



Roadmap to Implementing  
**Michigan's New Energy Policy**

## Stakeholder Group Responsibilities and Procedures

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The Michigan Energy Office, with grant support from the U.S. Department of Energy, is working to create a stakeholder- and research-driven roadmap that aligns electric utility business interests and customer behavior with public policy goals. The project is directed by a multiagency steering committee, including representatives from the Governor's Office, Michigan Department of Environmental Quality, Michigan Energy Office, and Michigan Public Service Commission. Public Sector Consultants, with support from the Regulatory Assistance Project, is providing project coordination, research, and facilitation services.

The steering committee, using an open process, formed a stakeholder group to make recommendations on new and innovative electric utility ratemaking and rate design approaches to achieve Michigan's energy policy goals. The group's membership represents a diversity of interests, including individuals that adequately represent their respective stakeholder interests as reflected by their leadership position within organizations and/or support of industry peers, are greatly impacted by energy issues, have affiliations that will advance the implementation of the results of this project, have experience with and knowledge of topics and regulatory processes, and are able to work well with other stakeholder group members.

### Responsibilities

- ❖ **Review Background Research:** At the direction of the steering committee, Public Sector Consultants, with contributions from the Michigan Public Service Commission, the Regulatory Assistance Project, and others, has developed a foundational baseline report. The purpose of the report is to ensure that all stakeholders have a common understanding of issues and information relevant to the project before beginning to explore and develop recommendations. The report summarizes Michigan's current energy policy landscape and regulatory framework; Michigan electric utilities' performance on key and relevant indicators; factors, risks, and opportunities that could impact implementation of such policy goals and requirements; and potential innovative regulatory and rate design options to policy implementation by aligning utilities and customers with the policy goals and requirements.
- ❖ **Develop a Vision and Guiding Principles:** Stakeholders will develop vision and guiding principles for any changes to the regulatory model or ratemaking approaches that can serve as a "yardstick" as they debate, design, and implement any changes. The vision and guiding principles will be reviewed by the steering committee before being finalized.
- ❖ **Recommend Regulatory and Rate Design Changes:** Using background research and direction provided by the approved vision and guiding principles, the stakeholder group will explore and define the details of different regulatory approaches and rate designs that could be put in place in Michigan in order to assist with implementation of new energy policy goals. These recommendations will be made to the steering committee. The process for adopting a consensus report and recommendations to the steering committee by the stakeholder group are outlined at the end of this document.

### Operating Procedures

- ❖ Unless prearranged, all members should plan to be present at the beginning and participate until the end of each scheduled meeting to assure continuity and to optimize available time. Teleconferencing

will be an option for participation in meetings, and may be utilized between meetings to expedite discussion at scheduled meetings.

- ❖ Alternates are not allowed, unless approval is sought and given by the steering committee in advance.
- ❖ Meeting materials, schedules, and summaries will be available electronically, and an e-mail will be sent to members following the first meeting with instructions on accessing this information.
- ❖ Meeting summaries will be prepared and distributed to members. Individuals' comments will not be attributed in the summaries.
- ❖ Meetings are not open to the public. Members are, however, encouraged to solicit input from others between meetings to assist in the discussions during the meetings.
- ❖ Members who have materials they wish to share are encouraged to provide electronic copies to the co-chairs with a copy to Public Sector Consultants for distribution to all members.
- ❖ E-mail will be the primary means of communications to members.

## Discussion Guidelines

- ❖ Acknowledge one another as equals in the discussion.
- ❖ Stay open to each other's perspectives.
- ❖ Do not criticize the ideas of another, but offer your own ideas that might be different.
- ❖ Slow down so we have time to think and reflect.
- ❖ Remember that this process allows everyone to think together. Expect the process to be messy at times, particularly given the controversial nature of the issues with which the members will be grappling.
- ❖ Stay focused on the responsibilities listed above.

