

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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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.	)	Case No. U-21568
	)	

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

On November 28, 2023, Governor Gretchen Witmer signed into law Public Act 235 of 2023 (Act 235), which, among other things, amends Sections 22 through 49 of Public Act 342 of 2016 (Act 342) to increase the renewable portfolio standards (RPS) for electric providers from 15% through 2029 to 50% in 2030 through 2034 and 60% in 2035, and thereafter. Act 235 takes effect on February 27, 2024.

Section 22(3) of Act 235 requires electric providers to file with the Commission their respective amended renewable energy plans (REPs) within one year of the effective date of Act 235. For rate-regulated electric providers, the amended REP shall include a mechanism for recovering the incremental cost of compliance within its rates and a forecast of the renewable energy resources needed to comply with the new RPS set forth in Section 28(1). For rate-regulated electric providers, the Commission shall conduct a contested case pursuant to the

Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, and the Commission shall issue a final order in these matters approving the REP, approving the REP with changes consented to by the provider, or rejecting the REP within 300 days from the date of filing.

In order to allow the necessary time and attention needed to review the REPs, the Commission is implementing a staggered schedule for the amended REP filings pursuant to Section 22 of Act 235. Therefore, DTE Electric Company shall file its REP no later than July 19, 2024. Consumers Energy Company shall file its REP no later than November 15, 2024. Alpena Power Company, Indiana Michigan Power Company, Northern States Power Company, Upper Michigan Energy Resources Corporation, and Upper Peninsula Power Company shall file their respective REPs no later than January 17, 2025. Electric providers including co-operatives, municipally owned utilities, and alternative electric suppliers shall file no later than February 27, 2025.

Prior to the approval of the amended REPs filed pursuant to Act 235 according to the deadlines listed above, renewable energy compliance and renewable energy reconciliations will be considered pursuant to Act 342. Additionally, to aid the Commission in its implementation of Sections 22 through 49 of Act 235, the Commission seeks comments from interested persons on the following topics:

1. What, if any, changes are needed to the Michigan Renewable Energy Certification System to facilitate compliance with Act 235?
2. What changes to utility procurement practices might be helpful in supporting the accelerated renewable energy development needed to comply with Act 235?
3. Currently, biomass facilities are allowed to perform a calculation in which the effective heat rates of the individual fuel stocks are compared to the total megawatt-hours of the facility to determine the percentage of renewable fuel. Do the changes in how biomass facilities are defined under Act 235, including the change to the definition of a renewable energy system under Section 11(j) of Act 235, require changes to this calculation? Are there other changes relating to the operation of biomass facilities, including the use of railroad ties as a renewable fuel feedstock, that are required as a result of the enactment of

Act 235?

4. Section 49(1) of Act 235 states that an electric provider that has recorded a regulatory liability or asset on the incremental cost of compliance for the last 12 months shall be subject to a renewable energy cost reconciliation. If the electric provider utilizes a rate base cost recovery methodology for renewables to comply with Act 235, is this considered a cost of compliance?
5. With respect to electric providers that may not have a renewable portfolio requirement going forward subject to the nuclear provision in Section 28(3)(b) of Act 235, could any regulatory liability balance from compliance with Act 342 be considered something other than a regulatory liability as defined in Act 235? What other considerations should inform how the Commission addresses issues associated with existing regulatory liabilities associated with past RPS deployment?
6. As the amount of renewable energy on the power system increases, certain energy-related attributes may have greater value to the power system as a whole. Some, but not all, renewable energy resources can continue to offer these attributes, which include dispatchability, voltage support, and a hedge against disruptions or price increases in other generation inputs. Consistent with the continuing requirements under MCL 460.6t(8)(a), which require the Commission to consider diversity of generation supply when evaluating a utility's resource mix, what changes, if any, are necessary to appropriately value these attributes and characteristics?
7. Finally, the Commission invites additional comments on any other anticipated issues regarding the requirements of Sections 22 through 49 of Act 235 not specified above.

The Commission will accept comments on these topics until 5:00 p.m. (Eastern time (ET)) on March 8, 2024, and reply comments until 5:00 p.m. (ET) on March 22, 2024. Written comments should be mailed to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, Michigan 48909. Comments submitted in electronic format may be filed via the Commission's E-Dockets website, or for those persons without an E-Dockets account, via e-mail to mpscedockets@michigan.gov. Any person requiring assistance prior to filing comments may contact the Staff at (517) 241-6180. All comments should be paginated and reference the above-captioned case, Case No. U-21568. All filed comments will become public information available on the Commission's website and subject to disclosure.

THEREFORE, IT IS ORDERED that:

A. DTE Electric Company shall file its amended renewable energy plan no later than July 19, 2024.

B. Consumers Energy Company shall file its amended renewable energy plan no later than November 15, 2024.

C. Alpena Power Company, Indiana Michigan Power Company, Northern States Power Company, Upper Michigan Energy Resources Corporation, and Upper Peninsula Power Company shall file their respective amended renewable energy plans no later than January 17, 2025.

D. Electric providers including co-operatives, municipally owned utilities, and alternative electric suppliers shall file their respective amended renewable energy plans no later than February 27, 2025.

E. Any interested persons may file comments on the topics described in this order in this docket. Comments shall be filed no later than 5:00 p.m. (Eastern time) on March 8, 2024, and reply comments shall be filed no later than 5:00 p.m. (Eastern time) on March 22, 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)

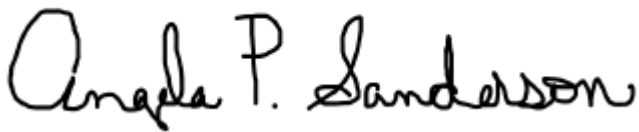
Case No. U-21568

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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Santana Energy

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Superior Energy Company

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