MI Power Grid: Phase III Advanced Planning Processes

Feedback from February 28, 2022
Stakeholder Meeting

March 10, 2022

VIA E-MAIL at GibbsK2@Michigan.gov

RE: Consumers Energy Comments to Staff on Michigan Integrated Resource Planning Parameters ("MIRPP") and Integrated Resource Plan ("IRP") Filing Requirements

Dear Ms. Gibbs:

The Company appreciates Staff's efforts leading the Advanced Planning Phase III workgroup collaborative discussions on February 28, 2022 and the presentations made by members of EGLE Staff. The Company thanks Staff for providing the opportunity for discussion and comment.

The Company requests consideration of the following comments in response to Staff prompts:

1. Carbon Accounting Proposed Language

The Company supports the recommended approach suggested on slide 66 of the MIRPP & Filing Requirements slides presented by MPSC and EGLE staff on February 28, 2022. This approach allows each utility to identify and justify its carbon accounting method, and then include a chart showing its projected carbon emissions for each scenario and sensitivity analyzed.

One limitation of this approach is that it does not allow for apples-to-apples comparison of carbon emissions across different utility's IRP filings. Each methodology is materially different from the others, and so apples-to-apples comparisons are not possible. This fact, however, we do not consider an issue because Integrated Resource Plans are not designed, or intended, to compare emissions across utilities, but rather to compare various scenarios and sensitivities within a single utility. So long as the utility uses the same methodology for all scenarios and sensitivities, each utility having its own methodology is acceptable.

2. Financing Option proposed language

The Company supports an analysis of financial impacts related to retirement decisions that result in undepreciated book value, but recommends that the specific option(s) of how to evaluate recovery of those dollars not be prescribed within IRP filing requirements.

3. Seasonal Construct proposed language

The Company supports considerations for winter peaking, or seasonal planning. However, absent a finalized seasonal capacity construct in effect at the RTO, the Company suggests a requirement to

demonstrate that the utility's proposed portfolio meets a summer peak demand and a winter peak demand. This could be described as follows, based on the initial Proposed Filing Requirement (page 70 of 2/28/22 meeting):

> *The utility shall describe and identify how its model approach optimizes resources to meet load and demand* ***throughout the year*** *~~for all times of the year~~ and for each year of the planning horizon. The utility shall****, at a minimum, demonstrate that any proposed plan meets both a winter and summer reserve margin requirement by explaining*** *~~explain~~ how the model considers the seasonal and operational characteristics of all resource types including monthly generation profiles, forced outage rates, derates, seasonal or limited availability of resources, etc.* ***If a winter reserve margin is not formally defined, the utility shall explain and defend its methodology to demonstrate its portfolio can meet winter peak load and demand.***

Without definition provided at the RTO level, the Company believes utility-supported reserve margins for all four seasons could introduce unnecessary complexity and divergence of utility methodologies.

4. Environmental Considerations Discussed by EGLE (Slide 14-19)

We provide the following response to the proposed changes reflected in the MIRPP & Filing Requirement slides presented on February 28, 2022:

Proposed Requirement 1 On Slide 15

We have no concerns with this proposed addition.

Proposed Requirement 2 On Slide 15

We generally support this language, but have two specific concerns.

First, unlike most emission types, there is a lack of reliable data for VOCs associated with MISO purchases. While we can attempt to estimate them, these estimates are likely to include substantial assumptions that weaken the usefulness and reliability of the estimates.

Second, the Commission should align the greenhouse gas emissions requirements of this requirement with those described on slide 66.

The Company also points back to its original feedback on this proposed requirement as part of redline edits and comments provided after the December 16th, 2021 stakeholder meeting.

Proposed Requirement 3a On Slide 16

We support including an environmental justice analysis in the IRP filing requirements, as it is important that the Commission, EGLE, utilities, and other stakeholders understand the long-term impact

of choices made as a result of integrated resource planning on local communities. We offer the following suggestions to clarify the proposed requirements.

First, the language around how to identify vulnerable communities does not provide sufficient guidance to utilities. It is good that the proposed requirement identifies permissible screening tools and the 3-miles radius, which we support. However, a key output of the screening tools are percentiles, or scores, comparing the specified geographic area to the rest of the state or the nation. The proposed filing requirement does not identify what percentile or score makes a community "vulnerable." We recommend that the MPSC, with the advice and input of EGLE and other stakeholders, specify what score qualifies a community as vulnerable, so that all utilities are using a common definition.

For example, EPA recommends, when using its EJSCREEN tool, that a community at or above the 80th percentile be further evaluated for environmental justice concerns.[1] To be more conservative, Consumers Energy in its 2021 IRP (Case No. U-21090) identified a community as potentially vulnerable at or above the 75th percentile. We continue to support that percentile, as it is more protective of potentially vulnerable communities.

Second, the language to "qualitatively assess the potential impacts to vulnerable communities" is vague and broad in scope. Please clarify that proposed requirement 3a only applies to "water quality and waste disposal," as referred to in the last sentence of this requirement. If this question is intended to go beyond these two topics, we recommend the MPSC work with stakeholders to clarify this analysis.

