



DTE IRP

1. What is an Integrated Resource Plan (IRP) and why is it important?

An Integrated Resource Plan (IRP) is a roadmap for how an electric utility will meet its future electricity needs to serve customers in a cost-effective, reliable manner. A plan addresses issues such as the utility's expected customer demand, retirement of existing power plants, and the timing and amount of new electricity sources such as natural gas fired generation and renewable energy. A plan also addresses programs that assist customers in reducing their energy waste, which can help to lower utility bills, increase electric reliability, and positively impact the environment now and well into the future. An approved IRP allows for the utility to obtain pre-approval for the recovery of costs of specific near-term projects proposed in the plan. Public Act 341 of 2016 requires all investor-owned utilities to submit IRPs to the Michigan Public Service Commission (MPSC or Commission) for review and approval.

2. What did DTE propose in its IRP?

In its March 29, 2019 [application](#) in Case No. [U-20471](#), DTE presented a proposed course of action (PCA) for meeting its energy and capacity needs through 2035. DTE split its PCA into two parts: a near-term “defined” PCA covering years 2020–2024 and a “flexible” PCA for years 2025–2035. DTE's near-term PCA included the following:

- Additional 11 MW of solar plus storage pilot projects;
- Additional 693 MW of wind energy;
- Additional 465-715 MW of Voluntary Green Pricing (VGP) program renewables (MIGreenPower)(range based on different subscription levels);
- Accelerated schedule to retire coal-fired power plants in southeast Michigan ((Trenton Channel Power Plant, 2022; St. Clair Unit 7, 2022; St. Clair Unit 1, 2019);
- Conversion of River Rouge Unit 3 from coal to recycled industrial gases and natural gas in 2020, with plant retiring in 2022;
- Increase Energy Waste Reduction (EWR) programs to achieve annual energy savings to 1.65% in 2020 and 1.75% in 2021;
- Increase Demand Response (DR) programs to reach total of 859 MW by 2024; and
- Conduct a Conservation Voltage Reduction and Volt-Var Optimization (CVR/VVO) pilot program by 2020.

DTE's flexible PCA for years 2025–2035 contemplated four potential pathways for meeting customer needs, each with different strategies over time, two of which included construction of a 414 MW combined cycle gas plant within the considered years. With the intention of maintaining adaptability for changing prices, needs, and market conditions, the company purposefully declined to commit to one specific proposal beyond the first five years covered in the defined PCA.

3. How is the IRP evaluated by the MPSC? What factors does it consider?

To approve an IRP, the MPSC must determine that a proposed plan represents the “most reasonable and prudent” means of meeting the utility's needs. A plan needs to appropriately balance factors related to reliability, environmental compliance, competitive pricing, and diversity of supply. A plan must also determine whether levels of planned peak load reduction and energy waste reduction are reasonable and cost-effective. In making its decision, the Commission considers all testimony and evidence submitted to the record by the parties to the case. The Commission also received thousands of written comments and held a public hearing in Detroit to take comment on the IRP.

4. Did the Commission approve, deny, or recommend changes to DTE's IRP?

The Commission has 300 days from the initial filing date to approve, deny, or recommend changes to a utility's IRP. On February 20, 2020, the Commission issued an [order](#) recommending changes to DTE's IRP and set forth the options for parties to file comments addressing the recommendations within 15 days and for DTE to submit a revised IRP, in accordance with MCL 460.6t(7), within 30 days. Comments were received from ten parties.

5. What changes did the Commission recommend to DTE's IRP in its February 20, 2020 [order](#)?

The Commission's recommended changes included the following:

- Select a single pathway as part of an overall plan;
- Supplement the record with the request for proposals (RFP) for additional supply-side resources and responses to the RFP as required by Section 6t(6);
- Remove all unapproved supply-side resources from the defined PCA and modeling starting point;
- Include EWR levels of 1.75% in 2020, prorated based on the date of the final order in this case, and 2.0% in 2021;
- Revise DR-related tariff language so that the company can bid its programmable communicating thermostat (PCT) pilot into MISO as a DR resource;
- Remove proposed DR pilots other than the Bring-Your-Own-Device (BYOD) and Electric Power Research Institute (EPRI) pilots;
- Revise the rate impact analysis to reflect the decisions in this order; and
- Include reporting requirements proposed by the Staff.

The Commission also found that DTE had not justified the proposed retirement date for the Belle River power plant.

6. How did DTE respond to the Commission's recommendations?

DTE accepted the Commission's recommended changes. On March 20, 2020, DTE filed in Case No. [U-20471](#), an [Incorporation of Commission Changes to its Integrated Resource Plan](#), which details changes to the initially proposed IRP based on the recommendations of the February 20, 2020 order. Also set forth in the filing is DTE's plan for meeting with stakeholders to identify and evaluate alternative modeling software for future integrated resource plans.

7. What did the Commission decide in its final [order](#) issued on April 15, 2020?

The Commission's final [order](#) accepted DTE's revised plan incorporating the changes recommended in the February 20 order.

8. When will DTE file its next IRP?

Pursuant to the Commission's April 15, 2020 order, DTE will file a new IRP by September 1, 2023.

For more information, visit:

[MPSC Website](#)
[Integrated Resource Planning Issue Brief](#)
[IRP Filing Requirements](#)

April 15, 2020

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