



Legislation Details (With Text)

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Title: Resolution to Approve the Updated Stipulation and Settlement Agreement in Michigan Public Service Commission Case No. U-21376 Regarding DTE’s Distributed Generation Tariff Options

Sponsors:

Indexes:

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Attachments: 1. U-21376_UPDATED Settlement Agreement_January2024.pdf, 2. U-21376_UPDATED_Attachment A_Reporting Template.pdf

Date	Ver.	Action By	Action	Result
2/20/2024	1	City Council	Approved	Pass

Resolution to Approve the Updated Stipulation and Settlement Agreement in Michigan Public Service Commission Case No. U-21376 Regarding DTE’s Distributed Generation Tariff Options

The attached resolution seeks approval of the Updated Stipulation and Settlement Agreement in the Michigan Public Service Commission (“MPSC”) Case No. U-21376. That case was intended to determine what payments DTE would make to customers with rooftop solar or other distributed generation (“DG”) systems when the “cap” for the current tariff (Rider 18) was reached. At the time this case was filed, DTE intended to cap participation in its DG program at 1% of its average in-state peak load for the preceding 5 calendar years, consistent with MCL 460.1173(3). The City intervened to represent the interests of residents with DG systems to ensure they were fairly compensated once the 1% DG cap was reached.

In July 2023, DTE agreed to voluntarily increase its DG cap to 6% of its average in-state peak load for the preceding 5 calendar years as part of a settlement agreement in MPSC Case No. U-21193 (DTE’s Integrated Resource Plan). As a result of this increase, DTE was not expected to reach its DG cap for several years. Because there was no immediate need to determine tariff options for customers with DG systems, the parties to Case No. U-21376 negotiated a Stipulation and Settlement Agreement, which City Council approved at its meeting on November 6, 2023.

On November 28, 2023, Governor Gretchen Whitmer approved Public Act 235 of 2023, which, in part, raises the DG cap for each electric utility to 10% of its average in-state peak load for the preceding 5 calendar years. Public Act 235 of 2023 will take effect on February 27, 2024.

In response to the passing of this legislation, the parties to Case No. U-21376 re-opened settlement negotiations to update the settlement agreement to conform to Public Act 235 of 2023, which resulted in the Updated Stipulation and Settlement Agreement.

Among other things, the Updated Stipulation and Settlement Agreement:

1. Dismisses Case No. U-21376;
2. Directs DTE to refile a DG case when the installed DG capacity reaches 90% of the prevailing DG cap;
3. Directs DTE to continue connecting DG systems even if the prevailing DG cap is reached until the refiled case is resolved for a period of up to 12 months after the refiling;
4. Directs DTE to file annual reports with updated data on DG systems, including remaining available capacity; and
5. Conforms to Public Act 235 of 2023.

MPSC Staff and all other intervening parties in Case No. U-21376 have expressed their intention to sign the Updated Stipulation and Settlement Agreement.

Prepared by: Valerie Jackson, Outside Counsel to the City of Ann Arbor

Reviewed by: Jennifer Richards, Assistant City Attorney
Missy Stults, Sustainability and Innovations Director

Approved by: Milton Dohoney Jr., City Administrator

Whereas, The City intervened in MPSC Case No. U-21376 to represent the interests of residents with DG systems once DTE reached its 1% DG cap and intended to no longer connect DG systems under Rider 18;

Whereas, Pursuant to Public Act 235 of 2023, which will take effect on February 27, 2024, the DG cap of each electric utility will be increased to 10%;

Whereas, DTE is not expected to reach the new 10% DG cap for several years;

Whereas, There is no longer an immediate need to determine tariff options for customers with DG systems because DTE will continue connecting customers with DG systems under Rider 18 at least until the 10% DG cap is reached;

Whereas, The Updated Stipulation and Settlement Agreement includes a provision requiring this matter to be refiled at such a time when there is an immediate need to determine tariff options for customers with DG systems;

Whereas, The Updated Stipulation and Settlement Agreement includes a provision to continue connecting customers with DG systems under Rider 18 for up to a year after the refiling; and

Whereas, The City may intervene to represent the interests of its residents with DG systems in the refiled case;

RESOLVED, That City Council approve the attached Updated Stipulation and Settlement Agreement in Michigan Public Service Commission Case No. U-21376;

RESOLVED, That the Mayor, Clerk, City Administrator, City Attorney, and the City's outside legal counsel, Rivenoak Law Group, P.C., be authorized to execute such settlement documents and take such other actions as are consistent with the purposes of this resolution; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution.