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MPSC approves DTE Electric energy contracts for Google data center, protects other customers from the project's costs

The Michigan Public Service Commission today approved special contracts between DTE Electric Co. and Google LLC for the utility to provide electricity for a data center in Wayne County's Van Buren Township, conditioned on mandatory protections to prevent other customers from having to bear any costs associated with the project ([Case No. U-22058](#)).

The Commission approved a primary supply agreement (PSA) governing the terms of electric service to the data center and a clean capacity accelerator agreement (CCAA) providing for new clean energy resources and energy storage to help power the facility, which will be paid for by Google and developed, owned and operated by DTE Electric. The approval today ensures no costs are passed on to DTE Electric's other customers.

"The protections the MSPC enacted today in approving these contracts will ensure that other customers aren't subsidizing this large addition to the state's energy grid," MPSC Chair Dan Scripps said. "Furthermore, the range of resources identified to serve the customer — and the fact that Google will pay the full costs of these resources — helps ensure we can add this significant load while maintaining grid scale reliability and continuing progress towards the state's clean energy goals."

Continuing ratepayer protections that have been highlighted as some of the strongest in the country, the Commission approved DTE Electric's PSA with Google that includes:

- A contract length of 20 years, compared to 5-year contracts normally required under DTE Electric's large-load D11 rate. This reduces the risk of stranded infrastructure costs were a data center to leave before costs to serve it are paid.
- A minimum billing demand of 80%, compared to 50%-65% in the general D11 rate. This means Google will have to pay a minimum of 80% of the contracted electric use, even if its actual use is lower.
- An early termination payment requiring Google to ultimately pay for at least 15 years of minimum monthly charges, ensuring that the costs to serve the project are fully recovered from Google even if it cancels the project early.
- Credit and collateral requirements to cover costs in the event Google were to cease operating the data center sooner than planned.

In addition, the CCAA terms require Google to pay for DTE Electric to develop up to 1,600 megawatts (MW) of renewable energy and 480 MW of battery energy storage to serve the data center. According to DTE Electric, the data center is expected to begin taking service in December 2027 with a maximum load achieved by December 2028.

DTE Electric contends that approval of the data center special contracts will result in a \$1.7 billion benefit, reducing costs to other customers over the 20-year life of the contract as Google pays for fixed costs that benefit the entire grid.

The Commission's authority in the case relates solely to the terms and conditions of the contracts for utility service and ensuring the contracts provide protections so that other DTE Electric customers are not responsible for any data center costs and financial risks. The Commission has no authority over matters such as whether and where a data center may locate.

The order today caps a review process that included a fully contested case in which the Commission, MPSC Staff and intervenors including the Michigan Department of Attorney General had full access to all documents filed in the case, including confidential documents filed under protective seal. Other intervenors were the Michigan Environmental Council; Natural Resources Defense Council; Sierra Club; Great Lakes Renewable Energy Association; Michigan Energy Innovation Business Council; Institute for Energy Innovation; Ecology Center; Environmental Law & Policy Center; Union of Concerned Scientists; Vote Solar; and Association for Businesses Advocating Tariff Equity.

HEARING SET ON PROPOSED RULES GOVERNING PUBLIC NOTICE, PUBLIC ENGAGEMENT AND OTHER REQUIREMENTS FOR TRANSMISSION PROJECTS

The MPSC will hold a public hearing Oct. 21 on its proposed new rules governing matters of public notice, public engagement, and other requirements for expansion of high-voltage electric transmission lines in Michigan (Case No. U-22064). The new rules grew out of the MPSC's [dissatisfaction](#) with a lack of meaningful engagement with impacted landowners when Michigan Electric Transmission Co. (METC) sought approval for its Nelson Road to Oneida project, a 39-mile, 345 kilovolt (kV) double circuit line between substations in Gratiot and Eaton counties, and its Helix to Hiple project, a 55-mile, 345 kV double circuit line between substations in Calhoun and Branch counties. The projects were the first new high-voltage transmission lines authorized by the MPSC in more than a decade. The Commission in January 2026 approved new [recommended guidelines](#) to ensure better public engagement. The new proposed rules would, for the first time, enact filing requirements under Public Act 30 of 1995 for all companies seeking to expand transmission lines in Michigan. The input of individual property owners who experienced the siting process during the METC case helped shape the new rules. The rules would govern matters including required construction plans, application materials, public notice and public engagement.

