



Gretchen Whitmer, Governor
Dan Scripps, Chair
Katherine Peretick, Commissioner
Alessandra Carreon, Commissioner

NEWS RELEASE

[X/Twitter: @MichiganPSC](#)
www.michigan.gov/mpsc

FOR IMMEDIATE RELEASE Feb. 27, 2025
News media contact: [Matt Helms](#) 517-284-8300
Customer Assistance: 800-292-9555

MPSC establishes financial incentives, penalties for electric utilities to improve reliability performance

The Michigan Public Service Commission today approved a mechanism for establishing financial incentives and penalties for electric utilities, a key part of the Commission's ongoing efforts to improve the reliability of Michigan's power grid ([Case No U-21400](#)).

The MPSC in 2023 launched a [Financial Incentives and Disincentives workgroup](#), part of its [MI Power Grid](#) effort, to develop reliability and safety metrics and financial incentives and penalties for utilities to improve performance in keeping the power on and reducing the number and duration of outages.

"Our goal from the beginning was to develop a framework that, above all, drives improvement in reliability, particularly in the areas that are most frustrating for customers," MPSC Chair Dan Scripps said. "By staying focused on a relatively small number of performance metrics closely tied to the most acute pain points experienced by customers, I'm confident that this framework will help accelerate the progress we're already seeing in in distribution and reliability improvement."

In today's order, the Commission adopted a modified version of a proposal developed by MPSC Staff with extensive input obtained through public engagement sessions and comments from interested persons. The Staff proposal outlines seven metrics measuring the average length of customer outages, the length of time utilities take to restore power both after storms and in calm weather conditions, the number of customers experiencing four or more outages per year, and the utilities' worst-performing circuits.

The Commission adopted the proposal with modifications aimed at focusing initially on improving the fundamentals of distribution reliability, leaving other related issues in the Commission's "Reliability-Plus" approach — including matters such as the impact of increasing demand on the grid from growth in distributed generation and the number of electric vehicles — for later iterations of the workgroup's efforts.

The Commission directed DTE Electric Co. and Consumers Energy Co. to file their individual financial incentive/disincentive mechanisms in standalone dockets by April 15, 2025. The Commission set a limit for penalties and incentives at a total of \$10 million for the 2026 calendar year

The MPSC directed the utilities to closely track reliability in U.S. Census tracts that have scores of 80% or more in the state's environmental justice screening tool, [MiEJScreen](#), to inform potential future metrics on equity, grid modernization, distributed energy resource integration, and resilience.

The Commission emphasized that, while this framework will incentivize speedier improvements to the distribution system and reliability for customers, utility worker safety must be prioritized.

In today's order, the Commission said it will commence the first standalone proceeding for reviewing metrics by Oct. 15, 2027. The Commission also said it will issue guidance regarding the review process in advance of that date.

MPSC REVOKES ELIGIBLE TELECOMMUNICATIONS CARRIER STATUS OF PROVIDER ACCUSED OF DEFRAUDING FEDERAL PROGRAM

The MPSC today revoked the eligible telecommunications carrier (ETC) designation of a company suspended by the Federal Communications Commission (FCC) from federal funding for a program that provides discounted phone service to low-income seniors and others ([Case No. U-16940](#)). The Commission revoked Q Link Wireless LLC's ETC designation, which allows qualifying telecommunications companies to access federal Universal Service Fund support for discounted phone service through the Lifeline program for low-income customers. Q Link first received ETC status in Michigan in 2012. The U.S. Justice Department [announced](#) in October 2024 that Q Link and its CEO pleaded guilty to stealing more than \$100 million from the FCC's Lifeline program. MPSC Staff made multiple requests to contact Q Link after notice from the Department of Justice and the FCC but received no response.

COMMISSION OKs CONSUMERS ENERGY RENEWABLE ENERGY CONTRACT

The MPSC today approved Consumers Energy Co.'s application for approval of a power purchase agreement (PPA) for the output of the 150-kilowatt Manitou Farms Solar Plant in Benzie County, a one-year agreement with an estimated cost of \$12,665 ([Case No. U-20604](#)).

MSPC SEEKS COMMENT ON QUESTIONS, REVISIONS TO UTILITY DATA DISCLOSURE REPORTING

The MPSC announced it is seeking comment on questions raised by MPSC Staff as well as a proposed revised draft of the template utilities use to file required reports on customer data protection and sharing, to address a lack of consistency among reports and gather additional details that could inform future decision making ([Case No. U-20959](#)). Anyone interested may file comments by 5 p.m. March 20, 2025. Comments may be mailed to Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909, or emailed to LARA-MPSC-Edockets@michigan.gov. Comments also may be filed directly in the MPSC's E-Dockets system in Case No. U-20959.

