



Energy Affordability & Accessibility Collaborative

Definitions
Subcommittee

Wende Randall

Mary Wilkins

September 21, 2022

>> **Reminder of Our Charge**

01 Establish

Establish common definition of energy security/self-sufficiency – begin with proposed definition by MEAP Workgroup Subcommittee 2.

02 Develop

Develop proposal for an energy affordability standard and how the standard can be integrated into the regulatory environment.

03 Draft

Draft suggested requirements for consistent energy affordability-related information for utilities to submit to appropriate dockets: rate cases, IRPs, EWR cases.



Introduction to MPSC Regulatory Authority

Sarah Mullkoff
Executive Advisor to the Commissioners
September 21, 2022

OUR MISSION

To **serve the public** by ensuring safe, reliable, and accessible **energy** and **telecommunications** services at reasonable rates.

DEI Mission statement: “We are committed to developing action-oriented strategies that reinforce the Michigan Public Service Commission as a safe, welcoming work environment and an organization that serves all Michiganders as we fulfill our mission as utility regulators. We are vowing to change how we approach our work and end systemic and overt racism, both internally and externally, stop discrimination, and adjust how the resources support the development and implementation of this effort, and to address institutional or cultural barriers that have historically inhibited or may inhibit progress over these goals”

MAJOR FUNCTIONS

Ensuring System Reliability

Setting Just and Reasonable Rates

Licensing & Fostering Competitive Markets

Energy Assurance and Planning

Facility Siting & Need Determination

Public Safety and Infrastructure Oversight

Customer Assistance & Protection

OUR AUTHORITY

- The MPSC is a Creature of Statute
 - The Commission only has authority provided by the legislature
 - Possesses no common-law or equity powers
 - Courts have clarified intent of MPSC authority, e.g.:
 - Union Carbide Corporation v. Public Service Commission, 431 Mich 135 (1988)
 - Attorney General v. Public Service Commission, 231 Mich. App. 76 (1998)
 - Telephone Association of Michigan v. Public Service Commission, 210 Mich App 662 (1995)
 - In re Complaint of Rovas, 482 Mich 90 (2008)

THE MPSC: A CREATURE OF STATUTE

- MPSC makes decisions through:
 - ✓ Contested cases
 - ✓ Comment dockets
 - ✓ Rulemakings
 - ✓ Declaratory rulings and ex parte rulings
 - ✓ Mediation and arbitration
- MPSC also provides guidance through
 - ✓ Stakeholder collaboratives
 - ✓ Guidelines
 - E.g. rate case filing requirements

THE CONTESTED CASE

- Contested cases are “quasi-judicial”, similar to a trial
- Contested cases are governed by the Mich. Administrative Procedures Act (APA) and the Michigan Office of Administrative Hearings (MOAHR) Rules of Practice and Procedures specific to the Commission
- A commission case that is referred to MOAHR is a contested case that may require an evidentiary hearing and is assigned to an Administrative Law Judge (ALJ)

CONTESTED CASES: WHO CAN PARTICIPATE

- Intervention by Right
 - ✓ The Company, its staff and its legal representation
 - ✓ MPSC Staff and staff attorneys
 - ✓ Attorney General
- Permissive Intervention
 - ✓ Intervenors who have direct interest in the case may file a petition to intervene and must meet the following criteria:
 1. The petitioner would likely suffer injury in fact (i.e. direct interests are impacted), and
 2. The petitioner's affected interests are within the zone of interest to be protected or regulated by the statutes involved (i.e. the ratemaking statutes applicable herein)
 - ✓ If approved by ALJ must file an entry of appearance

