

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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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.)
_____)

Case No. U-20898

At the August 23, 2022 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

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

ORDER

In the October 17, 2019 order in Case No. U-20645, the Commission established the MI Power Grid initiative, in partnership with Governor Gretchen Whitmer (October 17 order). MI Power Grid is a focused, multi-year stakeholder initiative to maximize the benefits of the transition to clean, distributed energy resources for Michigan residents and businesses. In the October 17 order, addressing the issue of integrating emerging technologies, the Commission indicated that “[e]nsuring timely and fair grid access and appropriate information exchange to support customer-oriented solutions and reliable system operations” is a focus of the initiative, and that one of the corresponding work areas would be new technologies and business models. October 17 order, p. 7. In the October 29, 2020 order in Case No. U-20898, the Commission launched the New Technologies and Business Models workgroup as part of Phase II of MI Power Grid, and provided

guidance to the Commission Staff (Staff) and stakeholders on the Commission’s objectives and expectations for this effort. Thereafter the Staff convened numerous stakeholder sessions, distributed surveys, received written comments, and provided draft reports. On December 1, 2021, the Staff filed the MI Power Grid: New Technologies, Business Models, and Staff Recommendations Report (Staff Report). The Staff Report concludes with nine recommendations.

On July 27, 2022, the Commission issued an order (July 27 order) addressing these recommendations. In the July 27 order, pp. 8-9, the Commission directed investor owned utilities to file proposed Michigan-specific uniform benefit cost analysis (BCA) requirements, including a proposed societal cost test, that could be used in multiple types of dockets including pilot proposals, distribution planning, and rate cases, no later than September 1, 2022, in this docket. The Commission directed that the proposed BCA should be informed by the provisions of the National Standard Practice Manual, tailored to Michigan’s regulatory structure and requirements.

On August 8, 2022, DTE Electric Company and Consumers Energy Company (together, joint movants) filed a motion (motion) seeking an extension of the deadline to file the proposed BCA, and a phased approach to the proposed BCA. The joint movants argue that:

[a] BCA framework that covers all utility investments and is consistent for the state of Michigan is complex. For example, some investments are not driven by a dollar over net-present-value calculation. Additionally, investments and the analyses completed to evaluate their implementation differ from utility to utility, and currently there is no one-size-fits-all approach. The applicability of a BCA framework will also vary depending on the type of investment.

Motion, pp. 1-2. For these reasons, joint movants contend that the BCA effort should be separated into two phases, the first phase being applicable to pilot programs only, and the second phase being applicable “to other areas of investments.” Motion, p. 2. Joint movants ask that the deadline for submission of a proposed BCA for Phase 1 be extended to February 1, 2023. They do not propose any deadline for Phase 2, but they indicate that it would be undertaken collaboratively

after the Phase 1 BCA framework has been approved by the Commission. Joint movants contend that the extension “will give the Parties sufficient time to collaboratively develop a framework that takes into consideration the conceptual premise of a pilot program as well as work with other utilities within the Commission’s jurisdiction to develop a proposal that can be applied consistently to all pilot programs across the state.” Motion, p. 2. On August 19, 2022, the Michigan Electric and Gas Association filed a response in support of the motion.

The Commission finds that the motion should be granted with respect to extending the deadline for submission of a proposed BCA for pilot programs to February 1, 2023. The Commission agrees with joint movants that a BCA for use in assessing a pilot program proposal may differ in significant ways from a BCA intended for use in evaluating other types of investments, and also agrees that, in light of the complexity of the issue, additional time is advisable. The Commission directs the named investor owned utilities to file a proposed BCA for pilot programs no later than February 1, 2023. For BCAs addressing other issues, the Commission expects to provide additional guidance as part of an order relating to utility distribution plans in Case No. U-20147. Deadlines related to further BCA approval efforts will be addressed in that case and in other future orders.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company, DTE Electric Company, Indiana Michigan Power Company, Upper Peninsula Power Company, Alpena Power Company, Northern States Power Company, and Upper Michigan Energy Resources Corporation shall file proposed Michigan-specific uniform benefit cost analysis requirements (including a proposed societal cost test) that could be used in evaluating pilot proposals no later than February 1, 2023.

