



Making the Most of Michigan's Energy Future

Interconnection, Distributed Generation, and Legally Enforceable Obligation Rules Overview

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MPSC

Michigan Public Service Commission

TODAY'S TOPICS

- Interconnection
- Distributed Generation
- Legally Enforceable Obligation

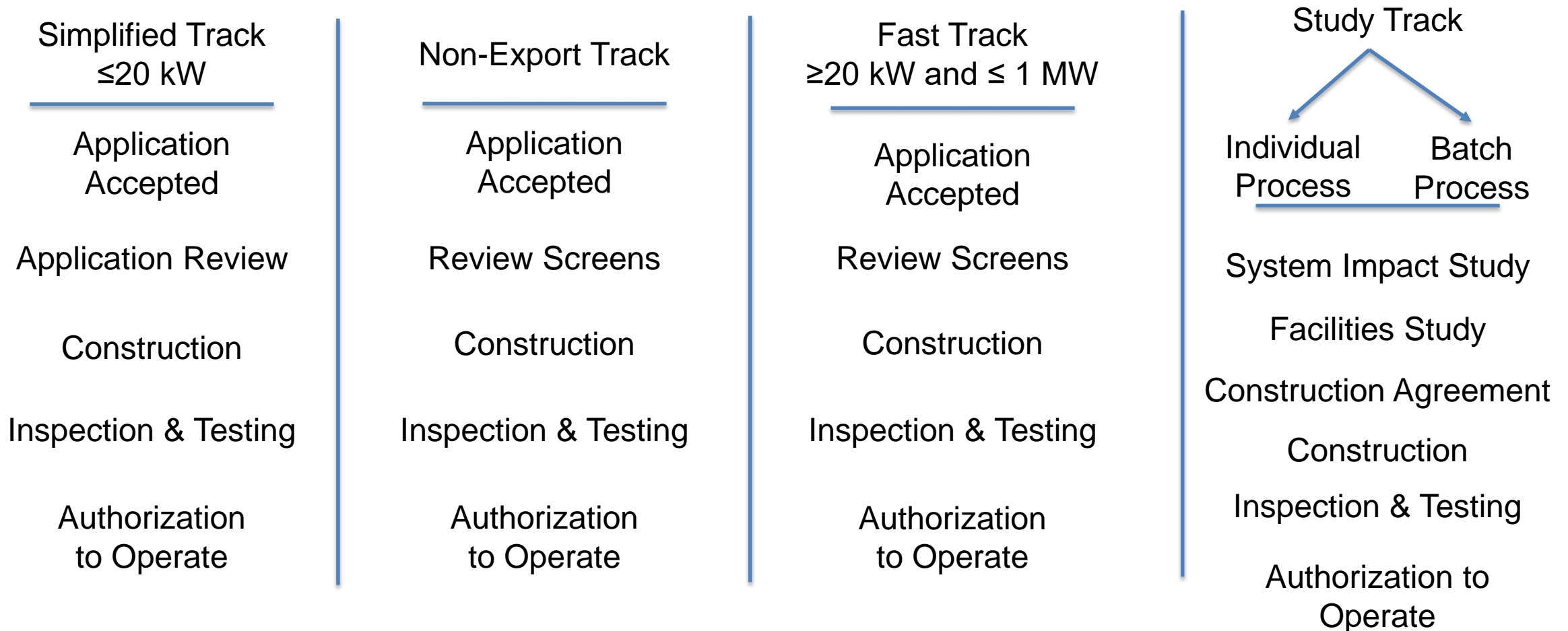
RECENT ACTIVITIES



INTERCONNECTION RULES

INTERCONNECTION PROCESSING FRAMEWORK

Pre-Application Report
(mandatory for >550 and larger projects)



NEW KEY FEATURES

- Pre-Application Report
- Fast Track initial and supplemental review screens are in the rules
- Added an MPSC Staff interconnection ombudsperson and more robust mediation process.
- Transition from old rules to new rules will remove inactive projects from utility interconnection requests.
- Option for a utility to use a batch process for groups of larger, more complex interconnections
 - Potential for shared interconnection facilities and distribution upgrade costs
 - One-year timeframe per batch with up to one-year enrollment period.

TRANSITION TO NEW INTERCONNECTION RULES

Administrative Process

Formal
Rulemaking
Begins

New Rules
Effective Date

Utilities develop
draft
Interconnection
Procedures
documents with
input from Staff
and
stakeholders.

Utilities file proposed
Interconnection
Procedures for
Commission
approval within 10
business days.

Commission
begins contested
case process.

Order approving
Interconnection Procedures is
issued no later than 360 days
after the effective date of the
new rules.

TRANSITION TO NEW INTERCONNECTION RULES

- All pending applications are divided into three groups:
 - Transition Non-Study Group Applications R 460.914
 - Utility has 20 business days to sort applications into the appropriate “track” and begin processing according to the new rules.
 - Simplified Track, Fast Track, or Non-Export Track
 - Advanced Legacy Applications R 460.916
 - Applications with completed distribution studies.
 - Applications will be withdrawn if no activity within 60 business days of the effective date of the new rules.
 - Transition Batch R 460.918
 - Application accumulation window ends 80 business days after the effective date of the new rules.
 - Eligible applications accepted before the effective date of the new rules which do not join the Transition Batch will be withdrawn.
 - The Transition Batch shall be processed within one year.
- New applications accepted within 80 business days after the effective date of the new rules will, by default, join the Transition Batch.