CONTESTED CASE PROCESS



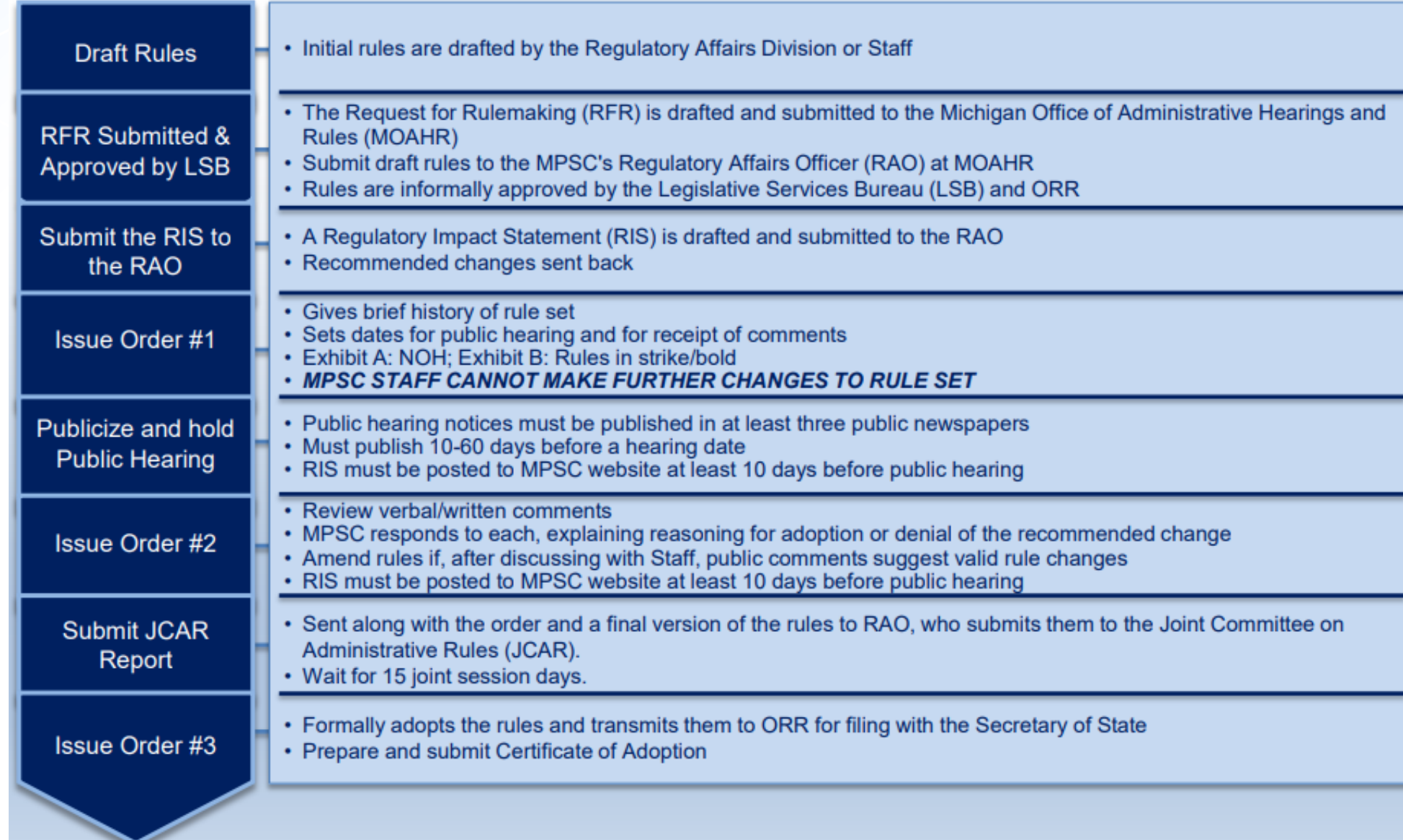
COMMISSION DECISIONS

- Must be supported by law and the facts in the evidentiary record with appropriate justification. The moving party bears the burden of proof.
- Parties can seek rehearing or reconsideration
 - Due 30 days from final order and governed by Rule 437
 - Must be based on claims of (1) error, (2) newly discovered evidence, facts, or circumstances arising after the hearing, or (3) unintended consequences resulting from compliance.
- Final order subject to judicial review
 - Court of Appeals for most contested case orders (Circuit Courts for customer complaints)