B. The proposed benefit cost analysis should be informed by the provisions of the National Standard Practice Manual, tailored to Michigan's regulatory structure and requirements.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Tremaine L. Phillips, Commissioner

Katherine L. Peretick, Commissioner

By its action of August 23, 2022.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

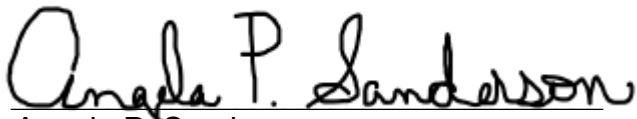
Case No. U-20898

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on August 23, 2022 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 23rd day of August 2022.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

GEMOTION DISTRIBUTION SERVICE LIST

kadarkwa@itctransco.com	ITC
sejackinchuk@varnumlaw.com	Energy Michigan
cwilson@cloverland.com	Cloverland
mheise@cloverland.com	Cloverland
vobmgr@UP.NET	Village of Baraga
braukerL@MICHIGAN.GOV	Linda Brauker
info@VILLAGEOFCLINTON.ORG	Village of Clinton
jgraham@HOMWORKS.ORG	Tri-County Electric Co-Op
mkappler@HOMWORKS.ORG	Tri-County Electric Co-Op
psimmer@HOMWORKS.ORG	Tri-County Electric Co-Op
frucheyb@DTEENERGY.COM	Citizens Gas Fuel Company
mpsc.filings@CMSENERGY.COM	Consumers Energy Company
kay8643990@YAHOO.COM	Superior Energy Company
vickie.nugent@wecenergygroup.com	Upper Michigan Energy Resources Corporation
jlarsen@uppcoco.com	Upper Peninsula Power Company
estocking@uppcoco.com	Upper Peninsula Power Company
dave.allen@TEAMMIDWEST.COM	Midwest Energy Coop
bob.hance@teammidwest.com	Midwest Energy Coop
tharrell@ALGERDELTA.COM	Alger Delta Cooperative
tanderson@cherrylandelectric.coop	Cherryland Electric Cooperative
bscott@GLENERGY.COM	Great Lakes Energy Cooperative
sculver@glenergy.com	Great Lakes Energy Cooperative
kmarklein@STEPHENSON-MI.COM	Stephenson Utilities Department
debbie@ONTOREA.COM	Ontonagon County Rural Elec
MVanschoten@pieg.com	Presque Isle Electric & Gas Cooperative, INC
dbraun@TECMI.COOP	Thumb Electric
rbishop@BISHOPENERGY.COM	Bishop Energy
mkuchera@AEPENERGY.COM	AEP Energy
todd.mortimer@CMSENERGY.COM	CMS Energy
jgoodman@commerceenergy.com	Just Energy Solutions
david.fein@CONSTELLATION.COM	Constellation Energy
kate.stanley@CONSTELLATION.COM	Constellation Energy
kate.fleche@CONSTELLATION.COM	Constellation New Energy
mpscfilings@DTEENERGY.COM	DTE Energy
bgorman@FIRSTENERGYCORP.COM	First Energy
rarchiba@FOSTEROIL.COM	My Choice Energy
greg.bass@calpinesolutions.com	Calpine Energy Solutions
rabaey@SES4ENERGY.COM	Santana Energy
cborr@WPSCI.COM	Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)
gpirkola@escanaba.org	City of Escanaba
crystalfallsmgr@HOTMAIL.COM	City of Crystal Falls
felicel@MICHIGAN.GOV	Lisa Felice
mmann@USGANDE.COM	Michigan Gas & Electric
mpolega@GLADSTONEMI.COM	City of Gladstone
dan@megautilities.org	Integrays Group

