

**Attachment C  
Michigan Public Service  
Commission 2016 PA 341**

**Filing Requirements and Instructions for  
Certificate of ~~Public Convenience and~~ Necessity  
Alternative Proposals for Electric Generation  
Capacity Resources**

**Application Instructions for Alternative Proposals**

These filing instructions apply to any supplier of electric generation capacity seeking to provide electric generation capacity resources to a utility submitting a certificate of necessity application under the provisions of MCL 460.6s. The proposal shall be consistent with these instructions, MCL 460.6s(13), and MCL 460.6t(6), with each item labeled as set forth below. Any additional information considered relevant by the applicant may also be included in the application.

**Filing Announcement**

A 30-day [notice shall be filed in the docket which the utility filed an initial application. The alternative proposal notice shall be filed at least 30 days prior to filing a detailed alternative proposal that meets the requirements of this document. The notice](#) shall include a description of the proposal and proof of service to all parties in the case.

**Intervention Status**

Any supplier of electric generation capacity that intends to file an alternate proposal must request and be granted intervention in the contested case for which the utility has filed its integrated resource plan and/or certificate of necessity application, pursuant to MCL 460.6s(13) and MCL 460.6t(6).

**Filing the Alternative Proposal**

Any supplier of electric generation capacity that intends to file an alternative proposal must file the proposal in the contested case and the proposal shall be sponsored by a

witness for the applicant who will be subject to appropriate discovery and cross examination. All alternative proposals shall be filed within 90 days of the date the application was filed by the utility initiating the contested case for either a certificate of necessity, an integrated resource plan, or a contested case containing both.

### **Alternative Proposal Information**

All proposals shall contain the following information about the supplier providing the proposal:

- a) A description of the [developer/supplier](#) qualifications including a description of the [developer/supplier experience in constructing or operating similar facilities.](#)
- a)b) [A description of financial standing and credit worthiness.](#)
- c) The name, title, and business address of a person to whom correspondence should be directed.
- b)d) [An estimate of capital and operational costs associated with the alternative proposal.](#)

### **Confidential Information**

Proprietary, confidential, and other nonpublic materials filed as part of the application shall be clearly identified and marked accordingly and presented in such a way that the proprietary and confidential nature of the materials is preserved pending the execution of any confidentiality agreements and issuance of protective orders. Availability of specific materials in the application may be contingent upon appropriate confidentiality agreements and protective orders.

### **Detailed Cost Information**

The entity filing the alternative proposal shall not be required to disclose detailed cost information provided in response [to](#) requests [s](#) for quotes from potential project

contractors any sooner than 120 days after the filing of the utility application and then only after appropriate protective orders and non-disclosure certificates/agreements have been executed.

The entity filing the alternative proposal may provide a cost update on or before 150 days from the date the utility application was filed.

An alternative proposal shall contain the following Contents of the Alternative Proposal

A supplier-utility seeking to construct a new electric generation facility or to make a significant investment in an existing facility or enter into a power purchase agreement shall include the following information:

- I) New or Existing Electric Generation Facility (excluding a Power Purchase Agreement):
  - a) If applicable, a written description of the proposed or existing site, including identification of the municipality in which the facility will be constructed and the current use of that site;
  - b) If applicable, the age of the existing facility or facilities to be purchased or modified;
  - c) Expected generating technology and major systems (including major pollution control systems);
  - d) Expected nameplate capacity, availability, heat rates, expected life, and other significant operational characteristics;
  - e) Fuel type and sources, including the identification and justification of fuel price forecasts used over the study period;
  - f) The expected annual emissions of carbon dioxide and greenhouse gases, particulates, sulfur dioxides, volatile organic compounds, oxides of nitrogen, mercury, and other hazardous air pollutants over the life of the facility or contract, and an assessment of whether some or all of the anticipated emissions and any anticipated health impacts could be

**Commented [SN(1)]:** Comment: all parties that execute the NDC are bound by the NDC so we don't need to specifically address the utility.

eliminated or reduced through the use of feasible and prudent alternatives.

