



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN AGENCY FOR ENERGY
VALERIE J.M. BRADER
EXECUTIVE DIRECTOR

SHELLY EDGERTON
DIRECTOR

July 27, 2016

Mr. John Bear
Midcontinent Independent System Operator
P.O. Box 4202
Carmel, IN 46082-4202

Dear Mr. Bear,

The Michigan Agency for Energy supports the workable solution that American Transmission Company (ATC) has proposed to MISO as an alternative to support the reliability and voltage issues in Michigan's northwestern Upper Peninsula currently being addressed by the White Pine SSR Agreement. ATC has developed a plan to reconfigure its electric transmission system and revise its system operating guide in this area of the Upper Peninsula as an interim solution until alternative generation or transmission is in place to support going back to the network configuration.

ATC plans to modify its transmission system in the northwestern Upper Peninsula of Michigan from the current network configuration to two radial configurations. Prior to 1998, this is how the ATC system in this area was configured and operated. The proposal would alleviate the need to operate the White Pine System Support Resource (SSR) unit in the event of maintenance or outage on ATC's transmission system and complies with NERC reliability criteria and the MISO tariff.

The Michigan Agency for Energy believes this proposal is preferable to the current system, which relies on an SSR designation for White Pine Unit No. 1 to meet NERC reliability standards, increasing costs for Michigan ratepayers significantly. The White Pine SSR unit is not usually in the energy markets and requires a 6-12 hour cold start to commence operation. Furthermore, the poor condition of White Pine Unit No. 1, as evidenced by the substantial capital expenditures included in SSR filings, causes concern as to its ability to provide reliable service if called upon.

ATC is currently discussing its proposal with stakeholders in their local planning process and has presented to MISO as an alternative to the continued operation of the White Pine Unit No. 1 SSR. As no modifications to the MISO tariff would be needed, the Michigan Agency for Energy requests that MISO accept to ATC's system reconfiguration proposal without delay.

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The Michigan Agency for Energy is responsible for setting the State of Michigan on a path toward affordable, reliable energy and serves as a single entity dedicated to provide state, regional, and federal entities the information they need to support Michigan's energy priorities.

Sincerely,

A handwritten signature in black ink that reads "Valerie Brader". The signature is written in a cursive style with a large, prominent "V" and "B".

Valerie Brader
Executive Director
Michigan Agency for Energy