



Legislation Text

File #: 23-0393, **Version:** 2

Resolution Requesting the City Administrator to Engage with the Michigan Legislature and Michigan Public Service Commission to Advance Energy Equity and Resilience

Reviewed by: Missy Stults, Directory of Sustainability & Innovations

Whereas, Access to electricity is an essential service for Ann Arborites, and without it people struggle to maintain employment, and access necessities for their health, safety, and well-being;

Whereas, In the last three years, Ann Arborites have experienced multiple prolonged power outages, with three outages affecting thousands of residents for 3 days or more;

Whereas, Ann Arborites endured a multitude of multi-day outages in 2022 and the Michigan Public Service Commission stated publicly: “the reality is that we still haven’t seen the improvements in reliability and safety that Michigan customers deserve,” (1) but, at the same time, DTE told investors that it had earned more than a billion dollars in profit “while providing reliable, affordable service for our customers;” (2)

Whereas, More frequent and intensive extreme weather events, fueled by global climate change, will only make outage events such as these more common without proactive measures;

Whereas, Ann Arbor offered testimony in the prior DTE rate case highlighting DTE’s failure to incorporate the impacts of climate change on storm frequency and intensity into its planning;

Whereas, Marginalized and under-resourced communities -- such as communities of color, those with disabilities, and low-income residents, among others -- are disproportionately impacted by prolonged outages, which further exacerbates energy injustice;

Whereas, “Utility redlining,” such as lower hosting capacity, lower and uneven grid modernization, lower priority for grid hardening, and outdated and increased age of production and distribution infrastructure in low-income and BIPOC neighborhoods has created an inequitable energy infrastructure where marginalized communities are less likely to receive critical infrastructure investments than others; (3,4)

Whereas, DTE’s electrical rates are ranked as one of the highest in the Midwest, while having some of the least reliable services, especially in outage length, in the Midwest; (5)

Whereas, In recent years approximately one-fifth of Ann Arbor’s streetlights experienced an outage;

Whereas, DTE continues to require streetlighting customers to pay for electricity they don’t use, requiring the City to pay the same amount for a streetlight that works as it does for a streetlight that is out for several weeks;

Whereas, Historical experience results in a loss of confidence by Ann Arborites that DTE will prioritize

investments that are necessary to improve reliability, equity, and information services that reduce environmental and climate change impacts in Ann Arbor;

Whereas, DTE has once again asked the Michigan Public Service Commission for double-digit rate increases in residential and streetlighting rates, despite having secured a double-digit increase in streetlighting rates last year and achieving record-setting profits recently; (6)

Whereas, The City of Ann Arbor is once again a formal intervenor in DTE's current Electric Rate Case to urge the Michigan Public Service Commission to reject unjustified rate increases, ensure climate projections are recognized as a necessary part of a prudent investment plan, stop DTE from forcing unreasonable streetlight costs onto municipal governments, and note areas where reliability can be improved for lower costs, amongst other things;

Whereas, DTE's inability to regularly provide reliable electricity means the burden to respond to local disasters continues to fall on local communities, like Ann Arbor;

Whereas, In the last three years, the City of Ann Arbor has had to divert staff, financial and capacity resources to set up warming, overnight, and relief stations, at its own expense, to help the public respond to these multi-day outages;

Whereas, Ann Arbor voters expressed in overwhelming support that the Ann Arbor Climate Millage funding be allocated to environmental, climate and energy justice efforts;

Whereas, The A²ZERO plan calls for increasing the resilience of our community, our people, and our ecosystems;

Whereas, The Michigan State Legislature has the ability to establish a policy agenda and greater transparency standards for DTE and other utilities in the State; and

Whereas, The Michigan Public Service Commission is the body that formally regulates the utilities;

RESOLVED, Ann Arbor City Council calls on the Michigan Legislature to immediately take action, including:

- Convening the Joint Committee on Administrative Rules to express support for the pending rules that would require higher and automatic outage credits for all customers of regulated utilities, and urge the swift implementation of that rules package; Passing additional measures to protect rate payers and ensure proper compensation by utilities to local governments and rate payers during outages to cover damages, loss of food, costs of temporary housing, and other unexpected but necessary expenses.
- Passing community solar legislation, allowing communities to invest in more resilient sources of power; Passing legislation to eliminate or lift the 1% distributed generation cap to increase energy reliability and capacity;
- Adopting a funding package that will help local communities pay for solar, energy storage (including storage in electric vehicles), and geothermal systems, especially at critical emergency response locations, to enhance local resilience;
- Removing any roadblocks for rate payers, such as the requirement of a shut off or outage, to receiving energy bill assistance.

