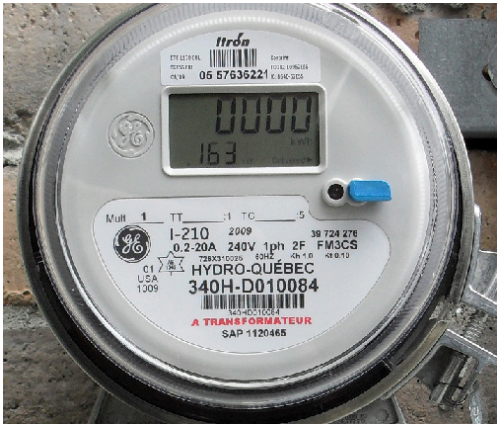


Michigan Electric Interconnection and Hosting Capacity



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i2X DER Interconnection
Webinar

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MPSC's Interconnection Rules

- ❑ Distribution level interconnections only
 - Applicable to 7 investor-owned utilities and 9 member-regulated cooperative utilities
 - Not applicable to Michigan's municipal utilities
 - As part of restructuring in the early 2000's, Michigan utilities no longer own transmission

- ❑ Major rules update effective April 2023
 - Incorporates IEEE 1547-2018
 - Adds FERC SGIP Fast Track Process & Pre-Application Report Option
 - Includes a public interconnection list requirement
 - New rules for power limiting and inadvertent export

MIXDG Rules Update Process

- ❑ Update process started in late 2018 and led to an approved ruleset in April 2023
- ❑ MPSC Staff led the workgroup process
 - Minnesota interconnection rules served as the starting point
 - Consisted of 11 workgroup meetings
 - Multiple comment periods
- ❑ The rules operate with a framework based on the rules with each utility having specific Commission-approved interconnection procedures detailing the utility implementation of the rules
 - Many technical details were omitted from the rules so that each utility could incorporate utility-specific implementation details into the interconnection procedures document



Interconnection Transparency

Interconnection Transparency

2023 MIXDG Rules added new transparency requirements:

- Pre-Application Report Option
- Public Interconnection List
- Annual Utility Interconnection Reports
- Study Costs

Interconnection Transparency

Pre-Application Report

- ❑ Required for projects larger than 550 kWac and optional for all other projects
 - \$300 fee and an applicant/affiliates are limited to 10 requests per week
 - Utility only needs to provide information that is existing and readily available
 - Based on FERC Small Generator Interconnection Procedures (SGIP)
 - Information provided includes:
 - ❑ Total capacity of the substation, bus, bank, or circuit
 - ❑ Existing generation and generation in the queue
 - ❑ Peak load and minimum load if available
 - ❑ Limiting conductor ratings

Interconnection Transparency

Pre-Application Report

Utility Concerns During Rules Development

- ❑ During the comment phase for the 2023 MIXDG rules, some utilities were concerned about providing distribution system details
- ❑ Selected utility comments:
 - Information is proprietary and has a market value and that the \$300 fee does not provide “just compensation”
 - Some developers working in Michigan had non-US parent companies
 - Pre-application report would require utilities to provide protected NERC CEII information

Interconnection Transparency

Public Interconnection List

- ❑ Public interconnection list rule is based on a similar requirement in the Minnesota DER Interconnection Process
- ❑ The 2023 MIXDG rule only applies to utilities with 100 or more complete interconnection applications in a year
- ❑ Public interconnection list must be posted on the utility website
- ❑ During the development of the rules, some utilities expressed concern about including this:
 - Labels, names, or identifiers of the distribution circuit and substation

Interconnection Transparency

Study Costs

- Upfront Application Fees
- Caps set on study fees
- Some utilities have requested waivers for the fee caps set up

Interconnection Transparency

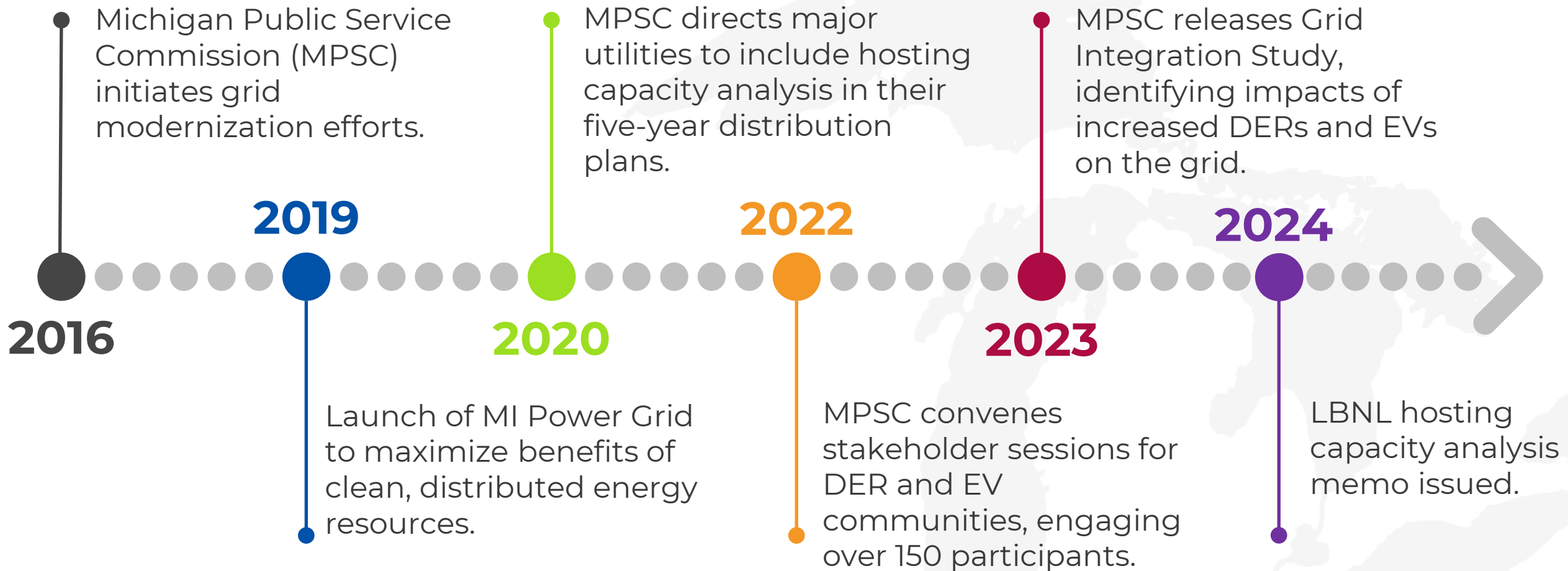
Annual Utility Interconnection Reporting

