



Gretchen Whitmer, Governor  
Dan Scripps, Chair  
Katherine Peretick, Commissioner  
Alessandra Carreon, Commissioner

## NEWS RELEASE

[X/Twitter: @MichiganPSC](#)  
[www.michigan.gov/mpsc](http://www.michigan.gov/mpsc)

**FOR IMMEDIATE RELEASE** Dec. 19, 2024  
News media contact: [Matt Helms](#) 517-284-8300  
Customer Assistance: 800-292-9555

### **MPSC approves special renewable energy contracts between DTE Electric Co., City of Detroit and Ford Motor Co.**

The Michigan Public Service Commission today approved renewable energy contracts between DTE Electric Co. and two large customers – Ford Motor Co. and the City of Detroit.

In [Case No. U-21361](#), the Commission approved DTE Electric's special contract with the City of Detroit to build up to 10 MW of dedicated solar projects in support of Detroit's [Solar Neighborhoods](#) program, which aims to repurpose mostly vacant lots into clean energy facilities.

The 35-year DTE Electric contract with Detroit, which falls under DTE's MIGreenPower Rider 17, is consistent with the utility's approved renewable energy plan. Revenue from the contract will cover revenue requirements over the life of the contract.

The contract will allow DTE Electric to build solar facilities in the Van Dyke/Lynch neighborhood on the city's east side. As part of the contract, DTE will fund and administer a program to provide home energy efficiency upgrades of up to \$15,000 per household to about 85 owner-occupied homes in the solar project neighborhood. The homes will be eligible for such upgrades as energy efficient windows, furnaces, hot water heaters, home insulation, air sealing, smart thermostats, and energy efficient lighting.

In [Case No. U-21285](#), the Commission approved an amended and restated special solar energy contract between DTE Electric and Ford, updating terms of a contract the Commission [approved in 2022](#) for the utility to build up to 675 megawatts (MW) of dedicated solar projects to help the automaker meet its goal of powering its manufacturing plants in the state with 100% renewable energy.

The amended special contract updates and increases the contract's pricing, which remains consistent with the subscription charge and associated bill credit methodology of DTE Electric's MIGreenPower Rider 17. Revenue from the special contract will cover the revenue requirement of the project over the life of the 35-year contract. Customers other than Ford will continue to be held financially harmless if the automaker were to terminate the agreement early.

The Commission in 2023 approved a partial settlement agreement in DTE Electric's voluntary green pricing and renewable energy plan cases, allowing customers to request renewable energy projects specific to their needs.

## **Commission approves settlement agreement for \$1.75M rate increase for Northern States Power Co.**

The MPSC approved a settlement agreement permitting Northern States Power Co.-Wisconsin (NSP-W) to raise rates by \$1.75 million in 2025 and \$550,000 in 2026 ([Case No. U-21565](#)). The additional revenue is tied to continued replacement of aging distribution infrastructure needed for reliability, capital investment to improve the company's transmission infrastructure, and software upgrades associated with NSP-W's Advanced Grid Intelligence and Security initiative.

An operating company of Xcel Energy, NSP-W serves customers in the western Upper Peninsula. As part of the settlement agreement, the company agrees not to seek another rate increase before Jan. 1, 2027, unless corporate tax rates are increased.

A typical residential customer using 500 kilowatt hours (kWh) a month will see an increase of \$7.15, or 9.22%, in their monthly bill starting Jan. 1, 2025. In addition, those customers will see an increase of \$2.88, or 3.40%, over the rates effective January 1, 2025, starting January 1, 2026.

The settlement agreement authorizes a capital structure of 50% common equity and a rate of return on common equity of 9.8%. In addition, the agreement authorizes a new power supply cost recovery (PSCR) base of \$0.054193 per kilowatt-hour and a PSCR line loss factor of 7.25%.

NSP-W agreed to implement an earnings sharing mechanism for 2025 and 2026 through which the utility will refund to its Michigan customers 100% of Michigan-jurisdictional earnings above the authorized rate of return on common equity. The utility also agrees to work with MPSC Staff before it files its next general rate case to determine whether there is a need for the company to offer an electric vehicle tariff in its Michigan service territory.

The settlement agreement resolving all matters in the case was reached between the utility and intervenors in the case: the Michigan Department of Attorney General and the Citizens Utility Board of Michigan. MPSC Staff also participated.

## **COMMISSION OKs NEW NATURAL GAS PIPELINE TO SERVE DTE ELECTRIC CO.'S CONVERTED BELLE RIVER POWER PLANT**

The Commission authorized SEMCO Pipeline Co., a subsidiary of Semco Energy Inc., to build and operate a new natural gas transmission pipeline serving DTE Electric Co.'s Belle River Power Plant in St. Clair County's East China Township ([Case No. U-21785](#)), which DTE is converting to run on natural gas instead of coal. SEMCO Pipeline Co. will

provide natural gas transportation to the Belle River plant, which DTE Electric is converting from a coal-fired 1,270-megawatt (MW) baseload plant to a natural gas peaker plant used less frequently for times of highest electricity demand, under terms of DTE Electric's integrated resource plan [approved by the MPSC](#) in 2023. SEMCO Pipeline Co. estimates the total cost for the 4,000-foot, 24-inch Belle River Pipeline will be \$9.4 million, financed through internal sources, with completion of the pipeline expected in the third quarter of 2025.

## **DEADLINES EXTENDED FOR 2 UPPER PENINSULA UTILITIES TO FILE RENEWABLE ENERGY PLAN**

The MPSC granted an extension for Upper Peninsular Power Co. (UPPCO) to file its renewable energy plan (REP) pursuant to Public Act 235 of 2023, part of the revamp of Michigan's energy laws in 2023 ([Case No. U-21811](#)). UPPCO sought approval to extend its REP filing deadline to Feb. 6, 2025, and to consolidate that case with its integrated resource plan proceedings ([Case No. U-21809](#)). Today's order grants the extension, but the Commission declined to consolidate the cases without reviewing the yet-unfiled applications in both cases. The Commission also approved Upper Michigan Energy Resources Corp.'s (UMERC) request to extend the filing deadline for the utility to file its REP, allowing the utility to address matters in the MPSC's recently released [Upper Peninsula Energy Report](#). Today's order ([Case No. U-21813](#)) extends UMERC's REP filing deadline to Feb. 27, 2025.

## **MPSC RECEIVES UPDATES ON WINTER PREPAREDNESS**

As winter officially arrives this week in Michigan, the MPSC also heard a pair of presentations related to winter preparedness. Staff from the Commission's Energy Security Section provided a summary of the recently released Winter Energy Appraisal, an annual report that examines anticipated supplies and costs for natural gas, propane, electricity and gasoline. In addition, an official from the American Gas Association provided an overview of the recently launched Natural Gas Readiness Forum, an effort that stemmed from a recommendation of the National Association of Regulatory Utility Commissioners' Gas-Electric Alignment for Reliability initiative. The Natural Gas Readiness Forum is designed to convene industry representatives from across the U.S. natural gas value chain to increase situational awareness in advance of the heating season and enhance reliability in the ramp-up to high demand events.

*For information about the MPSC, visit [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc), sign up for its [monthly newsletter](#) or other [listservs](#). Follow the MPSC on [Facebook](#), [X/Twitter](#) or [LinkedIn](#).*

*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](#).*

**DISCLAIMER:** *This document was prepared to aid the public's understanding of certain matters before the Commission and is not intended to modify, supplement, or be a*

*substitute for the Commission's orders. The Commission's orders are the official action of the Commission.*

*# # #*