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MPSC approves settlement that ends disputes between Consumers, independent power producers and clears path for more renewable energy

LANSING, Mich. – The Michigan Public Service Commission today approved a settlement agreement that resolves a number of long-standing contract issues between Consumers Energy Co. and qualified independent power producers in five separate cases.

The Commission in June approved a settlement in Consumers' integrated resource plan that included a new Public Utility Regulatory Policies Act framework ([Case No. U-20165](#)), a 1978 federal law that requires local utilities to buy power from small independent power producers, known as qualifying facilities.

The IRP includes competitive bidding for added power generation capacity, modified PURPA "avoided cost" rates and terms offered by the utility to qualifying facilities, and removal of disincentives to arrange power supplies from third parties.

Left unresolved in June's settlement were complaints filed against Consumers by qualified facilities seeking PURPA contracts with the utility. It also didn't address a pending appeal before the Michigan Court of Appeals by Geronimo Energy LLC ([Case No. U-18090](#)).

The agreement approved by the Commission includes a commitment from Consumers to purchase a total of 584 megawatts of solar energy under set terms from project developers. The agreement also resolves the complaints by more than 40 entities ([Case Nos. U-20500](#), [U-20516](#), [U-20558](#), [U-20565](#), and [U-20575](#)) and Geronimo's appeal, streamlines the PURPA framework and allows for a limited waiver of the MPSC's Electric Interconnection and Net Metering Standards to facilitate renewable energy project development. The signatories to the agreement represent a total of 3,300 megawatts of solar energy in Consumers' interconnection queue. Signatories include Consumers Energy, qualifying facilities, MPSC staff and the Solar Energy Industries Association.

The agreement ([Case No. 20615](#)) spells out the parameters for projects in the company's interconnection queue to be considered for approval at various costs. It also sets a timeframe Consumers must meet to complete engineering reviews and distribution studies, and interconnection of the projects.

(For an issue brief about Consumers' integrated resource plan settlement, [click here.](#))

HEMLOCK SEMICONDUCTOR WINS DECLARATORY RULING

The Commission granted Hemlock Semiconductor Operations LLC's request for a declaratory ruling relating to its eligibility for a long-term industrial load rate under legislation enacted last year ([Case No. U-20609](#)). Hemlock has a project in the Midcontinent Independent System Operator Inc.'s generation interconnection queue since it had plans to build a natural-gas fired facility to power its operations. Subsequently, the company came to an agreement to buy power from Consumers Energy Co., but the proposed rate contract won't come before the MPSC until Consumers files its next rate case in 2020. The Commission ruled that Hemlock's withdrawal of its MISO application does not violate state statute in a later contested proceeding seeking approval of the contracted load rate.

CONSUMERS ENERGY'S GAS COST RECOVERY PLAN RECONCILIATION APPROVED

The MPSC approved Consumers Energy Co.'s application to reconcile its gas cost recovery for the 12-month period ending March 31, 2018 ([Case No. U-20075](#)). The utility's revenues exceeded gas supply costs, resulting in an over-recovery, with interest, of \$1,479,277. That amount will be the beginning balance of its 2018-19 gas cost recovery reconciliation, ensuring only actual, audited costs are charged to customers.

To look up cases from today's meeting, access the E-Dockets filing system [here](#).

To watch a livestream of the MPSC's meetings, [click here](#).

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