

Comments from MECA

November 23, 2020

To: Charyl Kirkland, Service Quality Team Lead, Michigan Public Service Commission

Re: Comments on the Staff Report: Grid Security and Reliability Standards for Electric Service Rules

The Michigan Electric Cooperative Association (MECA¹) submits these comments on the Michigan Public Service Commission (MPSC) Staff's Report on Draft Grid Security and Reliability Standards issued November 10, 2020. MECA appreciates this opportunity to comment on Staff's summary, and recommendations to update the Rules Governing Grid Security and Reliability Standards. MECA appreciates the time and effort by interested stakeholders to provide valuable input during this process and the Commission's efforts to facilitate discussion by hosting workshops and subgroup meetings to ensure collaborative input and participation. MECA offers the following comments on Staff's draft language.

Rule 460.702 (g) adds a definition of "Electric Cooperative" and Rule 460.702 (h) retains the definition of "Electric utility." Much of the balance of the rules refer to Electric utility². The rules should be revised to add Electric Cooperative whenever it is intended that the rule apply to cooperatives because use of the term Electric utility alone creates an ambiguity. For example, it does not make sense for the customer credit/penalties and incentive (Rules 460.741 and 460.744) provisions apply to nonprofit cooperatives who have elected under Section 6 of 2008 PA 167, MCL 460.36, the Electric Cooperative Member Regulation Act, to exempt themselves from MPSC regulation of penalties pertaining to performance standards and quality of service.

As discussed below and assuming the rules apply to cooperatives, the complexities and challenges around defining Catastrophic, Gray Sky, and normal display how a preferred solution of using a more common IEEE 1366 reliability standard makes good sense for consistent definitions and handling over outage events would benefit the utilities and regulatory bodies.

¹ MECA is a Michigan non-profit corporation that serves as the statewide association for Michigan's Co-ops, one generation and transmission cooperative, and one alternative electric supplier, which combined, provide electricity to more than 650,000 Michigan residents in 58 Michigan counties.

² Compare draft rule changes for Technical Standards, R460.3101 et seq., where the references are to electric utilities and cooperatives.

Rule 460.702(c) Catastrophic Conditions – the definition is inconsistent with IEEE 1366 Reliability Standard and “Major Interruptions” from the technical standards. A consistent definition set would be preferable so as to avoid miss reporting and confusion amongst the regulatory requirements. MECA recommends that Catastrophic Conditions follow the IEEE 1366 Reliability Standard Major Event day definition as that is what all of the current systems are built around and what all of the industry bench marking and reporting is already based on. The proposed measure of 10% of out meters will create significant additional burden on reporting and analysis with no clear meaningful gain for cooperative customer/members.

The definition should also align with the definition of Major Interruptions in the Technical Standards otherwise it is unclear which definition would control.

Rule 460.702(i) Gray Sky Day – The definition, as proposed allows large utilities to claim a “Gray Sky Day” with 1% of their customer based out of power. Cooperatives and smaller utilities are not allowed to a claim Gray Sky Day until 2.5% of their customer base is impacted. Those values should be consistent and/or the value for cooperative and smaller utilities should adjusted to recognized the primarily rural nature of cooperative electric distribution systems. Smaller utilities and cooperatives should not be held to a higher reliability standard vs IOU/large utilities.

Rule 460.702(p) Normal Conditions – The definition should be consistent between larger and small utilities and cooperatives. As written the smaller utilities and cooperatives are being held to a higher level of reliability standards.

Rule 460.732 Annual Reports – overall there will be an increase the reporting and regulatory burden on utilities. The rule should allow flexibility for smaller utilities and cooperatives to seek waivers when the burden outweighs the benefits.

As an example, for many cooperatives, tracking of momentary outages is not possible with current AMI systems. Those cooperatives track interruptions for maintenance plans, but further tracking on a detailed basis is not feasible with current technology and would require significant capital expenditure to implement.