

DTE Electric Company
One Energy Plaza, 1635 WCB
Detroit, MI 48226-1279



Paula Johnson-Bacon
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March 14, 2024

Honorable Lesley C. Fairrow
Administrative Law Judge
7109 W. Saginaw Highway
Lansing, MI 48917

Re: In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for regulated electric providers to comply with Section 61 of 2016 PA 342.
MPSC Case No. U-21172

Dear Judge Fairrow:

Attached for your review and submission to the Commission is an executed Partial Settlement Agreement along with a Proof of Service upon all parties. If you have any questions, please do not hesitate to contact me.

Very truly yours,

Paula Johnson-Bacon

PJB/erb
Attachments
cc: Service List

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission’s own motion,)
regarding the regulatory reviews, revisions,)
determination and/or approvals necessary for)
regulated electric providers to comply with)
Section 61 of 2016 PA 342.)

Case No. U-21172

PARTIAL SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System’s Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), the undersigned Parties agree as follows:

WHEREAS, on August 31, 2022 DTE Electric Company (“DTE Electric” or the “Company”) filed an Application requesting approval of its MIGreenPower Voluntary Renewable Energy Plan pursuant to 2008 PA 295, as amended, by 2016 PA 342, MCL 460.1001 et seq., the Rules of Practice and Procedure Before the Michigan Public Service Commission (“Commission”) (R 460.17101 et seq.), the Michigan Administrative Procedures Act (MCL 24.201 et seq.), and the Commission’s December 9, 2021 Order in this case. The Company filed testimony and exhibits in support of its positions concurrently with its Application.

WHEREAS, the initial prehearing conference was held on October 25, 2022 before Administrative Law Judge (“ALJ”) Katherine Talbot, during which the Michigan Energy Innovation Business Council (“Michigan EIBC”), the Institute for Energy Innovation (“IEI”) and Advanced Energy United (“United”; collectively, “Michigan EIBC/IEI/United”) were granted intervention. 1 Tr 6.

WHEREAS, DTE Electric makes the following offer of settlement in order to resolve Michigan EIBC/IEI/United’s request that the Commission allow the Company to continue its

Customer Requested Offering only on the condition that it agrees to issue requests for proposals (“RFPs”) and follows the Commission-approved competitive procurement guidelines, including the use of an Independent Administrator in this case (“Partial Settlement Agreement” or “Agreement”).

NOW THEREFORE, the undersigned parties agree as follows:

1. Subject to satisfaction of the requirements set forth in Section 5 below, DTE Electric agrees that, for special contracts entered into as part of the Customer Requested Offering under Sections 9.1.1 and 9.1.2 of the Settlement Agreement approved in Case No. U-20713/U-20851, including those for Ford Motor Company and Stellantis N.V. (collectively, the “Special Contracts”), it will target the acquisition of a minimum of 50% of the capacity required to fulfill each Special Contract through build transfer agreements (“BTAs”) with unaffiliated third parties (the “50% Requirement”). The Company shall not be required to issue more than one RFP per Special Contract, nor shall the Company be required to continue to issue RFPs to satisfy Special Contracts under this agreement if two consecutive build transfer RFPs issued to satisfy Special Contracts fail to yield contracted projects.

2. In acquiring the renewable energy resources for the Special Contracts, the Company will comply with the Michigan Public Service Commission’s Competitive Procurement Guidelines for Rate Regulated Electric Utilities (Not for Public Utility Regulatory Policies Act (“PURPA”) as it pertains to use of an Independent Monitor (“IM”), and as set forth in paragraph 9 of the settlement agreement approved in Case No. U-21193, subject to the following exceptions:

a. The IM and DTE Electric will not hold a stakeholder information/feedback session before final publication of the RFP. Rather, a meeting with MPSC Staff will be held prior to final publication of the RFP, and a post-RFP publication discussion will be

held at least 30 days prior to the cut-off for submission of bids with interested potential respondents to address requests for information.

b. All Long-term Resources will not be considered, as the RFP will be limited to build-transfer agreements only. As such, provisions of the of the Michigan Public Service Commission's Competitive Procurement Guidelines for Rate Regulated Electric Utilities (Not for Public Utility Regulatory Policies Act ("PURPA") which pertain to neutral technology and PPAs are not applicable).

