

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own)	
motion, to implement the provisions of)	
Sections 173 and 177 and related)	Case No. U-21569
definitions of Public Act 235 of 2023.)	
_____)	

At the February 8, 2024 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER AND NOTICE OF OPPORTUNITY TO COMMENT

On November 28, 2023, Governor Gretchen Whitmer signed into law Public Act 235 of 2023 (Act 235), which amends Public Act 295 of 2008 and Public Act 342 of 2016 (Act 342). The amendments are effective on February 27, 2024. Section 173(3) of Act 235 increases the size of Michigan's distributed generation (DG) program from 1% of an electric utility's or alternative electric supplier's average in-state peak load for the preceding five calendar years to 10% of the average in-state peak load for the preceding five calendar years, and includes other changes to the DG program. MCL 460.1173(3) (effective February 27, 2024). Section 177 of Act 235 addresses metering and billing associated with the DG program.

The Commission seeks comment from interested persons on the following issues.

First, Section 177(1) of Act 342 states:

Electric meters shall be used to determine the amount of the customer's energy use in each billing period, net of any excess energy the customer's generator delivers to the utility distribution system during that same billing period. For a customer with a generation system capable of generating more than 20 kilowatts, the utility shall install and utilize a generation meter and a meter or meters capable of measuring the flow of energy in both directions. A customer with a system capable of generating more than 150 kilowatts shall pay the costs of installing any new meters.

MCL 460.1177(1). Section 177(1) of Act 235 states: "An electric meter provided by a utility must be used to determine the amount of the customer's inflow and outflow electricity in each pricing period. Eligible customers shall pay only the incremental cost above that for meters provided by the electric utility to similarly situated, non-generating customers." MCL 460.1177(1) (effective February 27, 2024). The Commission observes that, with the change, the utility is no longer required to install a generation meter. In light of the amendments, the Commission invites comment on the following questions:

1. Can the utility provide a generation meter at its own cost but require the customer to provide the necessary current transformer (CT) rated meter cabinet and wiring to accommodate the installation of the generation meter?
2. If so, does this add costs for the customer and increase the space required for the installation?
3. Is there a purpose or need for a generation meter?

Second, Section 177(4) of Act 342 states:

(4) If the quantity of electricity generated and delivered to the utility distribution system by an eligible electric generator during a billing period exceeds the quantity of electricity supplied from the electric utility or alternative electric supplier during the billing period, the eligible customer shall be credited by their supplier of electric generation service for the excess kilowatt hours generated during the billing period. The credit shall appear on the bill for the following billing period and shall be limited to the total power supply charges on that bill. Any excess kilowatt hours not used to offset electric generation charges in the next billing period will be carried forward to subsequent billing periods. Notwithstanding any law or regulation, distributed generation customers shall not receive credits for electric utility transmission or distribution charges. The credit per kilowatt hour for kilowatt hours delivered into the utility's distribution system shall be either of the following:

(a) The monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory, or for distributed generation customers on a time-based rate schedule, the monthly average real-time locational marginal price for energy at the commercial pricing node within the electric utility's distribution service territory during the time-of-use pricing period.

(b) The electric utility's or alternative electric supplier's power supply component, excluding transmission charges, of the full retail rate during the billing period or time-of-use pricing period.

MCL 460.1177(4). Section 177(2) of Act 235 states:

A distributed generation customer shall be credited by the customer's supplier of electric generation service for the outflow during the billing period. The credit must appear on the bill for the following billing period and be limited to the total charges on that bill. Any excess bill credits not used to offset inflow charges in the next billing period will be carried forward to subsequent billing periods.

MCL 460.1177(2) (effective February 27, 2024). In light of the amendments, the Commission invites comments on the following question:

1. Does the new provision allow for customers to offset the entire bill, including separate time-of-use periods, surcharges, and other items that were not historically offset?

Third, Section 5(b) of Act 342 states:

(b) "Eligible electric generator" means a methane digester or renewable energy system with a generation capacity limited to the customer's electric need and that does not exceed the following:

(i) For a renewable energy system, 150 kilowatts of aggregate generation at a single site.