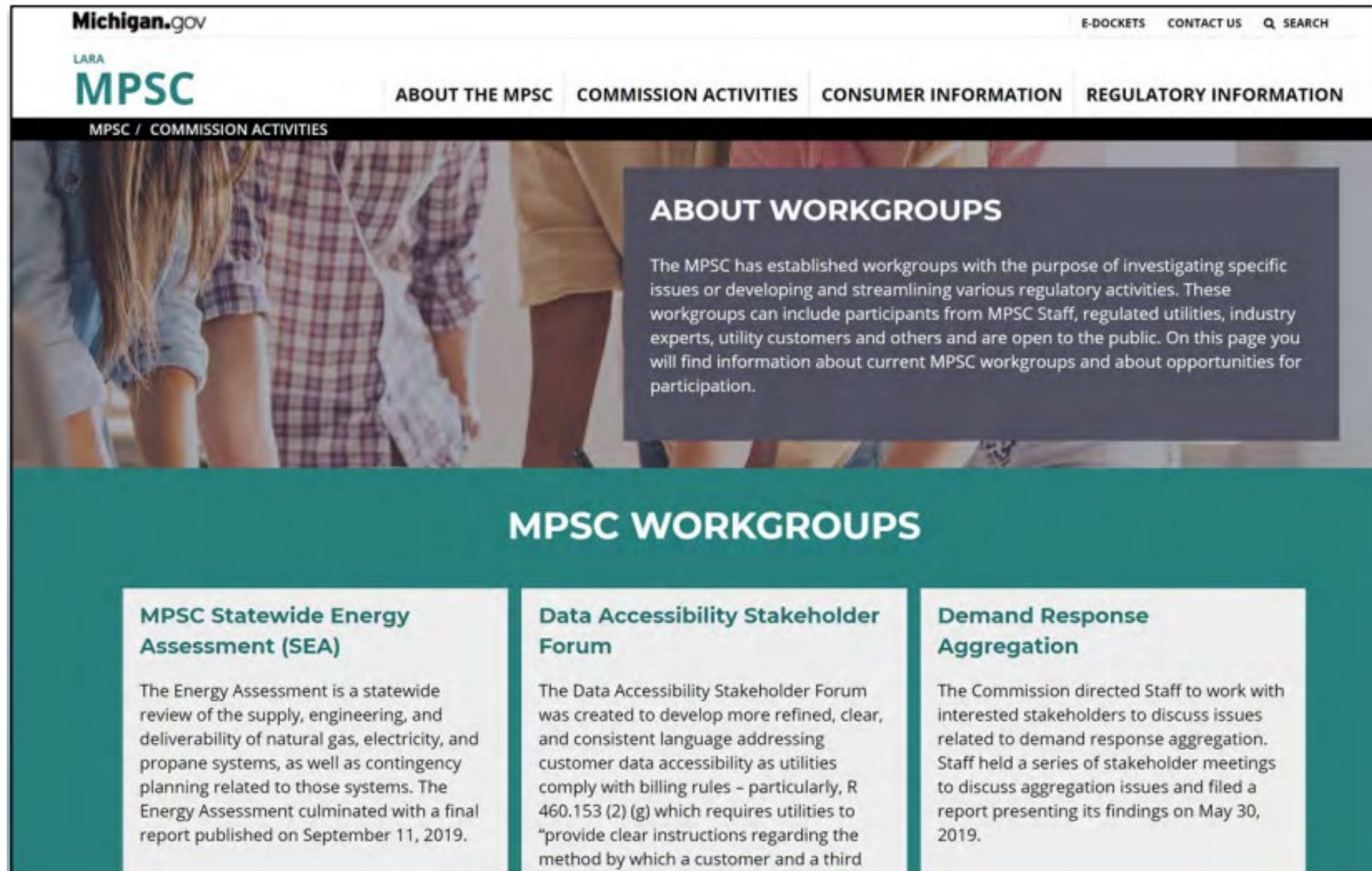
RULEMAKING

- “[The] commission shall have power and authority to make, adopt, and enforce rules and regulations for the conduct of its business and the proper discharge of its functions . . . [and to] make and prescribe regulations for the conducting of the business of public utilities, subject to the jurisdiction thereof . . . ” Public Act 419 of 1919, MCL 460.55
- What is a rule?
 - Establishes requirements for those who are regulated by or deal with the Commission and sets forth enforcement procedures for rule violations
- Rules apply generally, not individually □ Examples of Commission rules:
 - Consumer Standards and Billing Practices for Electric and Natural Gas Utilities
 - Gas safety standards
 - Telecommunications discontinuance of service
 - Rulemaking process set forth in APA

MPSC RULEMAKING PROCESS



STAKEHOLDER WORKGROUPS



The screenshot shows the MPSC website with a navigation bar at the top containing links for E-DOCKETS, CONTACT US, and a search function. Below the navigation bar is a header with the MPSC logo and a menu with links for ABOUT THE MPSC, COMMISSION ACTIVITIES, CONSUMER INFORMATION, and REGULATORY INFORMATION. The main content area features a large image of people in a meeting, with a text box titled 'ABOUT WORKGROUPS' explaining the purpose of these groups. Below this is a section titled 'MPSC WORKGROUPS' which lists three specific workgroups: MPSC Statewide Energy Assessment (SEA), Data Accessibility Stakeholder Forum, and Demand Response Aggregation, each with a brief description of its focus and recent activities.

Michigan.gov

E-DOCKETS CONTACT US SEARCH

LARA
MPSC

ABOUT THE MPSC COMMISSION ACTIVITIES CONSUMER INFORMATION REGULATORY INFORMATION

MPSC / COMMISSION ACTIVITIES

ABOUT WORKGROUPS

The MPSC has established workgroups with the purpose of investigating specific issues or developing and streamlining various regulatory activities. These workgroups can include participants from MPSC Staff, regulated utilities, industry experts, utility customers and others and are open to the public. On this page you will find information about current MPSC workgroups and about opportunities for participation.

