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MPSC approves renewable energy settlement expanding DTE Electric's voluntary green pricing program

The Michigan Public Service Commission today approved a partial settlement agreement involving DTE Electric Co.'s renewable energy plan, including approval for the utility to increase its voluntary green pricing (VGP) program by 797 megawatts (MW) in 2022-2025, and add new VGP program offerings to provide low-income customers greater access to renewable energy.

The Commission approved the partial settlement, combining [Case No. U-20713](#) (VGP) and [Case No. U-20851](#) (renewable energy plan), along with approval of three solar contracts that supply electricity to customers through the company's VGP program, in which customers voluntarily specify a certain amount of electricity purchases to be from renewable energy resources, with costs of the program billed to participating customers.

Under the partial settlement agreement, the Commission:

- Authorized DTE Electric to add 797 MW of renewable energy to meet forecasted VGP demand in 2022-2025 and provide updated subscription and sales forecast information in its semi-annual VGP reports.
- Approved DTE Electric's build-transfer agreements (BTA) with Freshwater Solar Holdings LLC and White Tail Solar Holdings LLC as well as a power purchase agreement with Calhoun County Solar Project LLC.
- Authorized DTE Electric to use reasonable efforts to launch three low-income solar pilot projects with commercial operation dates in 2022 thru 2024, with one target project each year. DTE Electric will also form a Low-Income Solar Council to bring community involvement into the operation and development of the three projects.
- Authorized DTE Electric to solicit 100 MWac of small-scale solar build-transfer projects from projects with pending interconnection applications.
- Authorized DTE Electric to utilize tax equity financing as an allowable utility financing structure for all future BTAs and self-developed projects to reduce costs for ratepayers.

Today's order authorizes DTE Electric to apply a financial incentive to VGP power purchase agreements based on expected customer savings calculated as a percentage of the difference in cost between company-owned projects and power purchase agreements, as outlined in the order. The savings-based incentive approved by the Commission will encourage DTE Electric to select lower cost generation resources that result in savings for utility customers. The use of financial incentives was authorized by the Legislature in the 2016 bipartisan legislative reforms as a way of helping to level the playing field between utility-owned projects and those developed by third parties in order to reduce costs for customers.

Intervenors in the case were Soulardarity; Natural Resources Defense Council; the Michigan Environmental Council; the City of Ann Arbor; the Michigan Municipal Association for Utility Issues; Environmental Law and Policy Center, Ecology Center, and Vote Solar; Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy Economy; Energy Michigan; Association of Businesses Advocating Tariff Equity, and Great Lakes Renewable Energy Association. MPSC Staff also participated in the case.

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

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