Proposed Requirement 3b On Slide 16

We also have suggestions to clarify requirement 3b. First, the requirement to "quantitatively assess the potential impacts" to vulnerable communities is vague and potentially broad in scope. Please confirm that the quantitative analysis is limited to air emissions, including changes in such emissions impacts due to early retirement. If this question is intended to go beyond this topic, we recommend the MPSC work with stakeholders to clarify this analysis.

Second, the request to discuss "potential health impacts" overlaps in substance with proposed requirement 6 on slide 19, which asks filers to quantify health benefits/costs related to changes in air emissions. To avoid confusion, we recommend that only requirement 6 address health benefits/costs associated with changes in air emissions, and remove this language from requirement 3b. So long as requirement 6 includes a health benefits analysis on a facility-by-facility basis, the Commission and EGLE will have the plant-specific information needed to understand the impacts of changes in air emissions on vulnerable communities.

Proposed Requirement 4 On Slide 17

We have one suggestion for this requirement. Whether an area is in nonattainment can change over time as air quality in the state changes. Because of this fact, we recommend that the requirement specify a point in time to determine an area's status of attainment. For example, the first sentence of this

[1] *See* EPA's *EJSCREEN Technical Documentation*, September 2019, available at https://www.epa.gov/sites/default/files/2021-04/documents/ejscreen_technical_document.pdf, at page 114.

requirement could be rephrased as "Identify and assess the impact to non-attainment areas *in effect one year before the filing deadline for the IRP* that the PCA…" This type of language would prevent the problem of a utility having to redo analyses when a change in the nonattainment status occurs in the weeks or few months before an IRP is filed, which is typically well after all substantive analysis is complete and testimony is near final. Because nonattainment areas do not change frequently, we do not believe this proposed change to the requirement should negatively impact EGLE's or the MPSC's review of an IRP.

Proposed Requirement 5 On Slide 18

We support providing information to determine the impact of PM2.5 emissions on communities with potential environmental justice concerns. Specifically, we support providing unit-specific mass PM2.5 emission data, both historical and projected. This information will allow the MPSC, EGLE, and other stakeholders to compare the potential impacts on local communities between different build plans.

However, we have substantial concerns regarding the requirement to conduct air dispersion modeling. Specifically, Consumers Energy does not support the dispersion modeling requirement for three primary reasons: (a) it will not add incremental value beyond facility-specific mass emission data, (b) it is time-consuming for both utilities and EGLE staff to develop the models, as well as costly, and (c) it is beyond EGLE's legal authority to require dispersion modeling except in narrow circumstances related to certain facility permitting – which is not the case in an IRP.

First, we do not believe that air dispersion modeling provides incremental value that is not already provided by facility-specific mass data. Proposed requirement 2 clearly requires submission of historical and projected PM2.5 mass emission changes. Utilities can easily provide this data on a facility-by-facility basis, or even unit-by-unit basis, and have historically done so in past IRPs. Such localized information will provide EGLE, the MPSC, and stakeholders data-driven insight into PM2.5 emission changes that could impact communities with potential environmental justice concerns.

It is unclear what additional value air dispersion modeling provides beyond the facility-specific mass data. It is well understood that PM2.5 emissions most greatly impact the immediate local community, as these emissions become less concentrated farther from an emission source. In addition, per requirement 6, we are already required to provide analysis around the health benefits or costs related to changes in air emissions from our PCA. Given this fact, we are concerned that neither EGLE nor the MPSC have identified the *incremental* value provided by air dispersion modeling. Similarly, neither EGLE nor the MPSC have identified how dispersion modeling would change its IRP analysis in a manner different from mass data. We have requested multiple times in the past an explanation of the incremental value of air dispersion modeling, but have not received an answer. We respectfully again request this explanation.

Second, the lack of incremental value of air dispersion modeling is troubling, as such modeling is time consuming and costly. Dispersion modeling typically takes at least 4-6 months to complete, and costs tens of thousands of dollars, for a single unit. We believe it will take considerably more time, and cost much more, when performing the analysis for multiple units at multiple facilities. In addition, it is not just the filing utility that bears the brunt of this time and effort – EGLE and the MPSC would have to as well. A key activity for air dispersion modeling is defining the modeling protocol and building the model

– which is a negotiated activity between the utility and EGLE (and, in the context of an IRP, the MPSC Staff as well). We strongly advise against requiring this additional effort when it does not provide incremental value and an easy alternative – mass emission data – is already available.