MPSC APPROVES DTE ELECTRIC CO.'S POWER SUPPLY COST RECOVERY RECONCILIATION; DISALLOWS NEARLY \$30 MILLION IN EXCESS COSTS

The MPSC approved DTE Electric Co.'s application for a reconciliation of its power supply costs and revenues for 2022 metered jurisdictional electric sales ([Case No. U-21501](#)). The Commission set a net underrecovery of \$386,841,510, including interest, as DTE Electric's 2023 power supply cost recovery reconciliation beginning balance. The Commission approved a number of disallowances, including \$17,075,526 in replacement energy costs associated with an extended outage for repairs at its Fermi Unit 2 nuclear plant; \$10,972,107 in replacement energy costs associated with an outage at Unit 4 of the utility's Monroe Power Plant; and excess costs of \$151,172 for trona, a material used to treat emissions in power plants. The Michigan Attorney General's Office, Association for Businesses Advocating Tariff Equity, Michigan Environmental Council, and the Residential Customer Group intervened in the case. MPSC Staff also participated.

MPSC APPROVES DTE GAS CO. PETITION FOR REHEARING ON GAS COSTS

The MPSC today approved a petition for rehearing by DTE Gas Co., which sought to correct miscalculated costs for natural gas ([Case No. U-21291](#)). The Commission in November approved DTE Gas to raise rates by \$113,788,000; today's order increases that amount to \$115,610,000. The Commission also directed DTE Gas to book a regulatory asset for uncollectibles expense associated with energy waste reduction revenues, to be reviewed in the company's next general rate case, and to provide detailed information and auditable calculations of energy waste reduction, cost of gas, Home Protection Plan, and miscellaneous revenues as they relate to uncollectibles expense. The Commission denied petitions for rehearing filed by the Association of Businesses Advocating Tariff Equity and Michigan Power Limited Partnership. The Commission authorized DTE Gas to implement rates on March 13, 2025.

COMMISSION OKS DTE GAS CO. GAS COST RECOVERY PLAN, ISSUES WARNING ABOUT COSTS OF RESPONSIBLY SOURCED GAS

The MPSC approved DTE Gas Co.'s application for its gas cost recovery (GCR) plan for the 12 months ending March 31, 2025, and accepted the company's five-year forecast ([Case No. U-21439](#)). The Commission authorized the utility to implement a maximum gas cost recovery factor of \$3.77 per thousand cubic feet. The company also was authorized to include a supplier of last resort charge of 35 cents per thousand cubic feet for GCR customers and a reservation charge of 24 cents per thousand cubic feet for gas customer choice customers to be reflected in the company's monthly billings. The Commission, however, issued a warning that DTE Gas's premium costs associated with responsibly sourced gas (RSG) will be subject to approval in its next GCR recovery reconciliation case, and that RSG costs may not be recoverable in future reconciliation cases without evidence of its benefit to customers and that such costs are reasonable and prudent.

MPSC ADOPTS ENERGY WASTE REDUCTION PLAN FRAMEWORK

The MPSC today adopted a proposed framework for energy waste reduction programs developed by MPSC Staff in collaboration with investor-owned and municipal utilities as

well as electric cooperatives, in accordance with Public Act 229 of 2023 ([Case No. U-21654](#)). The act requires the MPSC to develop a framework energy waste reduction program to be used “by an independent energy waste reduction program administrator in administering a program on behalf of a provider, and to determine the appropriate amount of alternative compliance payments for effective administration of energy waste reduction programs consistent with that framework.” Today’s order summarizes the evidentiary record in the case and adopts the proposed framework with modifications. The Michigan Department of Attorney General, Citizens Utility Board of Michigan and Tilden Mining Corp. intervened in the case.

COMMISSION CLARIFIES CAPACITY DEMONSTRATION REQUIREMENTS

The MPSC today clarified aspects of the previously adopted Capacity Demonstration Process and Requirements as well as the General Affidavit used in the capacity demonstration process for every Michigan electric utility, alternative energy supplier, cooperative electric utility and municipally owned electric utility to show each year that they have sufficient planning resources for the next four years ([Case No. U-21775](#)). The Commission granted a motion by Energy Michigan to clarify requirements pertaining to alternative electric suppliers and other issues.

MPSC APPROVES APPLICATION FOR LANDFILL GAS PIPELINE

The MPSC approved an application by Ameresco Woodland Meadows Romulus LLC to install and operate a pipeline that will allow natural gas generated at a Wayne County landfill to be piped to a DTE Gas Co. facility, pursuant to Public Act 9 of 1929 ([Case No. U-21782](#)). The company plans an approximately 3,526-foot high-pressure pipeline from a proposed Ameresco high British thermal unit facility in Van Buren Township to a DTE Gas remote monitoring station to provide beneficial use of the landfill gas that would otherwise be flared.

For information about the MPSC, visit www.michigan.gov/mpsc, sign up for its [monthly newsletter](#) or other [listservs](#). Follow the MPSC on [Facebook](#), [X/Twitter](#) or [LinkedIn](#).

To look up cases from today’s meeting, access the [MPSC’s E-Dockets filing system](#). Watch recordings of the MPSC’s meetings on the [MPSC’s YouTube channel](#).

DISCLAIMER: *This document was prepared to aid the public’s understanding of certain matters before the Commission and is not intended to modify, supplement, or be a substitute for the Commission’s orders. The Commission’s orders are the official action of the Commission.*

###