

Making the Most of Michigan's Energy Future

MI Power Grid Overview

October 29, 2020 Status Update



- Focused, multi-year stakeholder initiative to maximize the benefits of the transition to clean, distributed energy resources for Michigan residents and businesses
- Engages utility customers and other stakeholders to help integrate new clean energy technologies and optimize grid investments for reliable, affordable electricity service
- Includes outreach, education, and regulatory reforms









Barriers/Challenges

- Outdated planning, procurement & interconnection models
- Rates (design and marketing)
- Regulatory/legal ambiguities; reactive approach
- Unclear roles and boundaries of utility, RTO, DER providers, and customers
- Data access limitations
- Utility investment incentives (return on capital)
- Operational capabilities

Drivers/Opportunities

- Declining costs
- Customer demand
- Technological innovation
- Environmental benefits

Solution

Holistic approach to maximize benefits of transition to clean, distributed energy resources for Michiganders

Three areas of emphasis:

- Customer engagement
- Integrating emerging technologies
- Optimizing grid investments and performance

Customer Engagement

- Demand Response
- Energy Programs and Technology Pilots
- Innovative Rate Offerings
 - Time-Based Pricing
 - Distributed Generation Pricing
 - Voluntary Green Pricing
- Customer Education and Participation





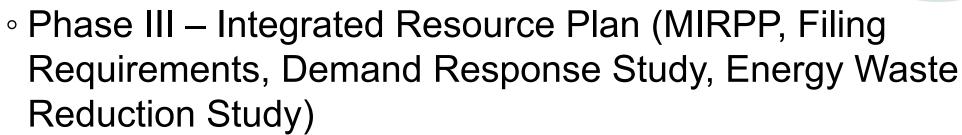
Integrating Emerging Technologies

- Interconnection Standards and Worker Safety
- Competitive Procurement
- New Technologies and Business Models
- Data Access and Privacy
 - Distribution System Data Access
 - Customer Data Access and Privacy



Optimizing Grid Investments and Performance

- Grid Security and Reliability Standards
- Advanced Planning Processes
 - Phase I Electric Distribution Planning
 - Phase II Integration of Resource/ Transmission/Distribution Planning



Financial Incentives/Disincentives



Phase I Activities

- Interconnection Standards and Worker Safety
- Electric Distribution Planning
- Grid Security and Reliability Standards
- Demand Response
- Energy Programs and Technology Pilots





Interconnection Standards and Worker Safety

- Workgroup activity began prior to the onset of MI Power Grid
- 10 stakeholder meetings were held from December 2018 through March 2020
- Developed streamlined standards governing the process to interconnect customer and third party-owned resources to the utility grid in a timely and safe fashion



Workgroup Initiated 11/8/2018 10 Stakeholder Meetings Conducted 12/7/2018 – 3/24/2020

Formal Rulemaking
Commences



Electric Distribution Planning

- Workgroup activity also began prior to the onset of MI Power Grid
- Five stakeholder meetings were held from June through November 2019
- Staff report and recommendations filed on April 1, 2020



 The Commission, based on Staff recommendations, provided expectations for the next round of electric utility distribution system investment plans

Workgroup Initiated 11/21/2018

5 Stakeholder Meetings Conducted 6/27/2019 – 11/19/2019

4/1/2020

Staff Report | Commission Order 8/20/2020



Grid Security and Reliability Standards

- Workgroup initiated in September 2019 and held four stakeholder meetings
- Charged with recommending revisions to the Service Quality and Reliability Standards as well as the Technical Standards for Electric Service rulesets
- Identified gaps in existing rules and proposed solutions, including improvements in expected levels of performance, requiring automatic bill credits for customers who experience long-term or multiple outages, as well as strengthening cybersecurity monitoring and reporting.

