

# IRP Filing Requirements Workgroup

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# Workgroup Scope

- Section 6T(3)... “The Commission shall issue an Order establishing filing requirements, including application and instructions, and filing deadlines for an integrated resource plan filed by an electric utility whose rates are regulated by the Commission.”

# Workgroup Scope continued

- Section 6T(4)... “For an electric utility with fewer than 1,000,000 customers in this state whose rates are regulated by the Commission, the Commission may issue an order implementing separate filing requirements, review criteria, and approval standards that differ from those established under subsection (3).”

# U-15896 Certificate of Need

- Commission Order dated 5/11/17 approved revisions to the CON filing requirements
  - Additional Filing Announcement requirement
    - Thirty days prior to filing an application
    - Proof of service to parties in last two rate cases and most recent IRP case
    - Include a brief description of the facilities or PPA
    - Any additional information the utility finds relevant
  - Pre-consultation meeting documentation to be filed in the docket

(See May 11, 2017 Order in U-15896 for additional changes approved)

# Seeking Input for IRP Filing Requirements

Commission Order in U-15986 dated 5/11/17; P6 -MEC suggests several changes to Section VII.A, which are covered by the IRP process

Provide feedback on requiring these items in IRP application:

- The expected emissions of carbon dioxide and greenhouse gases, particulates, sulfur dioxides, volatile organic compounds, oxides of nitrogen, mercury, and other hazardous air pollutants per year and over the life of any facilities or contracts for the optimal plan for each scenario and an assessment of whether some or all of the anticipated emissions and their anticipated health impacts could be eliminated or reduced through the use of feasible and prudent alternatives.
- An environmental justice analysis that evaluates the impact, including any disproportionate impact, of the proposed facility on environmental justice communities, and any steps that can be taken to reduce or eliminate such impacts for the proposed plan.

# Seeking Input for IRP Filing Requirements

Commission Order in U-15986 dated 5/11/17; P7 -MEC suggests several changes to Section VII.A, which are covered by the IRP process

## Provide feedback on requiring these items in IRP application:

- Any workpapers used in developing the application and supporting testimony. Such workpapers shall, whenever possible, be provided in electronic format with formulas intact;
- Any modeling input and output files used in developing the application, supporting testimony, and integrated resource plan. Such modeling input and output files shall, whenever possible, be provided in electronic format with formulas intact. The applicant shall also identify each modeling program used, and provide information for how interested parties can obtain access to such modeling program;
  - or as similarly proposed by another stakeholder –
- If a utility utilizes proprietary software and data, then the utility needs to provide a way to make the materials accessible to parties in the case, such as by providing laptops with the proprietary models loaded onto them as well as providing any accompanying site licenses;

# Seeking Input for IRP Filing Requirements

Commission Order in U-15986 dated 5/11/17; P10 -ABATE suggests NPV analysis

Provide feedback on requiring these items in IRP application:

- ABATE suggests that an applicant be required to provide a valid net present value revenue requirement comparison of its proposal and reasonable alternatives over the shorter of the term of the life of the transaction or 20 years. This analysis should include a comparison of net present value on a yearly basis. This analysis will provide valuable information regarding an applicant's planning and the prudence of its proposal relevant to alternatives.
- An applicant's analysis should discuss any differences between its short term capacity price curve in the application and the short term capacity price curve in its last PSCR proceeding.
- An applicant's analysis should identify when its proposal is no longer preferable to alternatives, considering factors including but not limited to capital costs, changes in market costs, and changes in capacity market prices.
- An applicant's analysis should also describe the impact of the applicant's proposal on rates in its service territory for each rate class over five years, using the rate design most recently approved for the applicant by the Commission.

