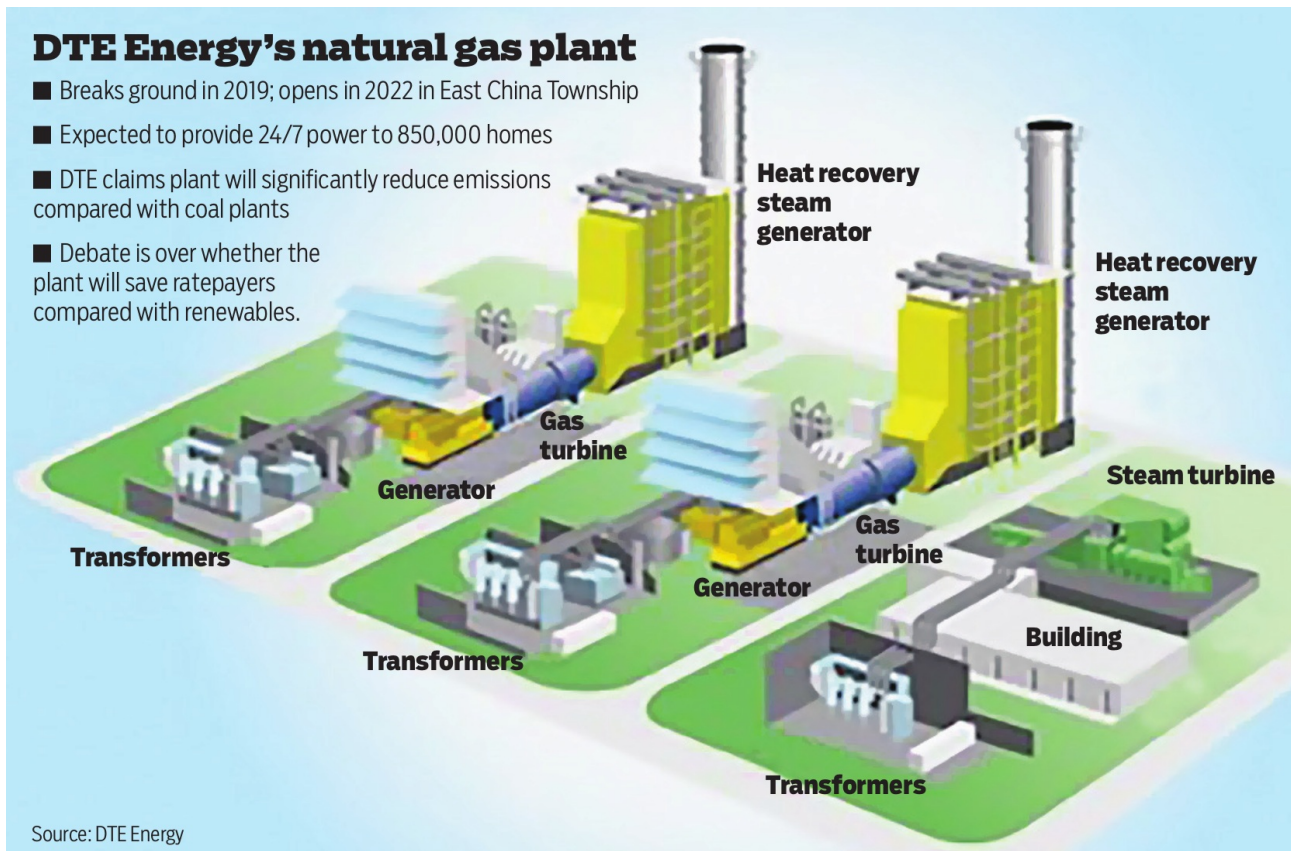


DTE gets approval to build \$1 billion gas-fired power plant in St. Clair County

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April 27, 2018



DTE Energy Co. received approval from a state agency to build a \$1 billion gas-fired power plant in St. Clair County, officials said Friday.

After a contentious hearing in which DTE officials took some criticism from Michigan Public Service Commission Chairman Sally Talberg about how the company put together its proposal, the MPSC approved the 1,100-megawatt plant in a 3-0 vote. The approval came after a monthslong campaign by renewable-energy advocates against the plant.

"DTE Electric's recent and planned investments in energy waste reduction, renewable energy and energy storage, when coupled with this highly efficient gas plant, demonstrate that Michigan is a great example of an 'all of the above' strategy to meet our energy needs in a reliable, affordable manner that protects the environment," Talberg said in a statement.

