmonize these considerations, to the extent practicable, with other efforts around affordability, including those under discussion with the Commission’s Energy Affordability and Accessibility Collaborative, and with efforts to maximize benefits to low-income residential customers through energy waste reduction programs.

Finally, where our orders today address identifying and analyzing impacts on environmental justice communities, we seek to coordinate those processes, metrics, and analytical methods with our ongoing work from existing proceedings to ensure grid equity throughout the Commission.”

Chair Scripps commented:

“I want to echo the comments from my colleagues and then add a few of my own. First, I want to thank Ms. Holley-Voelker, both for your presentation today and even more importantly, for your work as our Legislative Liaison, in navigating and (indeed) negotiating this new statutory framework.

I was at a meeting recently and somebody said to me that no other state that they were aware of has given more authority to their PUC in implementing clean energy legislation than Michigan. I do not know whether or not that is true, but I certainly appreciate the trust that has been placed in us by the Legislature in implementing these new laws. We are very much aware that we are a creature of Statute and endeavor to implement the laws as passed in the best of faith.

The laws that were described that provide this opportunity are (in my view) ambitious and achievable. They balance significant ambition in the energy transition with pragmatism, rooting it in existing structures and processes at the Commission in order to make this workable. Now we get to do our very best to implement this. As was described, we are committed to a transparent and open process, with opportunities for public comment, a number of public hearings around the state, and as Ms. Voelker repeatedly noted, a new website www.Michigan.gov/mpsc/2023energylaw where you can get a lot more information. The orders being considered today start this process.

We start this process, candidly, with more questions than answers. We want input from the public in answering these questions. Together, that process with the timelines laid out, the input from the public, and the resources announced by the Governor yesterday, today’s executive recommendation, I think give us the framework in order to do so.

I want to finally thank, in advance, the many people who are going to help shape the implementation. Certainly, our staff. I do not know that there is a part of our staff that will not be involved in some way in implementing this legislation, but also local units of government and experts in planning and zoning, industry professionals, both from our traditional industries, as well as our emerging and growing clean energy industry, and interested individuals from every corner of our state. I think the success in whether we meet the mark and achieve what has been passed to us by the Legislature will be heavily informed and indeed balance on the engagement of those individuals. Again, I wanted to thank them in advance.”

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

The order was adopted.

6. U-21567 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF PUBLIC ACT 229 OF 2023 AND RELATED DEFINITIONS OF PUBLIC ACT 235 OF 2023

(interim order/opportunity to comment)

Case No. U-21567 involves a matter, on the Commission’s own motion, to open a docket to implement the provisions of Public Act 229 of 2023 and related definitions of Public Act 235 of 2023. The order before you sets a deadline for comments and reply comments to be filed regarding Public Act 229 of 2023, as described in this order, and directs the Commission Staff to work with interested parties to minimize barriers to participation in low-income energy waste reduction programs and reduce overly burdensome verification processes. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

7. U-21568 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF SECTIONS 22 THROUGH 49 AND RELATED DEFINITIONS OF PUBLIC ACT 235 OF 2023
(interim order/opportunity to comment)

Case No. U-21568 involves a matter on the Commission’s own motion, to implement the provisions of Sections 22 through 49 of Public Act 235 of 2023. The order before you sets filing dates for electric providers to file renewable energy plans pursuant to Public Act 235 of 2023 and invites interested persons to comment on topics related to the Commission’s implementation of Sections 22 through 49 of Public Act 235 of 2023. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

8. U-21569 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF SECTIONS 173 AND 177 AND RELATED DEFINITIONS OF PUBLIC ACT 235 OF 2023
(interim order/opportunity to comment)

Case No. U-21569 involves, on the Commission’s own motion, the opening of a docket for the purpose of receiving comments on issues related to Public Act 235 of 2023. The order before you provides dates for the submission of initial and reply comments on listed issues. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

9. U-21570 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO IMPLEMENT THE PROVISIONS OF SECTION 6t(1), (5), (7), (8), (12), AND (15) OF PUBLIC ACT 231 OF 2023, AND SECTIONS 3, 5, 7, 22, 28, 51, 101, AND 103 OF PUBLIC ACT 235 OF 2023 (interim order)

Case No. U-21570 opens a docket to implement the provisions of Public Act 231 of 2023 and the related sections of Public Act 235 of 2023. The order before you directs the Commission Staff to commence studies for energy waste reduction, demand response, and electrification by September 30, 2024; to create a page on the Commission’s website that will provide an updated version of the Michigan Integrated Resource Planning Parameters and Integrated Resource Plan Filing Requirements and a straw proposal related to providing formats and guidelines for municipal electric utilities, cooperative electric utilities, and alternative electric suppliers to submit a clean energy plan; to conduct engagement sessions with interested persons; and to file all potential studies in this docket by July 31, 2025. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

10. U-21571 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO CLARIFY SECTIONS 101 AND 103 OF PUBLIC ACT 235 OF 2023 AND TO CONDUCT A STUDY ON LONG-DURATION ENERGY STORAGE SYSTEMS AND MULTIDAY ENERGY STORAGE SYSTEMS (interim order)

Case No. U-21571 involves a matter, on the Commission’s own motion to clarify Sections 101 and 103 of Public Act 235 of 2023 and to conduct a study of long-duration energy storage systems and multi-day energy storage systems. The order before you explains the Commission’s directives to the Commission Staff, rate-regulated utilities, and alternative electric suppliers. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

11. U-21572 IN THE MATTER, ON THE COMMISSION’S OWN MOTION, TO REPORT ON THE UNIQUE CONDITIONS INFLUENCING ELECTRIC GENERATION, TRANSMISSION, AND DEMAND IN MICHIGAN’S UPPER PENINSULA, TO FULLY COMPLY WITH PUBLIC ACT 235 OF 2023 (interim order)

Case No. U-21572 involves a matter, on the Commission’s own motion, to report on the unique conditions influencing electric generation, transmission, and demand in Michigan’s Upper Peninsula to fully comply with Public Act 235 of 2023. The order before you directs the Commission Staff to engage with all Upper Peninsula electric utilities and others to gather information, provides for a public comment period, including at least one public hearing to be held in the Upper Peninsula, and for a report in compliance with Section 51(5) of Public Act 235 of 2023 to be filed in this docket no later than November 22, 2024. Commissioner Peretick moved that the Commission approve the order at its February 8, 2024 meeting. Commissioner Carreon seconded that motion.

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

The order was adopted.

V. PUBLIC COMMENTS

Robert Williams, Marshall, provided comments in Case No. U-21472 and ITC’s proposed transmission line through his private airport.

Chair Scripps announced:

“Each February we celebrate Black History Month., not just at the Commission or in Michigan, but across the country. Today I just went to note that black history is indeed American history and that any recounting of our history that ignores black history is not only less accurate and less comprehensive, but less rich and less vibrant. There is no doubt that we have work left to do in this account, but a full accounting of how black history contributes to American history that accounts for the truths, both ugly and beautiful, is a solid place to ground ourselves as we continue in this work.”

A recording of the proceedings of the February 8, 2024 meeting is archived at:
<https://www.youtube.com/watch?v=Ey7392UdS74> .

Chair Scripps announced that the next regularly scheduled Commission Meeting will be held on Friday, March 1, 2024 at 10:00 a.m.

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

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

The motion was approved.

The meeting adjourned at 1:43 p.m.

Lisa Felice
Executive Secretary