MPSC WORKGROUPS

MPSC Statewide Energy Assessment (SEA)

The Energy Assessment is a statewide review of the supply, engineering, and deliverability of natural gas, electricity, and propane systems, as well as contingency planning related to those systems. The Energy Assessment culminated with a final report published on September 11, 2019.

Data Accessibility Stakeholder Forum

The Data Accessibility Stakeholder Forum was created to develop more refined, clear, and consistent language addressing customer data accessibility as utilities comply with billing rules – particularly, R 460.153 (2) (g) which requires utilities to “provide clear instructions regarding the method by which a customer and a third

Demand Response Aggregation

The Commission directed Staff to work with interested stakeholders to discuss issues related to demand response aggregation. Staff held a series of stakeholder meetings to discuss aggregation issues and filed a report presenting its findings on May 30, 2019.

THE COMMISSION AND THE LEGISLATURE

- Provide assistance with constituent concerns
- Help to provide energy education
- Policy development- this is evaluate on a case by case basis



CURRENT COMMISSION OUTREACH



2020 HOME HEATING CREDIT
Residential Customers

The Michigan Public Service Commission (MPSC) doesn't want you to miss your chance to receive the Home Heating Credit (HHC) from the state of Michigan! The HHC can help pay your winter heating bills and is funded by the federal Low Income Home Energy Assistance Program (LIHEAP). If you use a large portion of your monthly income to pay heating costs, you may be eligible for the HHC for the 2020 tax year.

WHO is eligible to apply?

Eligible customers must meet all of the following requirements:

- ✓ Your homestead (where you live) is in Michigan.
- ✓ You own or rent a home where you live (e.g. a rented apartment or mobile home on a lot in a mobile home park).