Workgroup Initiated 9/11/2019

4 Stakeholder Meetings Conducted 12/3/2019 – 3/12/2020 Initial Report 7/31/2020

Final Report 12/15/2020

Grid Optimization



Demand Response

- Workgroup initiated in September 2019 and held four stakeholder meetings
- Tasked with tackling demand response recommendations from the Statewide Energy Assessment and identified solutions and suggested improvements
- Today, the Commission issued an order in response to Staff's report and recommendations filed on July 31, 2020

Workgroup Initiated 9/11/2019

4 Stakeholder Meetings Conducted 1/16/2020 – 4/28/2020

Staff Report 7/31/2020

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Energy Programs and Technology Pilots

- Workgroup initiated in September 2019 and held seven stakeholder meetings
- Reviewed past Commission pilot programs and best practices from other states
- Recommended pilot evaluation framework and new Pilot Directory to ensure value and transparency which was adopted today by Commission order.

Workgroup Initiated 10/17/2019

7 Stakeholder Meetings Conducted 2/27/2020 – 6/25/2020

Staff Report 9/30/2020



Phase II Priorities

- Integration of Resource/Transmission/Distribution Planning
- Competitive Procurement
- New Technologies and Business Models





Remaining Priorities

- Customer Education and Participation
- Financial Incentives/Disincentives
- IRP (MIRPP, Filing Requirements, Demand Response Study, Energy Waste Reduction Study)
- Data Access and Privacy

Innovative Rate Offerings

2021

e Offerings

2022

Proposed Timeline

October 17, 2019 **OCT 2019** Governor's announcement and Commission order kicking off **JAN 2020** MI Power Grid initiative APR JUL October 15, 2020 OCT Staff MI Power Grid status report **JAN 2021** 2019 - 2022Rulemakings, workgroups, **APR** collaborate on areas of focus JUL OCT **JAN 2022 APR** JUL Q3 2022 Final overview of actions OCT

October 29, 2020 MI Power Grid Orders

- U-20628 Demand Response
 - Adopts recommendations related to updating retail tariffs, directs utilities to report on communication protocols and to develop an updated 45-day report template, and requests comments in response to questions related to DR aggregation ban.
- U-20633 Advanced Planning Process
 - Directs the Staff to work with utilities and stakeholders to develop recommendations about how best to consider Governor Whitmer's MI Healthy Climate goals.

October 29, 2020 MI Power Grid Orders

- U-20645 Energy Programs and Technology Pilots
 - Adopts recommendation to develop an online Michigan Pilot Directory and requests comments on Staff's recommended objective criteria to be applied in the evaluation of pilots.

- U-20898 New Technology and Business Models
 - Order kicking off this new workgroup that will examine regulatory and business model barriers.

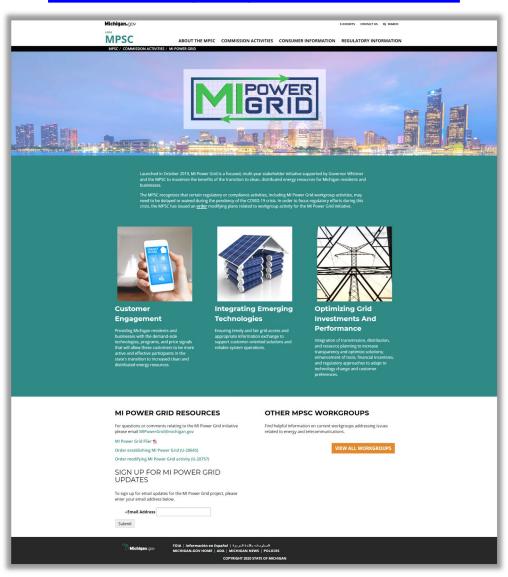






How to Get Involved

www.michigan.gov/MIPowerGrid



How to Get Involved

- Email: MIPowerGrid@Michigan.gov
- Contact team leads
- Follow <u>@MichiganPSC</u> on Twitter
- Sign up for listservs on workgroup webpages

JOIN THE DISTRIBUTION PLANNING WORKGROUP MAILING LIST
Those interested in receiving updates on distribution planning, including opportunities for stakeholder participation, please join our Listserv. *Email Address
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