MI POWER GRID

Making the Most of Michigan's Energy Future

MI Power Grid Phase II

Competitive Procurement Value Added Criteria

March 17, 2021

Jesse Harlow

Workgroup Instructions

1. This meeting is being recorded
2. Please be sure to mute your lines
3. There will be opportunities for question/comments after each of the sections identified in the agenda
   - Please type questions into the chat function or use the raise hand function during this time
   - We will open it up to those on the phone after those using the chat function
4. The presentations for all the meetings are posted to the MI Power Grid webpage.

Agenda Items		
9:30 am	Introduction	Jesse Harlow (MPSC)
9:45 am	Pollinator Habitat and other Value Add Discussion	Rufus Isaacs (MSU) Margrethe Kearney (ELPC) Tom Zimnicki (MEC) Charlotte Jameson (MEC)
10:15 am	Value Add Discussion	Laura Sherman (MIEIBC)
10:30 am	Union Labor Value Add Discussion	Steve Hunter (Barton Malow)
10:45 am	Consumers Energy Perspective on Value Add	Keith Troyer (Consumers Energy)
11:15 am	DTE Electric Perspective on Value Add	Dave Harwood (DTE)
11:40 am	Discussion and Reactions	Jesse Harlow (MPSC)
11:55 am	Wrap-Up and Next Steps	Jesse Harlow (MPSC)
12:00 pm	Adjourn	

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Rufus Isaacs (MSU)
Charlotte Jameson (MEC)
Margrethe Kearney (ELPC)

MPSC

Michigan Public Service Commission

Michigan Pollinator Habitat Planning Scorecard for Solar Sites

This form was developed by the MSU Department of Entomology to guide vegetation management at solar installations to make them more supportive for native pollinators. Check the boxes and add up the points to determine whether the plans meet or exceed the minimum requirements. For more local information on pollinators and habitat: www.pollinators.msu.edu

PROJECT DETAILS

Solar developer:_____

Vegetation consultant: _____

Project location: _____

Project size (acres):_____

SITE SCORES

1. SITE PLANNING AND MANAGEMENT
   - ☐ Detailed plant establishment and vegetation management plan developed +10 pts
   - ☐ Site plan developed with a vegetation management company + 5 pts
   - ☐ Signage legible at forty or more feet stating pollinator friendly solar habitat +3 pts

2. HABITAT SITE PREPARATION PRIOR TO IMPLEMENTATION
   - ☐ Measures taken to control weeds during season prior to seeding +10 pts
   - ☐ No weed control -20 pts

3. INSECTICIDE RISK
   - ☐ Planned on-site use of insecticide or pre-planting seed/plant treatment (excluding buildings/electrical boxes, etc) -40 pts
   - ☐ Communication with local chemical applicators and site registered on https://mi.driftwatch.org/map +20 pts

4. AVAILABLE HABITAT COMPONENTS WITHIN 0.25 MILES (check/add all that apply)
   - ☐ Native bunch grass for bee nesting +1 pt
   - ☐ Open sandy soil areas for bee nesting +1 pt
   - ☐ Trees/shrubs for bee nesting +1 pt
   - ☐ Clean, perennial water sources +1 pt

** For seeding in the panel array, these can be a short-stature wildflower mix or clovers and other non-native species beneficial to pollinators. If clovers are used, these should be seeded in locations separate from the native wildflowers in the perimeter locations.*

*** Wildflowers in Question 7 refer to forbs which are flowering plants that are not woody, and are not grasses, sedges, etc. Measurements of percent cover should be based on the percent of the ground surface covered by foliage as viewed from above.*

Refer to www.nativeplants.msu.edu or a local native wildflower supplier for advice on plants that are attractive to pollinators and will work in various Michigan settings.

For more on pollinator habitat: www.pollinators.msu.edu

FLOWERING PLANT SCORES

5. FLOWERING PLANT SPECIES SEEDED IN PERIMETER AREA (species with more than 1% cover)
   - ☐ 5-10 species +1 pts
   - ☐ 10-15 species +3 pts
   - ☐ 16-20 species +8 pts
   - ☐ >20 species +10 pts

   Exclude invasive plant species from total

6. PLANT DIVERSITY UNDER SOLAR ARRAY*
   - ☐ Grass only +2 pts
   - ☐ Clover/grass mix +8 pts
   - ☐ Low-growing wildflower mix +10 pts

7. PERCENT OF SITE PLANNED TO BE DOMINATED BY WILDFLOWERS**
   - ☐ 0 - 25% 0 pts
   - ☐ 26- 50 % +3 pts
   - ☐ 51-75 % +8 pts
   - ☐ More than 75% +15 pts

   Projects may have different species mixes under the solar array panels and in the perimeter. Flower cover should be averaged across the entire site.

8. SEEDS USED FOR WILDFLOWER AREAS
   - ☐ Mixes are seeded using at least 40 seeds/square foot +5 pts
   - ☐ All wildflower seeds are from a source within 150 miles of the site +5 pts

9. SEASONS WITH AT LEAST THREE BLOOMING FORB SPECIES PRESENT (check all that apply)
   - ☐ Spring (April-May) +5 pts
   - ☐ Summer (June-August) +5 pts
   - ☐ Fall (September-October) +5 pts

Total points:	
Provides exceptional habitat	**90+ points**
Meets pollinator standards	**76 – 89 points**
Does not meet standards	**below 75 points**

MICHIGAN STATE UNIVERSITY | Extension

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Laura Sherman
MIEIBC

MPSC

Michigan Public Service Commission

Value-Added Criteria

michigan EIBC | MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL

March 17, 2021

Example Value Added Criteria

- Pollinator habitat
- Michigan content
- Michigan labor
- Union labor/prevailing wage
- Low-carbon materials
- Brownfield development
- Specific locations

