



# Renewable Energy Plans 2011 Biennial Review Pre-Filing Update

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MICHIGAN PUBLIC SERVICE COMMISSION

# Renewable Energy Update

- Overview
- Filing Details
- Compliance Calculation
- MIRECS Update



# Overview

- What to include in a renewable energy plan review filing
- RPS Compliance Webpage
  - Presentation Slides From Meeting
  - MPSC REP Case Coordinator Information
    - Renewable Energy Section Introductions
  - Annual Reports, etc...



# Renewable Energy Plans Biennial Reviews

- What should be included in the plan review filing?  
**If the plan is not being amended:**
  - File a copy of the plan as approved by the Commission
    - Incorporate any changes agreed to during the initial plan approval process that were not reflected in the initial plan filing
  - A detailed analysis of the current status and progress made to date in implementation of the approved plan.
  - An analysis, which reflects current information and experience, of the approved plan's ability to meet the requirements of the statute.



# Renewable Energy Plans Biennial Reviews

- What should be included in the plan review filing?

## **If the plan is being amended:**

- Include an updated version of the plan
- A detailed analysis of the current status and progress made to date in implementation of the approved plan.
- An analysis, which reflects current information and experience, of the amended plan's ability to meet the requirements of the statute.



# Renewable Energy Plans Biennial Reviews

- What should be included in the plan review filing?

## **If the plan is being amended (continued):**

- Describe any amendments to the approved plan designed to either reduce the costs of compliance, modify the approved plan to achieve compliance with the statute or generally improve the plan.
- If the amendment impacts the costs, provide an updated life-cycle cost analysis calculation (rate regulated providers)
  - Staff suggests continued use of the [\\$133/MWh guidepost rate](#) for energy generated by a new conventional coal plant provided in the U-15800 docket.



# RPS Compliance Webpage

- [www.michigan.gov/renewables](http://www.michigan.gov/renewables) then choose **RPS Compliance** on the left side of the page.
  - MPSC REP Case Coordinator List
  - Act 295 Renewable Energy Annual Report Template for 2010 (in Word)
  - Links to all electric providers Annual Reports, Plan & Reconciliation Case Dockets
  - Presentation from today
  - And other documents



# WELCOME

## **2011 Renewable Energy Plan Biennial Review Filing and Schedule Requirements**

**Erika Vallance, Energy Analyst  
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Renewable Energy Section  
March 28, 2011**



**MICHIGAN PUBLIC SERVICE COMMISSION**



# Biennial Review of Renewable Energy Plan (REP) Case Filing Requirements & Schedules

- REP review filing dates and assigned case numbers can be located in Commission Order [U-16580 et al](#) issued February 22, 2011.
- REP filing dates for the Biennial Review is 2 years after the initial approval of the provider's REP plan.
- Staff sees the REP filing due dates from the Order as the biennial review filing dates for the remainder of the plan period.
- If the filing due date falls on a day when the Commission offices are closed (weekend/holiday), the filing due date will become the next available date that the Commission offices will be open.



# RATE REGULATED UTILITIES

- Rate regulated utilities include investor owned utilities and rate regulated cooperatives.
- File a notice of intent to file the plan review case.
- A case schedule will be set at each pre-hearing conference.



## Alternative Electric Suppliers & Member Regulated Cooperatives

- These providers are not required to have their REPs reviewed in a contested case proceeding.
- These providers will have comment proceedings according to the following schedules:
  - ***30 days prior to REP filing date***, a notice of intent to file an application accompanied by a notice of opportunity for comments will be reviewed and approved by the Commission's Executive Secretary, and returned to provider in time for provider to arrange publication and service of the notice of hearing in accordance with the Executive Secretary's instructions.



## Alternative Electric Suppliers & Member Regulated Cooperatives (continued)

- ***On or before the REP filing date***, the provider shall provide a description of its filing to all existing customers by mail or by placing a description of its filing on its website and by sending written notice to all customers of where and how to review the description. The provider shall also provide such information with marketing materials provided to all prospective customers. Lastly, the provider shall inform all existing and prospective customers of the deadline for submitting comments and how they may submit comments to the Commission.
- Comments shall be filed with ***30 days after the filing of the REP***.