3. Notwithstanding anything to the contrary in Sections 1 or 2 above, the 50% Requirement shall not apply on an individual basis to Special Contracts that require less than 150 MW of new capacity. In the case of such Special Contracts, DTE Electric will instead make commercially reasonable efforts to ensure that at least 50% of the capacity required for such Special Contracts in the aggregate over a rolling two-year period beginning calendar year 2024 is procured through BTAs with unaffiliated third parties. To the extent that DTE Electric acquires any new capacity to fulfill Special Contracts that require less than 150 MW of new capacity in any given year or partial year, as applicable, DTE Electric will include a line item in the reports it files bi-annually or annually, as applicable, in Docket No. U-18352, showing the capacity acquired to fulfill such Special Contracts during the past year and the amount of such capacity acquired through BTAs. If DTE Electric does not acquire any new capacity to fulfill such Special Contracts in any given year or partial year, as applicable, it shall include a statement to that effect in the report covering such year or partial year.

4. Notwithstanding the 50% Requirement and notwithstanding anything else to the contrary in Sections 1 or 2, the Company will have the discretion, but not the obligation, to acquire a higher percentage of capacity from third-party BTAs in any given solicitation in order to meet

the desired capacity in such solicitation. In the case of Special Contracts that require less than 150 MW of new capacity, notwithstanding anything to the contrary in Section 3, the Company will have the discretion, but not the obligation, to acquire a higher percentage of capacity from third-party BTAs in the aggregate over a rolling two-year period beginning calendar year 2024.

5. Third-party bids submitted to fulfill the Special Contract renewable energy resource requirements must conform to the terms of the respective Special Contract, including but not limited to pricing and commercial operation date. Third-party bids submitted must meet all requirements of the RFP.

6. Except as expressly stated herein, the terms of this Partial Settlement Agreement do not amend the terms of the Settlement Agreement approved in Case. No. U-20713/U-20851.

7. All offers of settlement and discussions relating to this Settlement Agreement are considered privileged under MRE 408.

8. If the Commission approves this Partial Settlement Agreement without modification, neither the parties to this settlement nor the Commission shall make any reference to, or use this Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided however, such references may be made to enforce or implement the terms of the Partial Settlement Agreement and the order approving it.

9. This Partial Settlement Agreement is not severable. Each provision of this Partial Settlement Agreement is dependent upon all other provisions of this Agreement. If the Commission rejects or modifies this Partial Settlement Agreement, the Agreement shall be deemed to be withdrawn, and shall not constitute any part of the record in this proceeding or be used for any other purpose and shall not operate to prejudice the pre-negotiation positions of any party.

10. The parties agree that this Partial Settlement Agreement is reasonable and in the public interest and will reduce the time and expense of the Commission, its Staff, and the parties.

11. This Partial Settlement Agreement may be executed in any number of counterparts, each considered an original, and all counterparts that are executed shall have the same effect as if they were the same instrument.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

DTE ELECTRIC COMPANY

By:

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(313) 235-7052

Dated: March 13, 2024

**MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL, INSTITUTE FOR
ENERGY INNOVATION AND ADVANCED ENERGY UNITED**

By: Laura A. Chappelle Digitally signed by Laura A.
Chappelle
Date: 2024.03.13 13:52:13 -04'00' Dated: March 13, 2024

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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PROOF OF SERVICE

ESTELLA R. BRANSON states that on March 14, 2024, she served a copy of the Partial Settlement Agreement in the above-captioned matter, via electronic mail upon the persons listed on the attached service list.

ESTELLA R. BRANSON

MPSC Case No. U-21172

Service List

ADMINISTRATIVE LAW JUDGE

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SOULARDARITY; WE WANT GREEN, TOO

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