

Improving Integrated Resource Planning



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Michigan Energy Plan - Goals

- * Control Costs
- * Minimize Risk
- * Fair Rates for Customers
- * Promote Economic Development
- * Protect Public Health and Natural Resources
- * Preserve Excellent Reliability

Integrated Resource Planning in PA 286 of 2008

- * Fully evaluate energy resource alternatives
- * “Most reasonable and prudent” threshold
- * Only major investments (at least \$500,000,000)
- * Exempts pollution control equipment on old plants
- * Has hardly been used so far

Exemptions overwhelm expenditures

- * Utilities admit upgrade costs could exceed \$4.5 billion over the next ten years
- * Combined they are already seeking \$2.5 billion in rate increases
- * IRP exemptions in PA 286 prevent closer scrutiny of rate increases

IRP as Long-Term Planning

Table 1. Planning Horizons Found in IRP Rules.

| Planning Horizon | States with Specified Planning Horizon |
|-------------------------|--|
| 10 years | Arkansas, Delaware, Oklahoma, South Dakota, Wyoming |
| 15 years | Arizona, Kentucky, Minnesota, North Carolina, South Carolina, Virginia |
| 20 years | Georgia, Hawaii, Idaho, Indiana, Missouri, Nebraska, Nevada, New Mexico, North Dakota, Oregon, Utah, Vermont, Washington |
| Multiple periods | Montana |
| Utility determined | Colorado |
| Not specified | New Hampshire |

Synapse Energy Economics, Inc. "A Brief Survey of State Integrated Resource Planning Rules and Requirements." April 28, 2011.