- ❑ Currently, the MPSC receives annual reporting related to distributed generation program interconnections
 - Michigan has about 23,800 projects which have interconnected to participate in the statewide distributed generation program
- ❑ 2023 MIXDG rules establish new utility reporting applicable to all interconnection projects
- ❑ The Commission established a new Interconnection Technical Workgroup to develop report format



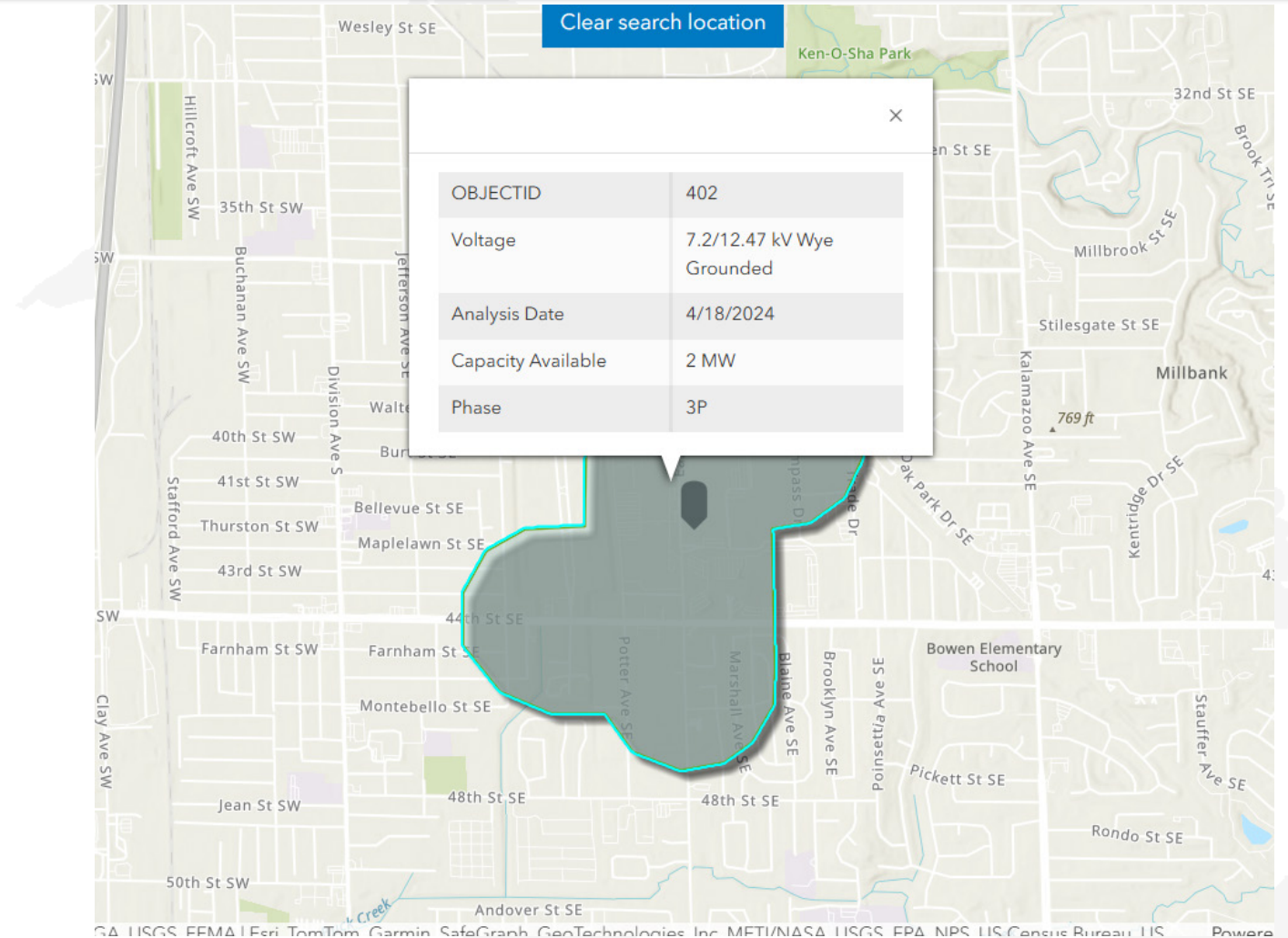
Hosting Capacity

Hosting Capacity



Hosting Capacity

- ❑ Only available on 3-phase
- ❑ Update frequency is not mandated



Utility Interconnection Automation

- ❑ PowerClerk
 - All of Michigan's larger utilities use PowerClerk to manage the administrative aspects of processing interconnection applications
 - Several utilities now take payment of interconnection fees via PowerClerk
- ❑ One large utility has incorporated automation into the interconnection study process

Questions?