# Seeking Input on Stakeholder Engagement

Please provide feedback on Arkansas's stakeholder engagement:

Arkansas Guidelines: [http://www.apscservices.info/pdf/06/06-028-r\\_57\\_1.pdf](http://www.apscservices.info/pdf/06/06-028-r_57_1.pdf)

- Each utility shall organize and facilitate meetings of a Stakeholder Committee for resource planning purposes.
- The Stakeholder Committee should be broadly representative of retail and wholesale customers, independent power suppliers, marketers, and other interested entities in the service area.
- The Stakeholders shall develop their own rules and procedures.
- Stakeholders should review utility objectives, assumptions, and estimated needs early in the planning cycle.
- The utility shall make a good faith effort to properly inform and respond to the Stakeholder Committee. s.

# Seeking Input on Stakeholder Engagement

Arkansas guidelines continued:

- A Report of the Stakeholder Committee should be included with the Resource Plan submittal.
- Stakeholders and Staff may also submit comments to the Commission on each Resource Plan after it has been submitted by the utility.
- Such comments should be taken into consideration by the utility in its preparation efforts and decisions concerning subsequent applications, as well as in its next planning cycle.
- If comments concerning the process and results warrant, the Commission may require the utility to reevaluate and resubmit its Resource Plan for the current planning cycle to address concerns raised in the comment.

## Schedule

- Section 6T(3) requires that each rate-regulated utility file its first IRP by April 20, 2019.
  - Stakeholders have requested to have some minimum amount of time between utility IRP filings. How much time in-between rate regulated utility IRP filings would be appropriate? Four weeks? Eight weeks?
  - Would each rate-regulated utility attempt to project to the best of its ability, the month or the quarter in which it expects to file its first IRP case?
  - Staff will take all of the feedback received and attempt to develop a draft schedule for the first IRP cases with the rate-regulated utilities.

# Seeking Input for IRP Filing Requirements

## Utilities with fewer than 1,000,000 customers

- Section 6T(4) provides that the Commission may issue an order implementing separate filing requirements, review criteria, and approval standards for utilities with fewer than 1,000,000 customers.
  - Would it be appropriate to waive the IRP filing requirement for a small utility that is a full requirements customer of another utility in this state?
  - Would it be appropriate to allow smaller utilities in the same zone (such as the upper peninsula) to work together, with or without Staff's assistance, and submit a joint IRP covering more than its own utility service territory?
  - What other requirement might be altered or waived?
  - Different scenarios and reduced sensitivities?
  - Unique EWR, DR, EE requirements?

# Seeking Input for IRP Filing Requirements

Section 6T(5) – An integrated resource plan shall include all of the following: (A) through (O)

- Input on specific requirements to include with an integrated resource plan will be sought from the other IRP workgroups including what is listed for (A) through (O).
  - If not currently participating in the other IRP workgroups, stakeholders are encouraged to provide feedback in this forum and it will be circulated among any other appropriate workgroup.
- Is there anything missing from that list that should be added?
- Any specifics that you would like to propose?

Section 6T(6) deals with RFPs

- Any specific filing requirements related to RFPs?

Section 6T(11) deals with approval of costs

- Any specific filing requirements related cost estimates submitted as part of an IRP filing?

# Seeking Input for IRP Filing Requirements

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- Any specific filing requirements related to RFPs?

## Section 6T(11) deals with approval of costs

- Any specific filing requirements related cost estimates submitted as part of an IRP filing?

## Risk Assessment

- Stakeholders have requested discussing a requirement for a risk analysis to be submitted with an IRP application.
  - Do any stakeholders have a proposal for specifications for a risk analysis?
- On what other potential Filing Requirements related items would stakeholders like to provide input?

# Workgroup Assignments

- Please provide your input:
  - In writing to [colec1@michigan.gov](mailto:colec1@michigan.gov) by **June 8**
  - In person on June 12. Contact Cathy to be added to the agenda.
- Next steps
  - Meet on June 12
  - Develop a first rough draft of filing requirements
  - Circulate rough draft informally to this workgroup for comments
  - Likely, revise the draft and repeat.