

UTILITY CONSUMER PARTICIPATION BOARD

12:30 p.m.

Zoom Meeting

REGULAR MEETING MINUTES

Present: Jim MacInnes (Board Chairperson), Sam Passmore (Board Member), Bali Kumar (Board Member), Paul Isely (Board Member), Elise Matz (Board Member), Chris Bzdok (MEC), Don Keskey (RCG, GLREA), John Liskey (CARE), Amy Bandyk (CUB), Jocelyn Krueger (LARA), Tonya Paslawski (MEGA), Greg Rivet (LARA), Suzy Westmoreland, John Richter (GLREA), Charlotte Jameson (MEC), Douglas Jester, (CARE and CUB), LeAnn Droste (LARA), Kelly Kitchen (Assistant to the Board), Mike Moody (AG), Carl Nelson, Rob Nelson, Margarethe Kearney, Emily Prehoda, Joe Bower, Rob Rafson

Monday August 24, 2020

I. Call to Order; Roll Call of Members and Procedural Overview

- a. Approval of Agenda and August 3, 2020 minutes (including consent items)

Moved: Bali Kumar; Seconded: Paul Isely

Roll Call: Elise Matz, yes; Bali Kumar, yes; Paul Isely, yes; Jim MacInnes, yes
Motion carried

- b. LARA Budget Update

Shawn Worden: Two items were not marked as final which brings the new balance available for grants to \$35,113.91 for 2020 grants.

Question about funds remaining in the UCRF at the close of the fiscal year.

LeAnn Droste: The monies lapses back to the fund and then can be used in the next fiscal year. The annual appropriation can be increased if requested and would need to go through the legislative appropriations process.

Jim MacInnes: Is there any information on how COVID-19 is going to affect next year's budget?

LeAnn Droste: I don't know if there is anything I can report on that.

II. Business Items

- a. Attorney General Update

Michael Moody: Update on cases the AG is currently participating. DTE rate case settled in favor of residential rate payers, worked closely with CUB on that case. CECo rate case has settled and awaiting Commission approval, help for residential ratepayers. SEMCo case settled. I&M IRP settled, worked with CARE and MEC. I&M pulled their IRP since it did not meet all the requirements for an IRP and will incorporate items from MEC and CARE through their expert Douglas Jester. The division will have a memo regarding the EWR cases for the next meeting.

Bali Kumar: If Michael Moody can stay on the call then we can wait, but if not hearing about what is the potential resolution now would good.

Michael Moody: Securitization case proposed by MEC, based on the AGs previous position regarding entering cases, this case is closely aligned with a rate case. Meaning the issue would be in a rate case, but the Commission or the Utility

separated it to hear it separately. These could be 304 issues, the Utility stated in their filing that they would file a rate case to deal with the issues if the Commission does not want to entertain a stand alone case.

PSCR cases, rate cases, MISO/FERC is handled by CUB with conversations with the AG, but not direct intervention.

Elise Matz: Are there any cases on the list that the AG will not be getting involved in?

Michael Moody: UMERC PSCR and UPPCO PSCR the AG will probably not intervene in those cases. The CECo IRP case the AG would reach out to MEC or CUB to share an expert or enter into a joint litigation agreement. The AG looks at the budget and work load and then prioritizes cases, the PSCRs are at lower priority.

Elise Matz: Are the cases that are outlined in the agenda a good outline of the major cases coming before the MPSC this year?

Michael Moody: Yes, those are the cases that are on the radar of the AG.

Sam Passmore: Are there any cases that are vitally important?

Michael Moody: The rate cases are always very important. The securitization cases is also important. MISO/FERC is becoming more important. Rate cases probably more priority than MISO, securitization then the PSCR cases.

Elise Matz: Where do IRPs fit into the list?

Michael Moody: I would put that up with the rate cases.

Rate/IRPs then FERC/MISO and securitization, then PSCR and GCR.

Elise Matz: The opinion letter from the AG is becoming more important for the possible funding of EWR cases

Michael Moody: Having a training after the memo is written could be possible. I will have the memo ready for the board by the next meeting.

Jim MacInnes: What about the Rate of Equity (ROE) issue?

Michael Moody: We could present on ROE for the board too.

Jim MacInnes: I don't think the UCPB should take it on by itself, but maybe a combination of efforts would be effective. The UCPB could partner with the AG or ABATE on this issue.

Michael Moody: The utilities are stating that they have been downgraded or put on a watch list and ROE may be at risk. I will share our expert with you.

Jim MacInnes: I would like to share the analysis of an MSU expert with the AG. It is a big deal and it affects the costs to all customers.

Elise Matz: I would like to work on updating the website; are their guidelines that I need to be aware of?

LeAnn Droste: I will get in touch with the people that are putting that together and get back to the Board.

2020 Grant Requests:

b. CARE

- UPPCO RDM (U-20150) for \$7,500

John Liskey: This is a carry over from the previous meeting and this is a request for the balance that was asked for from that meeting.