Income Guidelines	
Exemptions	Income Ceiling
0 - 1	\$14,043
2	\$18,986
3	\$23,900

MPSC Issue Brief
Michigan Public Service Commission

Consumers Energy Integrated Resource Plan

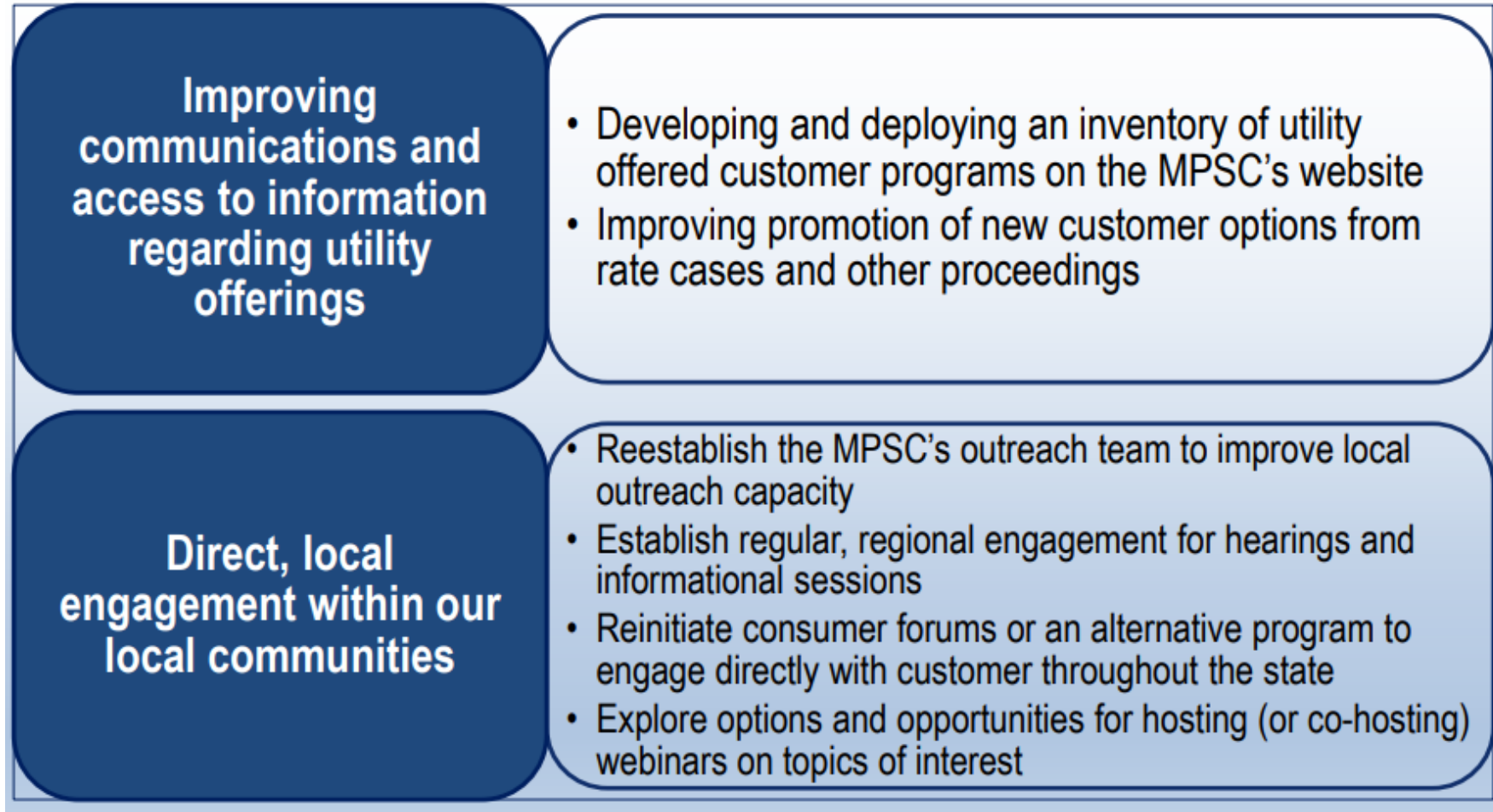
1. Does Michigan's 2016 energy laws require electric utilities to file Integrated Resource Plans (IRPs)? What is an IRP and why is it important?