(ii) For a methane digester, 550 kilowatts of aggregate generation at a single site.

MCL 460.1005(b). Section 5(e) of Act 235 states: "(e) 'Eligible electric generator' means a methane digester or renewable energy system with a generation capacity limited to 110% of the customer's electricity consumption for the previous 12 months." MCL 460.1005(e) (effective February 27, 2024). Additionally, Section 173(3) of Act 342 states:

(3) An electric utility or alternative electric supplier is not required to allow for a distributed generation program that is greater than 1% of its average in-state peak load for the preceding 5 calendar years. The electric utility or alternative electric supplier shall notify the commission if its distributed generation program reaches

the 1% limit under this subsection. The 1% limit under this subsection shall be allocated as follows:

- (a) No more than 0.5% for customers with an eligible electric generator capable of generating 20 kilowatts or less.
- (b) No more than 0.25% for customers with an eligible electric generator capable of generating more than 20 kilowatts but not more than 150 kilowatts.
- (c) No more than 0.25% for customers with a methane digester capable of generating more than 150 kilowatts.

MCL 460.1173(3). Section 173(3) of Act 235 states:

(3) An electric utility or alternative electric supplier is not required to allow for a distributed generation program that is greater than 10% of its average in-state peak load for the preceding 5 calendar years. The electric utility or alternative electric supplier shall notify the commission if its distributed generation program reaches the 10% limit under this subsection. The 10% limit under this subsection shall be allocated as follows:

- (a) Not less than 50% for customers with an eligible electric generator capable of generating 20 kilowatts or less.
- (b) Not more than 50% for customers with an eligible electric generator capable of generating more than 20 kilowatts but not more than 550 kilowatts.

MCL 460.1173(3) (effective February 27, 2024). In light of the amendments, the Commission invites comment on the following question:

1. Taken together, do the revised versions of MCL 460.1005(b) and MCL 460.1173(3) limit the size of generator eligible to participate in the DG program to no larger than 550 kilowatts?

Interested persons may submit comments and reply comments on the issues described and any other relevant matters. The Commission invites comment on any other issue related to implementation of Sections 173 and 177 of Act 342 not specified above. The comments should be paginated and should reference Case No. U-21569. To be considered, comments must be received no later than 5:00 p.m. (Eastern time (ET)) on March 26, 2024. Reply comments are due no later than 5:00 p.m. (ET) on April 16, 2024. Electronic comments may be e-mailed to mpscdockets@michigan.gov. Address mailed comments to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Any person requiring

assistance prior to filing may contact the Commission Staff at (517) 284-8090 or by e-mail at mpscedockets@michigan.gov. All information submitted to the Commission in this matter will become public information available on the Commission's website and subject to disclosure.

THEREFORE, IT IS ORDERED that interested persons may submit comments and reply comments on the issues described herein and any other relevant matters. To be considered, comments must be received no later than 5:00 p.m. (Eastern time) on March 26, 2024, and reply comments must be received no later than 5:00 p.m. (Eastern time) on April 16, 2024.

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

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of February 8, 2024.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

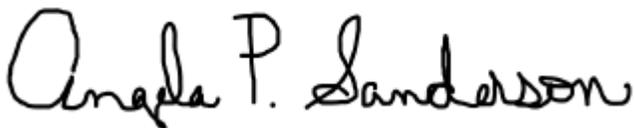
Case No. U-21569

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on February 8, 2024 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 8th day of February 2024.



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

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Realgy Energy Services

Santana Energy

Santana Energy

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Stephenson Utilities Department

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Texas Retail Energy, LLC

Thumb Electric Cooperative

Upper Michigan Energy Resources Corporation

Upper Peninsula Power Company

Upper Peninsula Power Company

Village of Baraga

Village of Clinton

Volunteer Energy Services

Wabash Valley Power

Wolverine Power

Wood, Amanda

Xcel Energy

Xcel Energy