## Guidelines for Finalizing Stakeholder Group Recommendations

- ❖ The stakeholder group should strive for consensus recommendations. A supermajority of those members (i.e., at least one more than a simple majority) will constitute the level of agreement necessary for a consensus recommendation to the steering committee.
- ❖ The steering committee intends to give great weight to the recommendations of the stakeholder group, but must assume the ultimate responsibility for any proposed regulatory or rate design changes. A policy call will be made by state decision-makers on whether to implement recommended changes to ratemaking and rate design and, if so, when and how to make this transition.
- ❖ Agency staff members, although involved in the discussions with the stakeholder group, have alternative means to express their opinions; therefore, only appointed stakeholder members will participate in determining recommendations to the steering committee.
- ❖ The written recommendations of the stakeholder group will be prepared by Public Sector Consultants and finalized following review and approval by members.
- ❖ In the event that an individual member determines he or she cannot support a specific consensus recommendation, he or she will have the opportunity to record the reservation.
- ❖ In the event that a consensus cannot be reached among the members on a specific recommendation (e.g., a supermajority of stakeholder members do not concur and/or there are multiple alternatives still under discussion at the end of the process), Public Sector Consultants will summarize, with the help of those members advocating for a specific recommendation, the different alternatives and the potential consequences in a written report that will be shared with all members for review before being sent to the steering committee.
- ❖ When the final recommendations to the steering committee are prepared, the stakeholder group will be asked to agree that the report accurately describes the process, and that the process provided adequate opportunities for members to provide input into the final recommendations and for individual members to record reservations on certain specific recommendations.

## Meeting Schedule

Dates	Purpose	Resource Materials Provided
<b>Baseline grounding</b>		
<b>August 3</b> 8:30 AM–Noon MPSC Offices	<ul style="list-style-type: none"> <li>Receive group charge from Valerie Brader</li> <li>Introduce stakeholders</li> <li>Review project scope and timeline</li> <li>Hear presentations on:               <ul style="list-style-type: none"> <li>Survey #1 results</li> <li>Current energy policy landscape and regulatory framework</li> <li>Utility business mode and pressures on the energy sector</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Purpose and process summary</li> <li>Baseline Report</li> <li>Survey (#1) results on key regulatory issues, risks, and solutions</li> <li>Presentations by:               <ul style="list-style-type: none"> <li>Public Sector Consultants</li> <li>MPSC</li> <li>RAP</li> </ul> </li> </ul>
<b>Regulatory and rate design issues and options</b>		
<b>August 24</b> 8:30 AM–3:30 PM MPSC Offices	<ul style="list-style-type: none"> <li>Multisector panel discussion on regulatory issues and opportunities</li> <li>Hear presentation on Paths to the Future (regulatory and rate design options)</li> </ul>	<ul style="list-style-type: none"> <li>Paths to the Future report</li> <li>Presentations by RAP</li> </ul>
<b>Creating a common vision</b>		
<b>September 21</b> 8:30 AM–Noon MPSC Offices	<ul style="list-style-type: none"> <li>Presentation on survey #2 results</li> <li>Refine principles</li> <li>Establish common vision for new regulatory framework based on key principles drawn from survey</li> </ul>	<ul style="list-style-type: none"> <li>Draft guiding principles</li> <li>Survey (#2) results on importance and urgency of guiding principles</li> </ul>
<b>Finalize recommended principles and vision</b>		
<b>October 19</b> Time and location TBD	<ul style="list-style-type: none"> <li>Review and finalize common vision for new regulatory framework based on revised principles</li> </ul>	<ul style="list-style-type: none"> <li>Revised guiding principles</li> <li>Draft vision</li> </ul>
<b>Action/implementation plan</b>		
<b>November 16</b>	<ul style="list-style-type: none"> <li>TBD</li> </ul>	<ul style="list-style-type: none"> <li>TBD</li> </ul>
<b>December 14</b>		
<b>January 25</b>		
<b>February 22</b>		
<i>Times and locations TBD</i>		