# Municipally-Owned Electric Utilities (MOEU)

- A contested case proceeding is not required.
- 30 days before the plan review filing date, the MOEU will file a Notice of Intent to File Renewable Energy Plan Review

## **If the Commission will be conducting the comment solicitation:**

- The Notice of Intent is accompanied by a proposed Notice of Opportunity to Comment (a sample will be provided on the MPSC website)



# Municipally-Owned Electric Utilities (MOEU) (continued)

## If the MOEU will be conducting the comment solicitation:

- The Notice of Intent should be accompanied by a letter stating the MOEU is soliciting its own public comments.
  - If a letter is not included with the Notice of Intent, Staff assumes the Commission will conduct the comment period.
  - As part of its REP plan review filing, the MOEU will provide an affidavit indicating it solicited comments.
  - Comments received should be provided with the plan review filing.
  - A sample affidavit will be provided on the RPS Compliance webpage.



# Compliance Requirement in Plan

- Compliance requirement data is to be specified in plan cases
  - Check the calculation method in your initial plan and update to this method if necessary
  - U-15800 [Temporary Order](#) from December 4, 2008
    - Attachments A, B and C (templates in A and C)
    - Give detailed forecasts of number of REC necessary to fulfill RPS Compliance



# Compliance Requirement Calculation

(renewable energy credits)

Electric Provider	Example	Detroit Edison
35(1) PURPA Provision 1	400	600,000
REC Generated 2	250	
REC Purchased 3	150	
REC prior to Act/Baseline	800	600,000
<i>this will change each year 2012-2015</i> 4	60,000	43,889,000
method	3 year	weather
RE Portfolio	6,000	4,388,900
Less: REC prior to Act	800	600,000
Additional REC to get to RE Portfolio	5,200	3,788,900
Add: 2012 (20%)	1,040	757,780
Add: 2013 (33%)	1,716	1,250,337
Add: 2014 (50%)	2,600	1,894,450
Add: 2015 (100%)	5,200	3,788,900
2012 Compliance Requirement	1,840	1,357,780
2013 Compliance Requirement	2,516	1,850,337
2014 Compliance Requirement	3,400	2,494,450
2015 Compliance Requirement	6,000	4,388,900

- **2012 Illustration**
- **Each year 2012-2015 may have differing requirements, updated annually**

*Footnotes:*

1. Number of REC, one year prior to Act (October 2007-September 2008) that would have been transferred under 35(1) PURPA Provision, if Act in effect at time
  2. Number of REC generated one year prior to Act (October 2007 - September 2008) (if recoverable in rates)
  3. Number of REC purchased one year prior to Act (October 2007 - September 2008) (if recoverable in rates)
  4. Sales number (MWH sold to retail customers in Michigan) and method. Method: either weather normalized during prior year or three-year average
- RE Portfolio:** Sales (number four above) multiplied by 10%
- Compliance Requirement:** Sum of REC prior to Act/Baseline and respective adder for a given year.



# What if I already meet requirements?

Electric Provider		Example 2012	Example 2013
35(1) PURPA Provision 1		600,000	600,000
REC Generated 2		2,500	2,500
REC Purchased 3		14,000	14,000
REC prior to Act/Baseline		616,500	616,500
<i>this will change each year 2012-2015</i>	4	5,000,000	4,500,000
method		3 year	3 year
RE Portfolio		500,000	450,000
Less: REC prior to Act		616,500	616,500
Additional REC to get to RE Portfolio		(116,500)	(166,500)
Add: 2012 (20%)		0	0
Add: 2013 (33%)		0	0
Add: 2014 (50%)		0	0
Add: 2015 (100%)		0	0
2012 Compliance Requirement		500,000	500,000
2013 Compliance Requirement		500,000	450,000
2014 Compliance Requirement		500,000	450,000
2015 Compliance Requirement		500,000	450,000

- When baseline (REC prior to Act) meets or exceeds the 10% RE Portfolio Standard, the electric provider must stay at a level which is equal to 10% of the REC portfolio level each year of the RE plan period.

# MIRECS

- Generation data prior to registering
  - Limited to one calendar year

*Michigan Electric Service Providers who register after March 31, 2010 will be restricted from using Credits that were based on generation occurring more than one calendar year before Account registration and approval.*

- From MIRECS Operating Procedures

- All providers register prior to February 2012
- MIRECS.org



# Additional Questions?

PLEASE feel free to contact the Renewable Energy Section:

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