- Passing legislation that imposes much stricter transparency and disclosure requirements on regulated utilities.
- Passing legislation requiring electrical utilities to cover the cost of damaged equipment at critical facilities such as fire and police stations, water and wastewater treatment plants, public schools, public housing and shelters, hospitals and medical facilities, daycares, and other similar facilities when equipment is damaged or destroyed related to power outages and power surges.
- Passing legislation, and clarifying existing legislation, to prevent utilities from using ratepayer money for any political activity, adopt mandatory disclosure mechanisms to monitor political or politically adjacent spending, and set up explicit enforcement regimes to deter utilities from breaking political spending rules;
- Passing legislation to require performance-based rate making for utilities handled by the Michigan Public Service Commission, tying financial compensation for the utilities, and executive bonuses, to the extent possible, to reliability, affordability, equity, and pollution reduction metrics;
- Passing legislation to enable microgrids that protect critical infrastructure during power outages while improving electric reliability and resilience by reducing grid congestion and peak load;
- Passing legislation to establish a statewide energy storage standard for utilities so that Ann Arbor and other communities across the state are more systematically insulated from extended outages and served by a more reliable, efficient grid;
- Passing legislation to expand the authority of Michigan Public Service Commission to directly address and enforce utility reliability, grid planning, affordability, decarbonization, and environmental justice;
- Investigate creating an independent consumer advocate that would represent all ratepayers in rate-cases, similar to equivalent entities in Illinois and California;

RESOLVED, Ann Arbor City Council calls on the Michigan Public Service Commission to hold DTE accountable by:

- Deciding against the many unreasonable requests for rate increases by DTE;
- Supporting improvements to the electrical system that support Ann Arbor's A²ZERO goals, including that they make the electrical system more equitable, reliable, customer-focused, renewably powered, and resilient to the projected impacts of climate change;
- Directing grid-hardening efforts, including undergrounding,, and making other strides toward increasing reliability without undue financial burden to the consumer;
- Requiring greater transparency from DTE, including advocating for changes to service area outage maps as well as bill and energy comparison tools to make them more accessible and usable by the public.
- Requiring DTE to retain energy use and billing data for the duration of a customer's service and making those data available on request so that ratepayers are better able to understand the long-term impacts of rate changes, service outages, and grid improvements.

RESOLVED, Ann Arbor City Council directs the City Administrator to continue working on the City's resilience and equity infrastructure, including:

- Working with the City Council Policy Committee to coordinate a response to the topics above, including bringing in public speakers on topics such as performance-based rate making;
- Continuing to develop and finalize an equity framework to ensure that marginalized communities are centered in all City programs, including those related to enhancing resilience and to avoid overburdening social service organizations;
- Working with the County and other municipalities in the County to coordinate resilience and emergency response efforts, centering marginalized communities.
- Working with DTE to encourage and facilitate the timely installation of DTE infrastructure that benefits low-income and marginalized residential customers, including relocating DTE infrastructure if needed;

RESOLVED, Ann Arbor City Council requests that DTE provide quarterly updates on progress and, upon request, attend meetings of the Energy Commission and/or City Council to provide progress reports on the topics above; and

RESOLVED, Ann Arbor City Council directs and authorizes the City Administrator to take any action necessary to implement the objectives of Council directed herein.

Sponsored by: Councilmembers Ghazi Edwin, Song, Harrison, Briggs and Radina

As Amended and Approved by Ann Arbor City Council on April 3, 2023

Footnotes:

¹“MPSC orders audit, directs Consumers Energy, DTE Electric to report on compliance with outage, safety regulations.” Michigan Public Service Commission, October 05, 2022, <https://www.michigan.gov/mpsc/commission/news-releases/2022/10/05/mpsc-orders-audit>.

²“DTE Energy closes year with strong financial results; well-positioned for 2023.” DTE Energy, February 23, 2023, <https://ir.dteenergy.com/news/press-release-details/2023/DTE-Energy-closes-year-with-strong-financial-results-well-positioned-for-2023/default.aspx>.

³ Williams-Tack, Sharonda. “From Redlining to Restorative Justice: Anti-Black Racism and energy insecurity go hand in hand in America.” Sierra, February 21, 2021, <https://www.sierraclub.org/sierra/redlining-restorative-justice>.

⁴ “Powerless in the United States: How Utilities Drive Shutoffs and Energy Injustice.” Center for Biological Diversity | Selah Goodson Bell and Jean Su, Energy and Policy Institute | Matt Kasper and Shelby Green, and BailoutWatch | Christopher Kuveke, https://www.biologicaldiversity.org/programs/energy-justice/pdfs/Powerless-in-the-US_Report.pdf.

⁵ “Press Release: New Annual Report Shows Michigan Utilities Low Ranking on Key Measures of Reliability and Affordability.” Citizens Utility Board of Michigan, December 01, 2022, https://www.cubofmichigan.org/press_release_new_annual_report_shows_michigan_utilities_low_ranking_on_key_measures_of_reliability_and_affordability.

⁶ “DTE Energy beats profit estimates as winter storm boosts electricity demand.” Reuters, February 23, 2023, <https://www.reuters.com/business/energy/dte-energy-beats-profit-estimates-winter-storm-boosts-electricity-demand-2023-02-23/>.