EXAMPLE BATCH PROCESS



At Staff's request, Consumers Energy and DTE developed a potential batch process for discussion purposes only. This is Staff's proposal, which is similar.



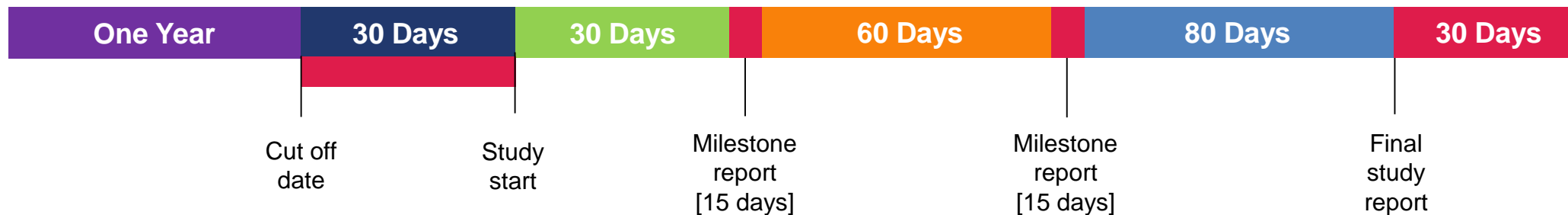
Scoping meetings



System Impact Study



Decision Period



Application accumulation window



Utility Study (optional)



Facilities study and estimating



DISTRIBUTED GENERATION & LEGACY NET METERING

Distributed Generation OVERVIEW

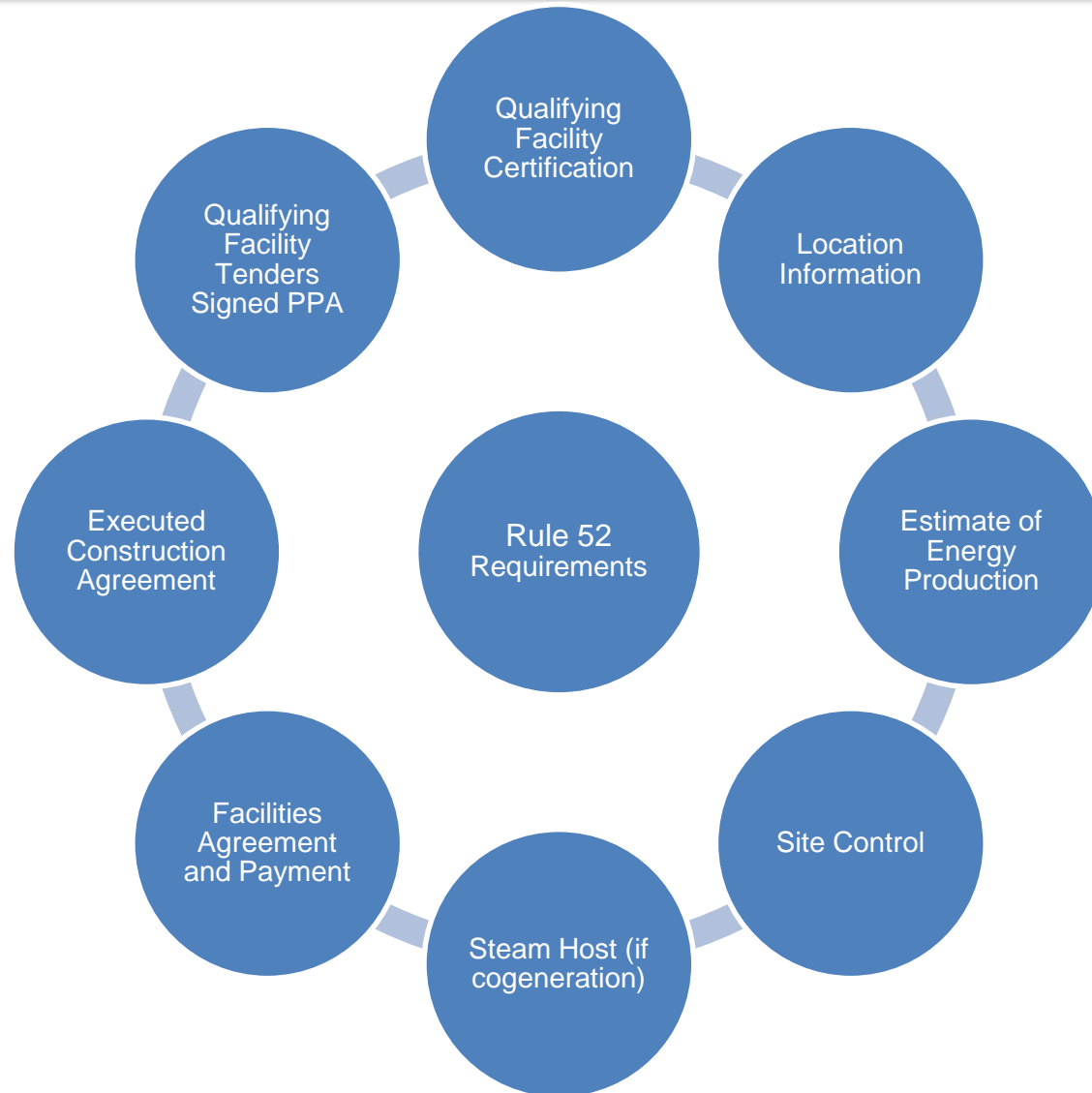
- Program Enrollment Process
- Utility Annual Reporting
- Legacy Net Metering Billing Mechanism
- Renewable Energy Credits
- AES DG Program Implementation
- Legacy Net Metering Grandfathering