Key Components

- Transparency
- Sufficient advance awareness
- Clear valuation system
- Appropriate credit provided:
  - Cost of the attribute
  - Value to the utility
  - Value relative to other attributes

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Steve Hunter
Barton Malow

MPSC

Michigan Public Service Commission

Competitive Procurement Workgroup Meeting #5

Union Labor Value Add Discussion

Barton Malow COMPANY

Demand for Energy Generation / Infrastructure

Generation:

- Wind
- Solar
- Gas
- Hydro
- Battery

Infrastructure:

- Transmission
- EV
- Battery

Project Demands:

- Safety
- Quality
- Production
- Community and Environmental Stewardship

Barton Malow COMPANY

Union Labor – Value Add

Safety

- Knowledge of industry safety guidelines.
- Tripartite between Unions-Owners-Contractors working collaboratively towards continues improvements to safety.

Quality

- Regional and Nationwide training centers.
- Certifications and Qualification
- Reduced OM cost

Production

- Large, highly skilled workforce
- On-demand
  - New construction or maintenance
  - Pull from adjacent resources
- Fluid Workforce
- Today‘s demands and tomorrow‘s

Community and Environmental Stewardship

- Local workforce
- New workforce engagement
  - Distributed Projects = Distributed Workforce
  - Career Opportunity
- Local spend and tax

Barton Malow COMPANY

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Keith Troyer
Consumers Energy Company

MPSC

Michigan Public Service Commission

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Dave Harwood
DTE Electric Company

MPSC

Michigan Public Service Commission

MI Power Grid Competitive Procurement Workgroup

Meeting #5

March 17, 2021

Summary

- DTE has used numerous proposal evaluation criteria in the past; generally falling into three main categories;
  - Qualifying Criteria
  - Pricing Criteria
  - Non-Pricing Criteria
- Within the Non-Pricing Category, DTE has previously included;
  - Project Specific Criteria
  - Developer Specific Criteria
  - "Value Added" or "Bonus" criteria
- DTE supports continued use of all non-pricing criteria, including value added or bonus criteria under certain considerations;
  - Non-pricing evaluation criteria should be used to identify the viability of a developer and the feasibility and probability of proposed project success
  - Flexibility is necessary in the identification and use of all non-pricing evaluation criteria over time and to allow for specific customer input on customer sited projects
  - Scoring for value added criteria should be relatively small when compared to pricing and other non-pricing criteria such that it provides a "tie-breaker" for proposals that are otherwise close

Non-Pricing Criteria - Project Specific

- Project specific criteria focuses on the viability of a specific project and can include feasibility, technology, exceptions to contract terms, and project management factors
  - Project Feasibility Factors such as;
    - percentage of land control and deviations to standard landowner agreements;
    - ordinance, permitting, and community engagement factors such as solar ordinance viability and local community reaction;
    - interconnect/GIA factors such as queue position and status;
    - environmental/wildlife factors such as protected species and/or habitat, wetlands/waters coverage, floodplain/flood potential, and wooded areas/forests coverage
  - Technology Factors such as safety & environmental considerations, maintainability, operability, reliability, control system aspects and ability to meet MISO Dispatchable Intermittent Resource (DIR) requirements
  - Exceptions to contract terms and conditions in the proforma contract to assess the level of negotiation expected and probability of achieving an executable contract
  - Project Management Factors such as schedule detail, status of construction permits, and exceptions to technical specifications

Non-Pricing Criteria - Developer Specific

- Developer specific criteria focuses on the developer's ability to complete successful projects and can include experience, safety and quality, and financial strength factors
  - Experience factors – including developer's years in the industry and cumulative MW's as lead developer
  - Safety and Quality factors – including developer OSHA recordable rate, developer EMR rate, and subcontractor quality & safety plan
  - Financial strength and creditworthiness factors – including credit rating, debt/equity ratio, net worth in order to evaluate developer's ability to finance and stand behind required liabilities and credit support

Non-Pricing Criteria - Bonus/Value Added

- Bonus or value added criteria focuses on unique community and stakeholder aspects not already covered by Project or Developer Specific Criteria
- The intent of bonus/value added criteria is to serve as a "tie-breaker" for proposals that are otherwise close in scoring
- DTE has used the following bonus/value added criteria in the past:
  - Pollinator Habitat Proposed (Solar Only)
  - MI Based EPC Supplier
  - MI Labor Component
  - MI Manufactured Material Component
  - Build Transfer / PPA experience with a utility
- It is important to maintain flexibility over time;
  - Ability to add or eliminate value added criteria
  - Ability to move value added criteria to Qualifying category when appropriate
  - Ability to incorporate specific customer input on customer sited projects.
- Value added or bonus points should never allow a poor project proposal to score like a good project proposal

Conclusion

- Non-pricing evaluation criteria is critically important to identify the viability of a developer and the feasibility and probability of proposed project success. An inexpensive project proposal that can't be built is not what we are looking for.

- DTE Electric does not recommend a single prescriptive approach to identifying and using non-pricing evaluation criteria. It is important to allow flexibility in the identification and use of all non-pricing evaluation criteria over time, including value added or bonus criteria.

- The intent of value added or bonus criteria should be to serve as a "tie-breaker" for proposals that are otherwise close in scoring. Value added or bonus points should never allow a poor project proposal to score like a good project proposal

Questions?

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Discussion

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Next Steps

Second Draft of Guidance Document by April 9

Comments on Second Draft by April 30

Send Comments to harlowj@Michigan.gov

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Adjourn