The rules come as new transmission lines have been authorized to be built in Michigan by the Midcontinent Independent System Operator, or MISO, which manages major

high-voltage electric transmission lines in most of Michigan, 14 other states and the Canadian province of Manitoba. In December 2024, MISO approved a [batch of new transmission projects](#) as part of its Long-Range Transmission Plan, including several proposed for Michigan. The public hearing will be held on Oct. 21, 2026, at 10 a.m. at the MPSC's Lake Michigan Hearing Room, 7109 W. Saginaw Highway, Lansing. Interested individuals and organizations also may provide written comments by 5 p.m. Oct. 21, by mail to Michigan Public Service Commission, Executive Secretary, P.O. Box 30221, Lansing, MI 48909, by email to LARA-MPSC-Edockets@michigan.gov, or through the MPSC's E-Dockets system. Comments must reference Case No. U-22064.

COMMISSION OKS 4 CONSUMERS ENERGY SOLAR POWER PURCHASE AGREEMENTS

The MPSC approved several Consumers Energy Co. power purchase agreements (PPAs) for the output of solar facilities as the utility adds more solar energy under terms of a 2022 settlement agreement on its long-term integrated resource plan ([Case No. U-20604](#)). The Commission approved a PPA with Manitou Farms for about .015 megawatts (MWs) for the Manitou Farms Solar Plant from Oct. 1, 2025, to Sept. 30, 2026, at a cost of about \$13,537, or \$40.55 per megawatt-hour (MWh); a PPA with Pivot Energy MI 1 LLC for the output of its 1.875-MW Pivot Energy MI 1 Solar Plant from July 31, 2028, to July 31, 2043, at an approximate cost of \$2,396,940, or \$39.72/MWh; a PPA with Pivot Energy MI 9 LLC for the output of its 5-MW Pivot Energy 9 Solar Plant from March 26, 2028, to March 26, 2043, at a cost of about \$6,009,360, or \$39.70/MWh; and a PPA with Pivot Energy MI 20 LLC for the output of its 1.875-MW Pivot Energy MI 20 Solar Plant from April 2, 2028, to April 2, 2043, at an approximate cost of \$2,380,373, or \$40.12/MWh. The Commission noted that, while it approved a financial compensation mechanism (FCM) for each of these contracts, as required under MCL 460.1028(8), the Commission expressed disagreement with the statutory requirement that an FCM be applied to PURPA contracts where a utility is obligated under federal law to purchase the output of qualified facilities. The Commission said the FCM is simply added utility profit that provides customers nothing in return. "Adding profits to utility contracts that are entered into pursuant to federal obligations results in unnecessary costs for customers," Commissioner Katherine Peretick said.

COMMISSION APPROVES FEE CAP WAIVERS FOR ALPENA POWER CO. INTERCONNECTION STUDY

The Commission granted Alpena Power Co. an additional one-year waiver of fee caps related to the utility's interconnection system impact and facilities studies required under the Interconnection and Distributed Generation Standards the Commission adopted in 2023 ([Case No. U-21483](#)). The Commission approved increasing a system-impact study fee cap to \$25,000 from \$10,000 and a facilities study fee cap to \$30,000 from \$15,000, ensuring Alpena Power is collecting enough to cover study costs.

MPSC APPROVES UPPER MICHIGAN ENERGY RESOURCES CORP.'S ENERGY WASTE REDUCTION PROGRAM ADMINISTRATOR APPLICATION

The MPSC approved Upper Michigan Energy Resources Corp.'s (UMERC's) application

and notification of intent to elect administrator Efficiency United to implement the Upper Peninsula utility's energy waste reduction (EWR) service for 2026-2027 ([Case No. U-21685](#)). The Commission also approved the utility's alternative compliance payment pricing portfolio. The MPSC directed its Staff to work with Efficiency United to use UMERC's unspent EWR payment amounts to reduce alternative compliance payments for the following year, based on an annual reconciliation. The Commission directed UMERC to reimburse Efficiency United for the difference between approved 2025 funding levels and the amounts the amount approved today, and to file its next application and provider notification within the next six months or file its next application for self-implementation for 2028-2029.

MPSC APPROVES AMENDED POWER PURCHASE AGREEMENT BETWEEN CONSUMERS ENERGY, TES FILER CITY

The MPSC approved a fourth amended power purchase agreement between Consumers Energy Co. and the TES Filer City Station LP ([Case No. U-21946](#)), projected to save customers about \$19.1 million. The Commission determined that the amended PPA does not violate the MPSC's Code of Conduct rules governing transactions between utilities and affiliated companies. The Commission declined to preapprove costs associated with the amendment, determining they are subject to review in the utility's future power supply cost recovery proceedings.

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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](#).

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