ENERGY STORAGE

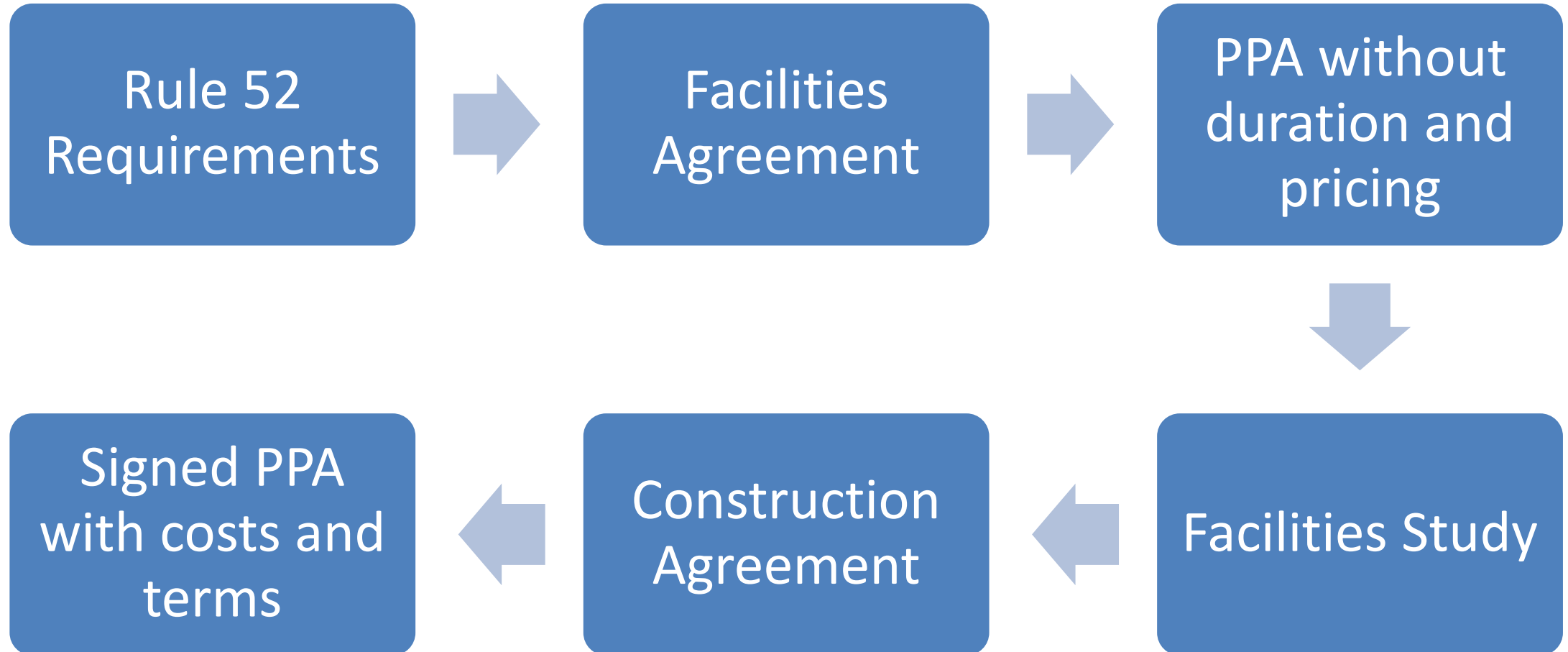
- Must not design or operate the energy storage equipment in a manner that results in the customer's electrical output exceeding 100% of the customer's electricity consumption for the previous 12 months

LEGALLY ENFORCEABLE OBLIGATION (LEO)

LEO COMPONENTS – R 460.1052



PURPA CONTRACTING PROCESS



IF A FINAL PPA IS NOT SIGNED IN 6 MONTHS

- QF or utility may file an unexecuted PPA within 40 business days
- Or-
- The LEO terminates
 - QF is responsible for distribution system issues caused by QF
 - Unspent portion of milestone payments refunded to QF

NEXT STEPS



Please email comments to baldwinj2@Michigan.gov & evansn@Michigan.gov
All comments will be posted on the Commission's website.