



STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

RICK SNYDER
GOVERNOR

SHELLY EDGERTON
DIRECTOR

Memorandum

DATE: 5/1/2017

TO: Stakeholders Interested in Michigan IRP Implementation

FROM: Cathy Cole, MPSC Staff
Bonnie Janssen, MAE Staff
Mary Maupin, MDEQ Staff

SUBJECT: May 1, 2017 IRP Implementation Workgroup Status Updates

On March 10, Staff from the MPSC, MAE, and MDEQ started discussions with interested stakeholders regarding the development of State Wide IRP Modeling Parameters and Scenarios. Nine separate workgroups were formed and given the assignment to develop recommendations for inclusion into a straw man proposal that will be assimilated by Staff during the summer of 2017. The stakeholder engagement efforts are expected to continue until mid-July.

A brief status update from each workgroup is included for your information. More information regarding the meetings that have been held, as well as agendas for upcoming meetings can be found on the IRP State Wide Parameter Setting / Modeling webpage, IRP Implementation Webpage. If you would like to become more involved in any particular workgroup, please feel free to contact the workgroup chair directly. See IRP Workgroup Chairs Contact Information.

Environmental Policy Workgroup Status

The Environmental Policy Workgroup held its first meeting on March 30th in which the group's timeline, deliverables, and scope were presented. Significant environmental regulations and possible scenarios/sensitivities were also presented. Feedback on carbon reductions in modeling scenarios was received from several group members after asking the group for comments. A second meeting was held on May 1st in which modeling scenarios and significant environmental regulations, laws and rules were discussed. The workgroup co-chair will ask for comments from the group on several proposed modeling scenarios. The next meeting is scheduled for Wednesday, May 24.

Energy Waste Reduction Workgroup Status

The Staff met with representatives of DTE Energy, Consumers Energy and GDS consultants on Friday April 28, to discuss stakeholder feedback on the existing utility energy efficiency potential studies. Staff provided in advance a list of suggestions for alternate sensitivities and scenarios which incorporated many of the suggestions received from stakeholders, in hopes of characterizing a maximum achievable potential. After discussion, there was some conceptual agreement on two additional sensitivities and three additional scenarios, in addition to a scenario which would update the Upper Peninsula potential based upon the statewide potential study conducted by GDS in 2013. In addition, Staff presented DTE Energy, Consumers Energy and GDS with some follow up questions raised by the workgroup through feedback. Staff will reconvene with DTE, Consumers Energy and GDS on Monday May 1 to discuss further refinements to the alternate sensitivities and scenarios and will seek consensus on the items being modeled.

The revised timetable was discussed. Model results need to be completed by May 8 or 9 in order to leave room for discussion and revisions. I will share our revised timetable next week after May 1 with the workgroup. The next EWR workgroup meeting is scheduled for May 24.

Demand Response Workgroup Status

The DR Potential Study Workgroup will focus on three distinct topics: the DR potential study as required by PA 341, the DR parameters to be included in Staff's strawman IRP report, and formation of a DR regulatory framework required by the Commission. The workgroup first met on March 17 to provide input on Staff's draft scopes for the statewide study, which will consist of a potential study and market assessment. Staff compiled comments from the workgroup, including written comments following the meeting, and incorporated them into the formal requests for proposals (RFPs) for the potential study. The RFPs were issued by the State on April 28th, and the expected delivery of the study and assessment is late August.

The workgroup is now in the process of recommending modelling scenarios and parameters regarding DR to be integrated in Staff's straw man proposal. The May 1st meeting of the IRP workgroups will include a presentation by Lawrence Berkeley National Lab that will elucidate the group on how to model DR in an IRP. Workgroup members will continue to submit comments to the workgroup chair through the beginning of May.

The workgroup will continue to meet in June and July to discuss forming a DR regulatory framework and share interpretations of the new energy legislation regarding DR.

Renewable Energy / PURPA Workgroup Status

The Renewable/PURPA Workgroup held its first meeting on April 17th. Terri Schroder (Co-Chair) introduced herself and Staff provided background as to what the task of the group is. DTE Electric Company and Consumers Energy Company provided presentations on their plans to meet the 15% renewable requirement by 2021 and their future efforts towards the 2025 combination goal of 35% renewable/energy waste reduction. This was explained by Staff as

the “baseline” scenario for renewable modeling. In addition, there was discussion about the interplay between the 15% standard and the IRP process, and the applicability of the standard past 2021. Staff framed the request for Stakeholder comments on potential scenarios, data sources, and input assumptions to be received no later than May 1st so that the commission staff can include this in the larger IRP straw proposal.

Forecasting, Fuels, & Reliability Workgroup Status

To date, the Forecasting workgroup has generated a scoping document, constructed and distributed to the other workgroups for feedback a scenario matrix, and is currently in the process of incorporating feedback into a uniform set of scenarios. Once the scenario matrix is complete, the Forecasting group will re-distribute to other workgroups, allowing the various subject matter experts to populate information where applicable. These scenarios and sensitivities will ultimately feed into the Staff straw proposal, and encompass a significant portion of the parameters to be filed in the IRP process.

Transmission Workgroup Status

The Transmission Workgroup held its first meeting on April 17th. Co-Chairs provided background and a timeline of events through completion of the workgroup activities. Co-Chairs framed the request for Stakeholder comments and communicated the deadline for formal comments to be received no later than May 1st. These comments will be used to propose a draft straw proposal for the workgroup’s recommendation to commission staff for inclusion into the larger IRP straw proposal.

Market Options and Advanced Technologies Workgroup Status

The Market Options and Advanced Technologies Workgroup held its first meeting on March 30th in which the group’s goals, timeline, and scope were presented, followed by a presentation on Michigan IPPs and then a discussion on appropriate technologies to include in utility IRPs. A second meeting was held on April 18th in which a presentation on CHP was given, followed by discussions of various technologies and IRP modeling. After the meeting, the workgroup lead asked via email for feedback on three modeling scenarios that were provided by the Forecasting workgroup, and scheduled the next meeting for Monday, May 8. The workgroup lead and co-chairs hope that the group can begin drafting their portion of the strawman proposal soon after that meeting.

Filing Requirements Workgroup Status

The filing requirements workgroup met on March 17. It was suggested that the group utilize the existing certificate of need filing requirements as a starting point, while considering potential updates that might be required under PA 341 Section 6T. A revised draft of the certificate of need filing requirements, including updates based upon changes in PA 341 Section 6S, was recently posted for comments and a Commission order on the updated CON filing requirements is expected in the near future. This group will pick up working on IRP filing requirements, starting with the updated CON filing requirements when they have been approved. To date,

suggestions have been received from workgroup participants to develop filing requirements for a stakeholder process, for a risk assessment, and for the use of non-proprietary data and models in the development of the IRP. This group will reconvene in late May or June, depending on the status of the CON filing requirements.

UP Workgroup Status

The UP IRP Workgroup held two conference calls/meetings on March 30th and April 11th. Co-Chairs provided IRP background and general discussion of how this group could work into the Statewide IRP. Co-Chairs framed one set of questions for stakeholder feedback due on April 26th with a discussion on the comments on May 1st. Another set of questions on specific scenarios and sensitivities was emailed to the UP workgroup with stakeholder feedback requested by May 5th for a discussion on May 8th. These comments will then be put together for the UP workgroup's draft proposal which will be utilized by the Commission staff for inclusion into the Statewide IRP draft proposal.