- g) Discussion of the rationale behind facility or investment technology, fuel, capacity, and other significant design characteristics;
- h) A description of all major state, federal, and local permits required to construct and operate the proposed generation facility or the proposed facility upgrades in compliance with state and federal environmental standards, laws, and rules;
- i) If applicable, the status of any transmission interconnection study and identification of any expected or required transmission system modifications;
- j) If applicable, natural gas infrastructure required for plant construction and operation not located on the proposed site but required for plant construction and operation;
- k) If applicable, a description of modifications to existing road, rail, or waterway transportation facilities not located on the proposed site but required for plant construction and operation;
- l) If applicable, water and sewer infrastructure required for construction and operation not located on the proposed site but required for plant construction and operation;
- m) A basic schedule for development and construction, which include an estimated time between the start of construction, [major milestones](#), and commercial operation of the facility or facility upgrades;
- n) [An estimate of the proportion of the construction workforce that will be composed of residents of the state of Michigan;](#)
- m)o) [For new construction and investment in an existing facility, the proposal shall include the expected typical annual costs associated with operating the facility including fuel, operations and maintenance, and environmental compliance;](#)
- n)p) Describe the effect of the proposed project on wholesale market competition;

Commented [BL(2)]: Moved from Section II below.

e)g) Any work papers used in developing the proposal; such work papers shall, whenever possible, be provided in electronic format with formulas intact;

e)r) Any modeling input or output files used in developing the proposal; 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;

e)s) Any other information that the applicant considers relevant.

ii) ~~Construction of New Facility or Investment in Existing Facility:~~

a) ~~For new construction, the proposal shall include the expected typical annual costs associated with operating the facility including fuel, operations and maintenance, and environmental compliance.~~

b) ~~For investment and upgrades at an existing facility, the proposal shall include an estimate of the incremental operating costs for the facility after upgrades are complete including fuel, operations and maintenance, and environmental compliance.~~

c) ~~A high level cost estimate of the new facility or expected investment in an existing facility.~~

Commented [SN(3)]: Moved to section I above.

iii) i) Purchase of Existing Facility:

- a) As applicable, the estimated costs associated with purchasing the existing facility assets including the price to be paid for the assets, acquisition and transition costs, financing costs, and any significant financial liabilities that will accompany the asset transfer; and
- b) The expected typical annual costs associated with operating the generation facility including fuel, operations and maintenance, and environmental compliance.

IV(III) Power Purchase Agreement:

- a) If applicable, a written description of generation facilities covered by the power purchase agreement, the size of each facility, generator technology, expected nameplate capacity, availability, heat rates, expected life, fuel type, other significant operational characteristics and the location of the generation facilities, including identification of the municipalities in which the facilities are located;
- b) The name and address of the power provider supplying contract products and services under the power purchase agreement;
- c) The date the resources covered by the power purchase agreement will be available, the proposed term of the power purchase agreement, and a description of significant contract provisions that could result in early termination of the contract;
- d) The proposed price to be paid for capacity and energy contract products and services delivered under the power purchase agreement;
- e) If the contract includes provisions which may result in an increase in cost due to the price of fuel, the fuel type and sources, including the identification and justification of fuel price forecasts used over the study period;
- f) The annual expected emissions of carbon dioxide and greenhouse gases, particulates, sulfur dioxides, volatile organic compounds, oxides of nitrogen, mercury, and other hazardous air pollutants over the life of the facility or contract and a demonstration that regulated emissions from the facility will comply with applicable federal, state, and air quality regulations;
- g) Any work papers used in developing the proposal. Such work papers shall, whenever possible, be provided in electronic format with formulas intact;
- h) If available, Any modeling input or output files used in developing the proposal. 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;

- i) A copy of the proposed power purchase agreement. Including an estimate of the capacity and energy payments to be made for contract products and services pursuant to the agreement. The estimated payments shall be presented on a yearly basis in nominal dollars over the primary term of the contract.

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