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MPSC takes action to strengthen power grid and maximize customer value from distributed energy resources

Orders across a range of proceedings highlight efforts to modernize Michigan's regulatory framework

The Michigan Public Service Commission today issued a series of orders aimed at enabling faster and easier interconnection to the distribution grid for distributed energy resources (DERs) such as rooftop solar, battery storage systems, electric vehicles (EVs) and other technologies. Today's actions include approving interconnection procedures for Consumers Energy Co. and Northern States Power Co., clarifying regulatory treatment of Ford Motor Co.'s home backup power system, updating the compensation frameworks for distributed generation systems, and issuing a discussion paper and asking for feedback on several issues relating to unlocking customer and grid benefits and address challenges tied to the growth of DERs on the utility distribution grids.

"With the increased importance of reliable energy in our lives and the changing usage patterns for electricity, the need to update our regulations to enable better, faster, cheaper, more efficient distributed energy resource interconnections is imperative," said Commissioner Katherine Peretick.

Specifically, the Commission today kicked off the second phase of its "Reliability-Plus" initiative, with Phase II focused on considering challenges to the grid's ability to accommodate and leverage the rise in adoption of DG, EVs, and other DERs ([Case No. U-21400](#)).

In today's order, the Commission said it reviewed comments taken in the proceeding so far and identified several focus areas for which it seeks feedback:

- DER interconnection;
- Customer data access and hosting capacity;
- DER Aggregation and non-wires alternatives;
- 4.8 kilovolt conversions; and
- Advanced metering infrastructure utilization/grid modernization.

The focus areas are further explained in a discussion paper attached to the order. The Commission invites comments on these matters from interested organizations and persons by 5 p.m. May 16, 2025, with reply comments due by 5 p.m. June 27, 2025. Written and electronic comments should be paginated and reference Case No. U-21400. Comments may be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Electronic comments may be filed through the Commission's E-Docket website or by email to mpscedockets@michigan.gov.

Today's action follows the Commission's [approval in February](#) of the first phase of the penalties and incentives, focused on establishing a mechanism through which DTE Electric Co. and Consumers Energy Co, the state's two largest electric utilities, could qualify for up to \$10 million each in incentives and penalties for meeting or failing to meet reliability benchmarks. DTE Electric and Consumers Energy were directed to file individual financial incentive/disincentive mechanisms in standalone dockets by April 15, 2025.

In other matters, the Commission took action on several applications for approval of interconnection procedures filed by electric utilities. Interconnection standards are rules for how projects owned by customers or developers can connect to the utility system, providing a standardized process and schedule so that interconnections can be accommodated in an orderly and timely manner.

The Commission today:

- Approved Consumers Energy Co.'s application for approval of its interconnection procedures ([Case No. U-21480](#)), directing the utility to use the Standard Level 1, 2, and 3 Interconnection Agreement for Projects Up To 550 Kilowatts with Certified Equipment, and to file within 30 days a Level 4 and 5 and Non-Certified Projects Interconnection Agreement. The Commission required a more detailed study to take place before requiring a direct transfer trip, and directed MPSC Staff to create a standing Interconnection Technical Workgroup to provide an ongoing forum among interested parties and individuals for discussion of technical issues related to the interconnection process, with initial topics focusing on cost allocation, annual reporting requirements, the application of standards, and other technical concerns.
- Approved an application by Northern States Power Co. (NSP) for approval of its interconnection procedures ([Case No. U-21455](#)). The Commission directed NSP to use the Standard Level 1, 2, and 3 Interconnection Agreement for Projects Up To 550 Kilowatts With Certified Equipment and directed the company to file a Level 4 and 5 and Non-Certified Projects Interconnection Agreement within 30 days. The Commission granted NSP a two-year waiver from provisions of Mich Admin Code, R 460.926(3)(c), and authorized the utility to charge a maximum system impact study fee of \$15,000 during that time. The company was granted a one-year waiver from provisions of Mich Admin Code, R 460.942 and R 460.980(4).

- Approved a 90-day extension on DTE Electric Co.'s application for approval of its interconnection procedures ([Case No. U-21482](#)).

Meanwhile, the Commission today approved a request by Ford Motor Co. for a declaratory ruling that its home backup power system, a feature of its Ford F-150 Lighting EV, does not require interconnection authorization from an electric utility under the Interconnection and Distributed Generation Standards ([Case No. U-21619](#)). Today's order, believed to be among the first in the country, found that because Ford's home backup power system will not operate in parallel with an electric utility's distribution system, it does not require written authorization from an electric utility prior to operation. Ford's backup system uses electricity from its electric pickup's batteries to power homes in the event of a power outage.

Finally, the Commission approved amended applications for approval of updated distributed generation (DG) tariffs filed by several utilities to comply with Public Act 235 of 2023, which increased the size of Michigan's 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, along with other changes to the DG program ([Case No. U-21767](#)). The Commission approved applications by Alpena Power Co., Consumers Energy Co., DTE Electric Co., Indiana Michigan Power Co., Upper Michigan Energy Resources Corp. and Upper Peninsula Power Co. The Commission approved in part and denied in part the amended application filed by Northern States Power Co.

COMMISSION SETS CONTESTED PROCEEDING ON CONSUMERS ENERGY'S REQUEST TO AMEND RATE TARIFF FOR POTENTIAL DATA CENTERS

The MPSC today set a contested case proceeding for an application by Consumers Energy Co. to amend its Rate GPD — a rate category for uniquely high-load energy customers such as data centers — to provide safeguards against financial risks data centers pose to the utility and other ratepayers ([Case No. U-21859](#)). Citing the need to protect against risks such as stranded assets built to serve data centers that can more easily relocate to other states than other large customers, Consumers sought ex parte approval of amendments to protect the company and other ratepayers from such financial risks. The Commission today found an ex parte decision inappropriate given significant costs implications associated with electric service for data centers and set the issue for an expedited contested proceeding in which the Commission will read the record. The Commission directed Consumers and several organizations that petitioned to intervene in the case and filed motions for a contested case — including the Data Center Coalition, the Association of Businesses Advocating Tariff Equity, the Michigan Department of Attorney General, and several environmental groups — to attend a prehearing conference April 16, 2025. Others wishing to intervene must file petitions by April 9.

MPSC OKs AMENDED SOLAR CONTRACT BETWEEN DTE ELECTRIC, FCA US

The Commission approved an amended and restated special contract between DTE Electric Co. and the automaker FCA US as well as approval of the Silver Creek Solar

Park Project and related master service agreements ([Case No. U-21361](#)). The Commission in 2023 approved a 35-year contract between DTE Electric and FCA US forerunner Stellantis NV for the utility to build up to 400 megawatts (MW) of dedicated renewable energy projects to serve the automaker's goal of reaching 100% clean energy. The amended contract approved today clarifies contract terms and updates pricing. Today's order also approves construction of DTE Electric's Silver Creek Solar Park Project in Meade and Colfax townships in Huron County, providing FCA US with up to 200 MW of capacity with operation expected to begin in September 2028.

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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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