



# ENVIRONMENTAL LAW & POLICY CENTER

Protecting the Midwest's Environment and Natural Heritage

October 4, 2021

Ms. Wang -

The Ecology Center, the Environmental Law & Policy Center (ELPC), the Solar Energy Industries Association (SEIA), Vote Solar, and the Union of Concerned Scientists (UCS), collectively the Joint Clean Energy Organizations (JCEOs), appreciate this opportunity to provide comments on the Draft Michigan Public Service Commission Staff Report U-20898 MI Power Grid: New Technologies and Business Models Workgroup “Smart Rate Design for Distributed Energy Resources” Report (“Draft Report”).

The Draft Report is lengthy and comprehensive, providing a helpful overview of the substantial amount of information discussed throughout the stakeholder sessions. The JCEO supports the general conclusions that Staff reaches, and agrees with the Draft Reports recommendation that actions to address the ongoing energy transformation be swift.

With respect to Staff’s discussion of Environmental Sustainability and Resiliency, JCEO encourages Staff not to be dissuaded from making important changes because “it may be challenging to reduce and eliminate fossil fuel energy generation.” The most recent report from the Intergovernmental Panel on Climate Change report reinforces the importance of eliminating use of fossil fuels. While Staff is right to be cognizant of the hard work we all need to do to eliminate the use of fossil fuels in the energy sector, the difficulty of the work pales in comparison to its importance.

The JCEO also applaud Staff for recognizing the importance of considering equity impacts of this transition, as well as impacts on vulnerable populations. (11.1-2) The JCEO agree with Staff’s recommendation to use data-driven decision making, and note that data sources such as the Social Cost of Greenhouse Gases are available for the Commission’s use in quantifying impacts of greenhouse gas emissions from Michigan’s electricity sector.

The JCEO also support the staff recommendation that the Commission ensure 3rd party access to utility data “in a secure, timely and ongoing manner.” This is critical to unlocking innovations that enable new technologies and business models from non-utility partners that can help achieve grid efficiencies, resiliency and GHG emission reductions. The JCEO also encourages Commission support for additional analyses to ensure new technologies are considered in IRP and distribution plans. (11.3-4)

While the JCEO does not yet endorse the specific expedited pilot process recommended by staff, they do agree with the need for a Commission-approved approach and thus support soliciting stakeholder comment on the proposal. (11.4-4)

The JCEO supports further exploration of regulatory barriers to alternative business and ownership models, by requesting additional utility pilots and soliciting additional stakeholder feedback (11.5-2). The JCEO also supports the recommendation that utilities be encouraged to offer parallel 3rd party pilots, either separate from or within the same pilot to take advantage of additional third party innovations (11.5-2).

The JCEO additionally supports the recommendation that regulatory rates and incentives should be agnostic to technology and fuel types (11.6-2), in order to facilitate more efficient solutions that support the state's emission reduction goals (e.g. building electrification). They further support exploration of additional financial incentives to support the beneficial uptake of distributed energy resources, in particular to overcome barriers for low- and moderate income customers (11.7-2).

The JCEO has also supported the incorporation of performance based ratemaking ("PBR") in Michigan dockets, including most recently in the DTE Voluntary Green Pricing docket, and we continue to support well-designed PBR as a way to incentivize utilities to make the most efficient choices that are best for customers. The JCEO would like to emphasize that there must remain a pathway for behind the meter technologies to ensure that the Commission fosters healthy competition.

And finally, the JCEO further supports the recommendation that customer and contractor education is essential to facilitating the uptake of new technologies and business/ownership models, and agree that pilots should be required to include these elements in their design (11.8-1).

In conclusion, the JCEO emphasize that, while it is important to solicit feedback from interested parties, there is a need for urgency in implementing measures that will reduce fossil fuel use. Many of the recommendations the JCEO support align with that overall goal while ensuring that utilities face proper incentives and customers are not unfairly burdened by the transition to a cleaner electric grid.

Sincerely,



Margrethe Kearney  
*Senior Attorney*  
*Environmental Law & Policy Center*  
146 Monroe Ctr St. NW, Ste 422  
Grand Rapids, Michigan 49503

Office: (616) 724-4250

Cell: (773) 726-8701

[mkearney@elpc.org](mailto:mkearney@elpc.org)