Moved: Bali Kumar to approve, Seconded: Elise Matz

Discussion

Roll Call: Elise Matz, yes; Paul Isely, yes; Sam Passmore, yes; Bali Kumar, yes; Jim MacInnes, yes

Motion carried

c. MEC

- DTE Electric Rate Case (U-20561) for \$5,050

Chris Bzdok: Request was made at the last meeting and deferred to this meeting. Rate recovery of River Rouge Plant up to 11.4 million dollars. This is to defend the appeal on this issue; our position has been supported by the Commission.

Sam Passmore: Review of the UCRF balance. Can we increase a grant amount or can we only act on a request?

Paul Isely: Can we spend the rest out on say MISO and pay out in 2020.

Michael Moody: Is there some kind of legal impediment to spending out the funding, is that your question? I think the UCPB could encumber that money now moving forward.

LeAnn Droste: So the question is could you increase the MISO/FERC 2020 grant?

Amy Bandyk: On our proposal we could request the UMEREC PSCR 2021 monies from the 2020 budget, since it will be filed in September.

LeAnn Droste: If the case is filed before September 15 then you could encumber funds from 2020.

Discussion regarding the current budget.

Moved: Paul Isely to fund DTE Electric Rate Case (U-20561) for \$5,050, Seconded: Bali Kumar

Roll Call Vote: Elise Matz, yes; Paul Isely, yes; Sam Passmore, yes; Jim MacInnes, yes

Motion Carried

- \$15,000 in Funds received for DTE Electric Rate Case that was not filed and moved to 2021 (U-20836)

Discussion: Bali Kumar, since the money has already been granted we should allow it to stand.

Moved: Paul Isely to leave the funds with MEC, Seconded: Bali Kumar

Roll Call Vote: Paul Isely, yes; Elise Matz, yes; Sam Passmore, yes; Bali Kumar, yes; Jim MacInnes, yes

Motion Carried

Sam Passmore: Could we increase the amount to encumber more money from the UCRF?

Bali Kumar: Would CUB start the MISO/FERC work in September

Bob Nelson: I think we would start the work.

Douglas Jester: There is ongoing work at MISO on behalf of CARE and would switch over to CUB whenever the funding switchers over.

John Liskey: I think the way it could work is we just started work on the issue of coordinated planning you could bill that to CUB.

LeAnn Droste: I would caution the board that you have funded CARE and Douglas Jester for the same purpose.

Jim MacInnes: I understand what we are trying to do, but am concerned about the confusion we are creating.

Bali Kumar: Looking at the financials it may be that CARE has spent their budget and therefore could expend more.

Paul Isely: It looks like the PSCR cases are clear of conflict maybe we should go with them.

Elise Matz: We don't know when those cases will be filed that may be a problem.

LeAnn Droste: The money needs to be encumbered before the 15th of September and the work needs to begin before the 30th of September.

2021 Grant Application and Requests:

Paul Isely: I would like to hear about all of these ahead of time before voting.

Elise Matz: Would the board like to entertain requests from other groups moving forward. The recommendations to the board from MSU/IPU was to allow for a rolling calendar for grants.

Sam Passmore: I am in favor of keeping the door open for grants.

Elise Matz: We could set up a two week time frame for getting grants turned in.

Jim MacInnes: I don't have any problem either with a rolling grant request process.

Elise Matz: Putting this on the website and updating the website would be great.

d. MEC

- CECo Electric PSCR Plan Case 2021 (U-TBD) for \$50,500

Charlotte Jameson: Discussed via a slide presentation to the Board.

Chris Bzdok: Phase One Requests; MEC has put forth all the cases that they thought the board might be interested in pursuing this coming year. Please view these cases as options for the board to fund. Looking at how utilities are planning for the future with the change in circumstances and how long the Utilities think these conditions will persist is a relevant perspective.

Sam Passmore: From MEC's point of view do grantees need to do both the PSCR plan and the reconciliation cases.

Chris Bzdok: If you are in one you should be in both. This is a very unique time for PSCR cases. DTE would be a higher priority over CECo.

Jim MacInnes: What does MEC see as important issues in these cases.

Chris Bzdok: DTE has some generating assets that are above market and whether it is doing enough to offset that considering current market conditions.

Nexxus is sort of upside-down where Michcon is currently cheaper than other end points. Market conditions are difficult to forecast in the current situation.

Jim MacInnes: Do the experts have any insight in the fracking companies going out of business?

Chris Bzdok: I don't have information on that at this moment.

Jim MacInnes: We have put a lot of money on the Nexxus issue and I think the UCPB needs to continue looking at their issues.

Chris Bzdok: Net cost of Nexxus that exceeds the value keeps getting worse and worse.

CECo has retired most of their vintage units. CECo has a lot more owned generation and higher priced PPAs that could be looked at.

