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NEWS RELEASE

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MPSC takes next step in monitoring how utilities plan to take advantage of Infrastructure Investment and Jobs Act

Working to ensure federal funding opportunities are maximized for Michigan's energy customers, the Michigan Public Service Commission today highlighted common priorities among the state's rate-regulated utilities and issued guidance for the utilities as they consider ways to pursue projects through the Infrastructure Investment and Jobs Act (IIJA) of 2021 ([Case No. U-21227](#)).

The Commission in May directed the state's regulated electric and natural gas utilities to file comments demonstrating how the companies are, or should be, taking advantage of grants, loan programs, funds, and assistance available through the IIJA. The act, which was signed into law in November 2021, provides \$550 billion for infrastructure improvements that include electric generation, grid reliability, clean energy transmission and deployment, electric vehicle infrastructure, energy efficiency, and cybersecurity, among other things.

The Commission's order applied to Alpena Power Co.; Consumers Energy Co.; Detroit Thermal LLC; DTE Electric Co.; DTE Gas Co.; Indiana Michigan Power Co.; Northern States Power Co.; Upper Michigan Energy Resources Corp.; Upper Peninsula Power Co.; Michigan Gas Utilities Corp., and SEMCO Energy Gas Corp.

Today's order summarizes comments received and highlights common areas of interest, and therefore areas of potential collaboration, among the utilities and other stakeholders, including grid flexibility, reliability, resilience, and accessibility in rural and remote areas; renewable energy investment and deployment including hydrogen and battery storage projects; transportation electrification, EV-related funding, and EV infrastructure; electric transmission investments; Smart Grid investment matching and Smart Grid flexibility; energy efficiency; and physical and cyber security.

The Commission noted that IIJA and other federal funding can help the state meet goals set out in Gov. Gretchen Whitmer's [MI Healthy Climate Plan](#) as well as the decarbonization goals set by each of Michigan's largest utilities. The Commission said it would continue to focus on implementation efforts in these areas, as well as its role in coordinating with utilities and other stakeholders on efforts including its work with the Michigan Department of Environment, Great Lakes, and Energy (EGLE), the Michigan

Department of Transportation and other agencies on the [state's plan](#) for the [National Electric Vehicle Infrastructure \(NEVI\) Formula Program](#). NEVI will provide dedicated funding to states to strategically deploy EV charging infrastructure and establish an interconnected network to facilitate data collection, access, and reliability.

The state's work to capitalize on federal investment in energy infrastructure will be bolstered in the coming months after President Joe Biden signed the Inflation Reduction Act, the administration's climate change and health care bill that includes nearly \$370 billion toward energy security and climate change, the nation's largest-ever federal investment toward reducing carbon emissions that fuel global warming.

The Commission also noted:

- The MPSC's broad interest in any additional opportunities to maximize the benefits of the transition to clean, distributed energy resources for Michigan residents and businesses. MPSC Staff have worked closely with Governor Whitmer's recently established Michigan Infrastructure Office to ensure that federal resources from the IIJA sent to Michigan are utilized efficiently and effectively.
- The MPSC's work to address equity and environmental justice issues. This includes the MPSC's [Energy Affordability and Accessibility Collaborative's](#) (EAAC) work in coordination with the Energy Waste Reduction and Low-Income Workgroup to address energy affordability and access, including exploring methods for demographic and equity data collection. The Commission pointed out that the MPSC worked with other state agencies in the development of the MI Healthy Climate Plan, which lays out the state's commitment to environmental justice and ensuring that 40% of state funding for climate-related and water infrastructure initiatives benefits Michigan's disadvantaged communities.
- The MPSC's partnership with EGLE on federal Department of Energy (DOE) grant funding for outage prevention and grid resilience. Michigan will be awarded up to \$7,485,575 each year for five years to regrant to eligible entities for projects that improve the reliability and resilience of the electric grid. The MPSC and EGLE expect to submit an application to the DOE by Sept. 30, 2022.

Today's order also keeps open the docket in this case as a repository for utilities to update progress on funding or assistance opportunities twice yearly by Dec. 31 and June 30 of each year until further notice by the Commission. Utilities also may file requests for approval of pilot programs, accounting treatment or other similar matters relevant to the IIJA.

MPSC SEEKS COMMENTS ON PROPOSED RFP FOR LOW-CARBON ENERGY GRANTS

The MPSC today announced it has begun the development of program guidelines and implementation of the application process for \$25 million in low-carbon energy infrastructure enhancement and development grants outlined in [Public Act 53 of 2022](#) (Case No. U-21293). The grants will be for businesses, nonprofit organizations and

local governments to develop, acquire or build low-carbon energy facilities that may include natural gas, combined heat and power or renewable natural gas facilities as well as electrification programs. The MPSC has developed a request for proposals (RFP) for applications seeking the grants and now seeks comments on the proposed RFP. Comments should reference Case No. U-21293 and should be received by 5 p.m. Sept. 8, 2022, and may be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909 or emailed to mpscedockets@michigan.gov. Comments also may be submitted by navigating to Case No. U-21293 in the MPSC E-Dockets system and clicking the “Submit Comments” button. The MPSC will make the RFP available to applicants by Sept. 30, 2022.

COMMISSION ENDS MECHANISM FOR UTILITY DEFERRAL OF COVID-RELATED UNCOLLECTIBLE EXPENSES

The MPSC today terminated a mechanism for rate-regulated utilities to defer bad debt that the Commission established in April 2020 as part of its response to the onset of the COVID-19 pandemic ([Case No. U-20757](#)). The mechanism allowed utilities to defer uncollectible expenses — unpaid customer bills — in excess of the amount used to set then-current rates. Today’s order terminates the mechanism effective Sept. 1, 2022, and directs Indiana Michigan Power Co. and Upper Peninsula Power Co. to include their COVID-19 uncollectible expense deferral amounts in their respective next general rate cases for Commission review.

MPSC ADJUSTS SCOPE, DEADLINES FOR REQUESTED ANALYSES IN MI POWER GRID WORKGROUP ON NEW TECHNOLOGIES AND BUSINESS MODELS

The Commission today agreed to adjust the scope and timing of analyses it had requested of part of the New Technologies and Business Models workgroup in the MPSC’s MI Power Grid initiative ([Case No. U-20898](#)). The workgroup was established to address preparing for opportunities and challenges associated with commercialization of new technologies and business models such as electric vehicles, electric storage, microgrids, space and water heating using heat pumps, and others still under development, at customer and utility scale. The Commission on July 27 requested electric utilities to file 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, by Sept. 1, 2022. Addressing concerns raised by DTE Electric Co. and Consumers Energy Co., the Commission today agreed to separate the request into two phases, the first applicable solely to proposed pilot projects and the second to other areas of investment. The Commission approved an extended deadline for Phase 1 pilot programs to Feb. 1, 2023. Deadlines for additional BCA approvals will be addressed in future orders. In addition to DTE Electric and Consumers Energy, the order applies to Indiana Michigan Power Co.; Upper Peninsula Power Co.; Alpena Power Co.; Northern States Power Co.; and Upper Michigan Energy Resources Corp.

To look up cases from today’s meeting, access the [MPSC’s E-Dockets filing system](#). Watch recordings of the MPSC’s meetings on the [MPSC’s YouTube channel](#).

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