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NEWS RELEASE

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MPSC approves integrated resource plans for two Upper Peninsula utilities

The Michigan Public Service Commission today approved settlement agreements involving the integrated resource plans (IRP) for two electric utilities in Michigan's Upper Peninsula, marking the utilities' long-range strategies for meeting customer electricity needs.

The MPSC approved a settlement agreement between Upper Peninsula Power Co. (UPPCO) and parties including the Michigan Department of Attorney General, MPSC Staff, Citizens Against Rate Excess, and Circle Power LLC ([Case No. U-20350](#)) on UPPCO's IRP. The Association of Businesses Advocating Tariff Equity and Verso Corporation filed statements of non-objection.

Under the agreement, UPPCO will:

- Remove from its IRP, pending further study and analysis, plans for a natural gas reciprocating internal combustion engine the company had proposed to build to replace a combustion turbine that failed catastrophically in 2018.
- Increase its energy waste reduction target to 1.65 percent for 2020 and 1.75 percent for 2021, up from the 1.5 percent proposed by UPPCO. Energy waste reduction helps lower costs through reductions in energy use; it's estimated that every \$1 spent on energy waste reduction saves around \$4 in avoided energy costs.
- Proceed with a long-term, 125-megawatt power purchase agreement on a proposed solar facility, with a financial compensation mechanism below the maximum allowed by law.
- Move ahead on its proposal to allow its Hoist and McClure hydroelectric generating facilities to operate directly in the wholesale power market, which will increase UPPCO's capacity credits with the Midcontinent Independent System Operator, the regional transmission organization. This move will increase the reported capacity of the two units by a combined 7.6 MW, benefiting customers in the form of avoided capacity cost purchases in the future.
- File a new IRP by Dec. 6, 2024.

An UPPCO IRP issue brief can be found [here](#).

In addition, the MPSC approved a settlement agreement reached between Northern States Power Co. of Wisconsin (NSP) and MPSC Staff ([Case No. U-20599](#)). NSP's IRP service area, which includes Wisconsin, the Dakotas and Minnesota, and the company's IRP is also filed in Minnesota.

Under the agreement, NSP agrees to increase its energy waste reduction goals to 1.5% by 2021, continue evaluating demand response for Michigan customers and engage in the MPSC's [MI Power Grid](#) initiative to identify how NSP can better align its IRP process with its distribution planning process.

NSP also agrees in its next IRP proceeding to provide a summary that includes specific impacts to its Michigan service territory; conduct stakeholder engagement sessions that are within reasonable driving distance so Michigan customers may participate; evaluate new modeling software, and file its next IRP within 5 years, in coordination with Minnesota.

IRPs are electric utilities' long-range plans for meeting customer needs for the next 5, 10 and 15 years. IRPs are required under Michigan's 2016 energy laws to ensure a transparent and holistic view of electricity options that consider supply diversity, reliability, costs, the environment and other factors.

MPSC APPROVES DTE ELECTRIC PROPOSALS TO EXPAND AFFORDABLE OUTDOOR PUBLIC LIGHTING FOR CUSTOMERS IN DETROIT

The MPSC today approved amendments to DTE Electric Co.'s tariff rate schedule for outdoor protective lighting, a move the utility sought in order to serve residential and commercial customers in the City of Detroit seeking cost-effective outdoor lighting options to improve public safety and security ([Case No. U-20611](#)). The changes DTE Electric sought include eliminating outdated billing language; adjusting contract terms for new customers only, with the intent to improve affordability; adding construction financing options for new customers, and adding offerings of alternative lighting technologies. The Commission found that the changes do not result in an increase in cost of service to customers.

MPSC TAKING PUBLIC COMMENT ON CONSUMERS ENERGY PROPOSAL FOR ONE-TIME SHARE OF GAINS

The MPSC today issued a call for public comments on a proposal by Consumers Energy Co. to share with its customers portions of the proceeds from a sale of the company's electric transmission assets at a price above their book value ([Case No. U-20699](#)). Consumers Energy filed an application in December seeking the Commission's approval for a one-time voluntary gain sharing with the utility's electric customers of 50% of the proceeds, or \$17 million; the money would be used to help offset storm restoration costs in 2020 exceeding amounts currently included in MPSC-regulated rates. Under Consumers' proposal, any amount of the \$17 million not used in 2020 would be distributed to customers through a bill credit or an increase in forestry

programs in 2021. The Michigan Department of Attorney General and Energy Michigan Inc. filed petitions to intervene in the case and requested a contested hearing. The MPSC reviewed the petitions and found that public comment period is warranted in the case. Any interested person may file comments to the Commission's docket no later than 5 p.m. Feb. 18, 2020. Comments must be submitted electronically through the MPSC's E-Dockets website at <https://mi-psc.force.com/s/>. Documents also may be submitted, in Word or PDF format, as an attachment to an e-mail sent to mpscedockets@michigan.gov; emails should reference [Case No. U-20699](#). If assistance is required prior to filing, please contact the Commission Staff at 517-284-8090 or by e-mail at mpscedockets@michigan.gov.

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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