Sam Passmore: For me to make a decision I would like to understand which of these cases is the hardest to raise money for and if any of these cases would not get representation if not for UCPB funding.

Charlotte Jameson: The myriad of cases that the UCPB cannot fund that MEC still engages in are funded from other sources and are very issue specific. The rate cases and IRPs are priorities, the utilities need a check on them in the PSCR cases as well.

Sam Passmore: If the board doesn't fund the cases on the list is there other funders that would step into that space.

Charlotte Jameson: MEC probably would not get involved in the cases on the list without UCPB funding.

Chris Bzdok: PSCR cases are not priority for other funders. The funds coming from other groups is very restrictive in the issues targeted.

Elise Matz: The UCPB is fairly unique in protecting residential rate payers

- DTE Electric PSCR Plan Case 2021 (U-TBD) for \$50,500

Moved: Sam Passmore, Seconded: Elise Matz

Discussion

Roll Call Vote: Paul Isely, yes; Bali Kumar, yes; Elise Matz, yes; Sam Passmore, yes; Jim MacInnes, yes

Motion Carried

e. CUB

- MISO/FERC \$35,000

Bob : MISO can react very quickly to issues and it is very important to have representation.

Douglas Jester: Governor request to look at capacity import limits. MISO only looks at the reliability issues of bringing new resources on line and not price. This stovepipe analysis is felt in many regions. Lack of coordination in transmission planning is something CARE/CUB is working on. FERC has issued an order regarding PURPA and there will be a lot of flow-down from that which will require a lot of work.

Jim MacInnes: Presented on IEEE program regarding Static Var compensators,

Moved: Paul Isely, Seconded: Sam Passmore

Roll Call Vote: Bali Kumar, yes; Sam Passmore, yes; Paul Isely, yes; Elise Matz, yes; Jim MacInnes, yes

Motion Carried

- UMERC PSCR Plan Case 2021 (U-TBD) for \$20,200

The new RICE plant will be the focus.

Could use a starter fund and then use 2021 funds to finish the PSCR cases.

Moved: Paul Isely That we use 2020 funds for \$6,800 for starter funds along with \$2000 conditional dollars on the 4K returned from CUB.

Seconded: Elise Matz

Roll Call Vote: Bali Kumar, yes; Sam Passmore, yes; Paul Isely, yes; Elise Matz, yes; Jim MacInnes, yes

Motion carried

- UPPCO PSCR Plan Case 2021 (U-TBD) for \$20,200

The Solar Plant being brought on line is a big issue.

Sam Passmore: To Amy Bandyk could you prioritize the cases presented and if you have any additional funding sources available.

Amy Bandyk: We are looking to get into the EWR cases with other funding sources.

Douglas Jester: the PSCR-R cases; in UMERC case the RICE plant has a fairly complicated contract with the mines and the costs splits. On the UPPCO side is a solar project that appears to be dead and they are seeking alternatives, they may go back to market and oversight is needed during this time. Until either files it is difficult to tell which needs intervention. I would think the UMERC case may be more relevant.

Moved: Paul Isely that we use 2020 funds for \$6,878 for starter funds with an additional \$2,000 conditional on returning funds from CUB.

Seconded: Elise Matz

Roll Call Vote: Elise Matz, yes; Bali Kumar, yes; Paul Isely, yes; Jim MacInnes, yes; Sam Passmore, yes

Motion Carried

CUB is looking at the GCR cases in the coming year.

2021 Future Grant Application and Requests:

Tabled the discussion regarding the second phase of funding.

f. MEC

- DTE Securitization Case (U-TBD) for \$50,500
- DTE Electric Rate Case (U-20836) for \$101,000
- CECo Electric Rate Case (U-TBD) for \$90,900
- DTE Electric PSCR-R 2020 (U-TBD) for \$40,000
- CECo Electric PSCR-R 2020 (U-TBD) for \$40,400
- CECo IRP (U-TBD) for \$50,500

g. CUB

- UPPCO Rate Case (U-TBD) for \$60,600
- CECo Gas Rate Case (U-TBD) for \$60,600
- UMERC PSCR-R Case (U-TBD) for \$20,000
- UPPCO PSCR-R Case (U-TBD) for \$20,200

III. Reports

a. Grantees

Don Keskey: RCG there was a PFD issued in July that supported RCG's position which disallowed 7.9 million in cost recovery of a fire at a plant. Reviewed where RCG is at in the other cases.

John Richter: GLREA Margarethe Kearney: Distributed generation tariff, looking at the value of solar. In the briefing stage currently. CECo U-20697.

Sam Passmore: Will GLREA be providing any grant requests going forward?

John Richter: Yes

CUB: Heat and Warmth fund 1million to help the low income folks for the coming winter. Securitization case coming for the KARN 1 and 2 plants.

IV. Public Comment

V. Next meeting: October 5, 2020

VI. Adjournment: 4:00 pm

Moved: Bali Kumar