"The commission is granting certificates of need for DTE Electric's proposed 1,100 MW combined cycle natural gas plant to replace coal plants closing in the early 2020s. This plant has the best combination of operational, reliability, and economic attributes to fill this need for power and will help position Michigan for a successful transition to a cleaner energy future."

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Trevor Lauer, DTE Electric's president and COO, said the company plans to break ground on the plant in 2019 and flip the power plant's switch during the second quarter of 2022.

"We are really happy the MPSC approved the gas plant today. It will provide renewable, clean and affordable energy for Michigan" in the years to come, said Lauer, adding the gas plant won't completely replace the shuttered coal-fired plants.

Two renewable energy advocates condemned the approval.

Becky Stanfield, Vote Solar's senior director of western states, said the outcome was "very disappointing" and "everybody knows this isn't the best decision for DTE customers."

Sam Gomberg, senior energy analyst for the Union of Concerned Scientists, said the union, Vote Solar and the Environmental Law and Policy Center plan to review the MPSC's order this afternoon and decide on a possible appeal.

"Given the availability of lower-cost clean energy alternatives, this decision exposes Michigan ratepayers to unnecessarily high rates, a litany of risks associated with fossil fuel dependence and significant levels of pollution and carbon emissions," Gomberg said.

"It is a sad day for Michigan when robust analytics, hundreds of public comments from DTE customers, and input from dozens of economics, public health, engineering, energy and natural resources experts in opposition can't convince the commission that another fossil fuel-burning power plant isn't in ratepayers' best interests," Gomberg said.

Lauer said DTE plans to build additional renewable energy sources in the coming years.

The approval came with some criticism from the PSC.

"The proposed order stresses the importance of DTE engaging more effectively with the general public and interested parties that participate in cases before the Commission. We would all be well served by DTE being more forthcoming and cooperative with other parties, particularly as it relates to exchanging and explaining modeling assumptions, data, and approaches," Talberg said at the hearing.

Lauer said Talberg "pointed out improvements (DTE) could make with the process" of applying for the new gas plant. "She asked us to reflect on ways to improve. The image we hope to project as company is not one of contentiousness."

Lauer acknowledged some of DTE's briefs on the case could have been taken by opponents of the gas plant as criticism. "(The commission) found some (statements) inappropriate," he said.

The opposition groups said DTE could save customers more than \$340 million by shelving the gas plant and instead investing in wind and solar, other renewable energy options, storage technologies and energy efficiency programs. By doing so, the groups said DTE would increase its renewable energy portfolio to 24 percent of generation from the 11 percent projected based on DTE regulatory filings, said Vote Solar, Union of Concerned Scientists and the Environmental Law and Policy Center.

DTE has said in previous interviews with *Crain's* and in commission reports that building the gas plant is the least costly option for customers, will help it reduce carbon emissions by 30 percent by 2030 and will replace some lost jobs due to coal plant closures in St. Clair County. The company says it wants to break ground on the project in 2019 and begin producing enough electricity to power 850,000 homes, which is 39 percent of its 2.2 million electric customers in Southeast Michigan.

In a statement, St. Clair County Commissioner Jeff Bohm said the decision is good news for residents of the county.

"The new, cleaner natural gas power plant will create hundreds of jobs and provide additional revenue that we can put toward improving our roads, schools and other essential services. With three coal-fired plants scheduled to retire, we need the affordable, reliable energy that natural gas plants provide. This \$1 billion investment is a significant boost to our community and helps assure continued job growth while ensuring we can meet our state's energy needs," Jeff Bohm said.

DTE plans to close three coal-fired plants at River Rouge, St. Clair and Trenton Channel between 2020 and 2023. DTE said in a 15-year energy plan that it also could need another gas plant to meet baseload power demand by 2030, but commissioners said Friday they hoped DTE could find other alternatives to gas-powered energy production.

In late July 2017, DTE submitted its certificate of necessity for the gas plant, five months before a new state law went into effect last December.

Last month, DTE said it plans to double its renewable energy capacity by the early 2020s. The Detroit-based energy company said it would spend \$1.7 billion to add 1,000 megawatts of solar and wind power by 2022, doubling its current capacity and investments in renewable energy.

By Dec. 31, 2021, Michigan's new energy law requires power producers to generate 15 percent of their power renewable resources. DTE's plan will get the company to that goal, but it is unclear if DTE will exceed that goal. A proposed ballot measure, which DTE and Consumers Energy Co. opposes, would increase that renewable target to 30 percent by 2030.