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MPSC OKs securitization bonds for Consumers Energy as utility prepares for 2023 retirement of coal-fired generating units

The Michigan Public Service Commission today approved Consumers Energy Co.'s application to issue low-interest securitization bonds for costs mainly associated with the retirement of two coal-fired electricity generating plants ([Case No. U-20889](#)).

Finding cost savings for utility customers, the Commission approved the securitization of up to \$677.7 million in qualified costs related to the unrecovered book value of Consumers' Karn 1 and 2 coal-fired generating units at the utility's complex on Saginaw Bay in Bay County's Hampton Township, with up to \$10.6 million in other qualified costs. The company announced it would retire the units in May 2023 as part of its commitment to reduce carbon emissions.

Consumers filed an application in September under Public Act 142 of 2000, which permits electric utilities to reduce their costs by issuing securitization bonds. These bonds allow utilities to replace higher-cost debts and equity with lower-cost debt in the form of securitization bonds.

The company said it expects its customers to save about \$126 million through the bonding, which the company intends to provide to customers through a bill credit once the bonds are issued, continuing until the completion of the utility's next rate case. Today's order approved an 8-year term for the securitization bonds. Consumers will file a report within 30 days following the receipt of all or any portion of the bond sale proceeds, and quarterly after that until all bond proceeds have been disbursed.

The Commission in 2019 approved the early retirement of the Karn units as part of Consumers' [integrated resource plan](#). The retirement is part of the strategy Consumers announced to reach net-zero carbon emissions by 2040.

Intervenors in the case were the Michigan Department of Attorney General; the Association of Businesses Advocating Tariff Equity; Citizens Utility Board of Michigan; Hemlock Semiconductor Operations LLC, and, collectively, the Ecology Center, the Environmental Law & Policy Center, the Solar Energy Industries Association and Vote Solar. MPSC Staff also participated.

FORMER CABLE TV OPERATOR FINED \$1,000

The MPSC today issued a \$1,000 fine to the former operator of a mid-Michigan cable television service for repeatedly violating the state's Uniform Video Services Franchise Act ([Case No. U-20743](#)). Anthony Martell, who operated Martell Cable Service in Vermontville and Nashville, was fined for longstanding, consistent lack of cooperation and compliance with legal requirements. Today's fine is in addition to \$1,500 in fines the Commission [levied against Martell](#) in November 2019 but has yet to receive. Martell notified the Commission that he has ceased operating the cable service, and another company, Vogtmann Engineering, took it over.

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

Watch recordings of MPSC meetings on its [YouTube channel](#).

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