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MPSC adopts distributed generation billing method

LANSING, Mich. – The Michigan Public Service Commission (MPSC) today approved a residential distributed generation (DG) billing mechanism that will eventually replace net metering under the state’s new energy laws.

As called for under Public Acts 341 and 342, which were signed into law by Gov. Rick Snyder in December 2016, Commission staff was to conduct a study on the appropriate tariff to reflect cost of service for customers of rate-regulated electric utilities who participate in alternative energy net metering or distributed generation programs. In an open and transparent process, the MPSC staff convened seven workgroup meetings that included representatives from utilities, environmental policy and advocacy groups, and business and technical organizations.

The [Staff Study to Develop a Cost of Service-Based Distributed Generation Program Tariff](#) recommended an adaptable inflow/outflow billing mechanism ([Case No. U-18383](#)). Inflow, the energy a customer buys from a utility, would be priced at full retail rate, while excess energy outflows from the customer to the electrical grid could be credited at the utility’s avoided cost as a dollar credit or kilowatt hour (kWh) credit in the next billing period.

After reviewing the staff report and comments filed by stakeholders, the Commission agreed these pricing parameters ensure DG customers are assessed for their fair and equitable use of the electrical grid. It also provides an independent framework for equitably compensating DG customers for excess power sent out to the grid.

Utilities must include their DG inflow/outflow tariff as part of rate cases filed after June 1. Utilities may also file their own distributed generation tariff, if desired.

Customers enrolled in net metering or enrolled before the utility’s final DG rate approval in rate cases filed after June 1 can remain in the net metering program for 10 years.

For an Issue Brief about distributed generation, [click here](#).

Other rulings today

AT&T request may affect Lifeline discount: The public can offer comments about an AT&T Michigan proposal to relinquish its status as an eligible telecommunications carrier in certain areas of its service territory ([Case No. U-20064](#)). The change could affect the discount low-income customers are eligible to receive for Lifeline voice service provided by AT&T. Comments are due by 5 p.m. June 1 either online at <https://mi-psc.force.com/s/>, by email to

mpscdockets@michigan.gov, or by mail to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909.

Green pricing programs available: Voluntary green pricing programs were approved for Alpena Power Co. ([Case No. U-18350](#)), Indiana Michigan Power Co. (I&M) ([Case No. U-18353](#)), Northern States Power Co.-Wisconsin (NSP-W) ([Case No. U-18354](#)), Upper Peninsula Power Co. (UPPCo) ([Case No. U-18355](#)), Upper Michigan Energy Resources Corp. (UMERC) ([Case No. U-18356](#)), and Wisconsin Electric Power Co. (WEPCo) ([Case No. U-18357](#)). Under the programs, required of electric providers as part of the state's new energy laws, customers will be able to specify how much electricity they use is to be generated by renewable energy.

Public hearing slated billing rule change for on-bill financing: The Commission set a public hearing for 9:30 a.m. May 9 at its offices at 7109 W. Saginaw Highway, Lansing, for comments on proposed changes to consumer standards and billing practices rules for electric and natural gas service (Case No. U-20152). The change would provide a foundation for establishing on-bill financing, which is called for under the state's new energy laws. On-bill financing allows customers to pay for qualifying residential renewable energy or energy waste reduction projects through monthly installments on their utility bills. Mailed comments are due by 5 p.m. May 30 and can be sent to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909, or emailed to mpscdockets@michigan.gov.

Internet-based 911 costs input: Comments are sought for which costs should be reimbursed for Internet Protocol-based (IP-based) 9-1-1 service providers (Case No. U-20146). Costs can include the transport, routing, or delivery of wireless emergency services to Public Safety Answering Points (PSAPs). Comments are due by 5 p.m. May 18 with reply comments due by 5 p.m. June 18 and can be made either online at <https://mi-psc.force.com/s/>, by email to mpscdockets@michigan.gov, or by mail to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909.

For more information about the MPSC, please visit www.michigan.gov/mpsc or sign up for one of the Commission's [listservs](#).

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