GEMOTION DISTRIBUTION SERVICE LIST

lrgustafson@CMSENERGY.COM	Lisa Gustafson
daustin@IGSENERGY.COM	Interstate Gas Supply Inc
krichel@DLIB.INFO	Thomas Krichel
cityelectric@BAYCITYMI.ORG	Bay City Electric Light & Power
jreynolds@MBLP.ORG	Marquette Board of Light & Power
bschlansker@PREMIERENERGYLLC.COM	Premier Energy Marketing LLC
ttarkiewicz@CITYOFMARSHALL.COM	City of Marshall
d.motley@COMCAST.NET	Doug Motley
mpauley@GRANGERNET.COM	Marc Pauley
ElectricDept@PORTLAND-MICHIGAN.ORG	City of Portland
kd@alpenapower.com	Alpena Power
dbodine@LIBERTYPOWERCORP.COM	Liberty Power
leew@WVPA.COM	Wabash Valley Power
tking@WPSCI.COM	Wolverine Power
ham557@GMAIL.COM	Lowell S.
BusinessOffice@REALGY.COM	Realgy Energy Services
jeinstein@volunteerenergy.com	Volunteer Energy Services
jhammel@hillsdalebpu.com	Hillsdale Board of Public Utilities
mrzwiwers@INTEGRYSGROUP.COM	Michigan Gas Utilities/Upper Penn Power/Wisconsin
Teresa.ringenbach@directenergy.com	Direct Energy
christina.crable@directenergy.com	Direct Energy
angela.schorr@directenergy.com	Direct Energy
ryan.harwell@directenergy.com	Direct Energy
johnbistranin@realgy.com	Realgy Corp.
kabraham@mpower.org	Katie Abraham, MMEA
mgobrien@aep.com	Indiana Michigan Power Company
mvorabouth@ses4energy.com	Santana Energy
suzy@megautilities.org	MEGA
dan@megautilities.org	MEGA
general@itctransco.com	ITC Holdings
lpage@dickinsonwright.com	Dickinson Wright
Deborah.e.erwin@xcelenergy.com	Xcel Energy
mmpeck@fischerfranklin.com	Matthew Peck
CANDACE.GONZALES@cmsenergy.com	Consumers Energy
JHDillavou@midamericanenergyservices.com	MidAmerican Energy Services, LLC
JCAltmayer@midamericanenergyservices.com	MidAmerican Energy Services, LLC
LMLann@midamericanenergyservices.com	MidAmerican Energy Services, LLC
karl.j.hoesly@xcelenergy.com	Northern States Power
kerri.wade@teammidwest.com	Midwest Energy Coop
Marie-Rose.Gatete@teammidwest.com	Midwest Energy Coop
meghan.tarver@teammidwest.com	Midwest Energy Coop
sarah.jorgensen@cmsenergy.com	Consumers Energy
Michael.torrey@cmsenergy.com	Consumers Energy
adella.crozier@dteenergy.com	DTE Energy
karen.vucinaj@dteenergy.com	DTE Energy

GEMOTION DISTRIBUTION SERVICE LIST

Michelle.Schlosser@xcelenergy.com

dburks@glenergy.com

kabraham@mpower.org

shannon.burzycki@wecenergygroup.com

kerdmann@atcllc.com

acotter@atcllc.com

phil@allendaleheating.com

tlundgren@potomaclaw.com

Ichappelle@potomaclaw.com

Amanda@misostates.org

customerservice@eligoenergy.com

info@dillonpower.com

Cherie.fuller@edfenergyservices.com

customercare@plymouthenergy.com

rfawaz@energyintl.com

customerservice@nordicenergy-us.com

regulatory@texasretailenergy.com

Xcel Energy

Great Lakes Energy

Michigan Public Power Agency

Michigan Gas Utilities Corporation

American Transmission Company

American Transmission Company

Phil Forner

Timothy Lundgren

Laura Chappelle

Amanda Wood

Eligo Energy MI, LLC

Dillon Power, LLC

EDF Energy Services, LLC

ENGIE Gas & Power f/k/a Plymouth Energy

Energy International Power Marketing dba PowerOne

Nordic Energy Services, LLC

Texas Retail Energy, LLC