An Integrated Resource Plan (IRP) is a roadmap for how an electric utility will meet its future electricity needs to serve customers in a cost-effective, reliable manner. A plan addresses issues such as the utility's expected



VISIONING EXPANDED OUTREACH

The MPSC's 2021-2025 Strategic Plan



http://www.michigan.gov/document/mpsc/External_Strategic_plan_2021-2025_713576_7.pdf

Ways which the MSPC is Considering Equity &/or Energy Affordability

DOCKETS THAT INCLUDE EQUITY &/OR ENERGY AFFORDABILITY

(Non-comprehensive list)

Commission-own Motion (C.O.M)

- U-20757 COVID-response
- U-20969 Customer Education & Data Privacy
- U-18238 Rate Case Filing Requirements (comments under consideration)
- U-21122 Storm Response
- U-21227 IIJA Grants
- U-20147 Distribution Planning
- U-20645 MI Power Grid- Energy Pilots and New Technology

Contested Cases

- U-20963 Consumers 2021 Rate Case
- U-21090 Consumers IRP (Settlement Agreement)
- U-20713 DTE EWR (Settlement Agreement)
- U-20836 DTE pending rate case

CASE STUDY 1: Environmental Justice in IRPs U-21090 (Consumers Energy IRP SA)

Executive Directive 2020-10

- The Department [EGLE] must expand its environmental advisory opinion filed by the Department in the Michigan Public Service Commission's ("Commission") Integrated Resource Plan (IRP) process under MCL sections 460.6t and also file environmental advisory opinions in IRPs filed under MCL 460.6s.
- The Department must evaluate the potential impacts of proposed energy generation resources and alternatives to those resources, and also evaluate whether the IRPs filed by the utilities are consistent with the emission reduction goals included in this Directive.
- For advisory opinions relating to IRPs under both MCL 460.6s and MCL 460.6t, the Department must include considerations of environmental justice and health impacts under the Michigan Environmental Protection Act.
- The Commission's analysis of that evidence must be conducted in accordance with the standards of the IRP statute and the filing requirements and planning parameters established thereto.(ED 2020-10, pp 2-3)

Case Study 1: Environmental Justice in IRPs

- MPSC, EGLE, and Utilities worked in partnership on developing additional qualitative and quantitative data needs to comply with the executive directive
- Companies provided additional information and correlation to MiEJScreening Tool in filings, which EGLE used to inform its advisory opinions
- Issue currently under discussion in ongoing MI IRP Planning Parameters

Case Study 2: Equity and Demographic Reporting in Reliability Dockets

- C.O.M. U-21122 Storm Response and U-20147 Distribution Planning
- Each of these dockets asked for more granular level reliability data
- Storm Response Docket included the following
 - A breakdown of each company's worst-performing electric circuits including frequency of and duration of outages
 - Number of repeat outages and where those circuits stand in relation to tree trimming practices
 - \$ Investments in grid hardening and other system upgrades
 - A list of the top ten ZIP codes that have the most and least frequent outages and the longest and shortest restoration times
 - List of the top ten ZIP codes where future efforts for the most tree trimming, reliability, and resiliency improvements are planned.

Considerations with the Subcommittee's Charge

1. *Common definition for energy affordability/energy self-sufficiency*
 2. *Proposal for an energy affordability standard integrated into regulatory environment*
 3. *requirements for consistent energy affordability-related information for utilities to submit to appropriate dockets*
- Consider legal issues with a subcommittee developing a definition or standardized language.
 - If not statutorily required, who must abide by it?
 - Have other states cracked this nut?
 - CO has stricter guidance for incorporating equity into regulatory decisions, though is guided by statute. (See [Senate Bill \(SB\) 21-272](#), and [PUC Equity Initiatives \(google.com\)](#))

Questions ?

Thank you.

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