Third, we do not believe either the MPSC or EGLE has the legal authority to require dispersion modeling in the context of an IRP. It is very clear under the Clean Air Act, which is the foundation of EGLE's air quality regulations, that air dispersion modeling may be required only for a permit-to-install application associated with the installation of new emission sources, or certain physical modifications to existing emission sources.[2] Outside of this specific permitting context, EGLE cannot require air dispersion modeling. In fact, there are even some permitting contexts – like the renewal of a Renewable Operating Permit – where EGLE cannot require dispersion modeling. As such, EGLE cannot require dispersion modeling in an IRP.[3]

Similarly, the MPSC should not use its filing requirements to circumvent the restrictions in the Clean Air Act on when air dispersion modeling can be required. It may seem like a convenient "workaround" for the MPSC to require air dispersion modeling when EGLE cannot. But this position is inconsistent with the existing regulatory structure under the Clean Air Act, as noted above. We caution the MPSC against putting itself in a shaky legal position by attempting to require what EGLE cannot require on its own.

For these reasons, we oppose the requirement of air dispersion modeling in an IRP; such modeling would involve substantial effort with no incremental value. As stated above, we do support providing facility-specific emission data for purposes of an environmental justice analysis. This mass data will allow the MPSC and EGLE to understand and analyze the projected changes in PM2.5 emissions affecting local communities in a time efficient and cost-effective manner for all.

Proposed Requirement 6 On Slide 19

We support providing a health benefit/cost analysis using COBRA or BenMap. However, we believe the requirement to "include considerations for publicly available analyses of the fleet's emissions that have been conducted by other entities" is vague and unnecessary and should be removed. It is unclear which other analyses this requirement refers to, and so will be difficult and potentially time consuming to review and implement. In addition, consistent with standard regulatory case procedure, we encourage other parties in the case to discuss their analysis of our fleet emissions in their direct testimony, and then we can respond appropriately in reply testimony. This approach maintains the standard procedure used in regulatory proceedings, and avoids potential confusion of analyzing a third party's analysis of fleet emissions when that third party is not a party to the case.

Respectfully submitted,

Consumers Energy Company

[2] *See*, *e.g.*, 40 CFR 51.160(f).

[3] We also note that, if an IRP proposes a new emissions source, or a qualifying modification to an existing source, then air dispersion modeling can be conducted at the time of the permit application. Requiring before such an application is premature.

DTE Electric Comments Regarding Staff's
MI Power Grid– Advanced Planning Phase III
March 10, 2022

On December 15, 2021, Michigan Public Service Commission's Staff prepared initial redlined Integrated Resource Planning (IRP) filing requirements and Michigan IRP Parameters (MIRPP). These were further discussed at the January 31, 2022 and February 28, 2022 meetings.

DTE appreciates the effort of the Michigan Public Service Commission (MPSC), MPSC Staff (Staff) and all parties involved in this integrated planning collaborative.

Staff asked for feedback on the following:

1. Carbon accounting proposed language.
2. Financing option proposed language.
3. Seasonal construct proposed language.
4. Environmental Justice Considerations discussed by EGLE. (Slides 14-19)
5. New and Existing Resources Graph

#1 – Carbon accounting proposed language.

XVIII Environmental Considerations and Environmental Justice, Subsection e:
Include a chart that compares the total projected carbon emissions under each scenario and sensitivity analyzed, including quantifying the carbon emissions projected in each sensitivity as a percentage of the carbon emissions presented in the base scenario associated with that sensitivity. The utility shall identify and justify its use of a carbon counting methodology identified in Electric Power Research Institute, Methods to account for Greenhouse Gas Emissions Embedded in Wholesale Power Purchases, https://ghginstitute.org/wp-content/uploads/2019/04/EPRI-Wholesale-Power-Report-Published-2019.pdf , March 2019.

DTE is amenable to identifying and justifying its carbon methodology used as identified by EPRI. DTE suggests that the chart comparison be limited to those scenarios and sensitivities required under the MIRPP.

#2 – Financing option proposed language.

Under XVII Rate Impact and Financial Information: If the utility is proposing retirement of generation facilities that are expected to have an undepreciated book value at the time of retirement, the utility shall include an analysis of various financing options for the remaining book balance and identify the impact the different financing options have on the net present value revenue requirement of the proposed resource plan.
The analysis shall include options such as but not limited to:

a. Depreciation of the undepreciated balance over the original depreciable life.
b. Accelerated depreciation based upon the newly proposed retirement date.
c. Securitization of the net book value

DTE does not support having various financing options for the remaining book value of a retirement unit as a requirement in the IRP. Financing options have broader impacts to the overall company than those identified in an IRP.

#3 – Seasonal construct proposed language.

Proposed Addition to IV) Analytical Approach: The utility shall describe and identify how its model approach optimizes resources to meet load and demand for all times of the year and for each year of the planning horizon. The utility shall explain how the model considers the seasonal and operational characteristics of all resource types including monthly generation profiles, forced outage rates, derates, seasonal or limited availability of resources, etc.

DTE is amenable to this addition.

Proposed addition to Section X) Capacity and Reliability Requirements (bold language only):
The utility shall indicate how it complies, and will comply, with all applicable state, federal, ISO, RTO capacity and reliability regulations, laws, rules and requirements, (such as planning reserve

margins, system reliability, and ancillary service requirements) including the projected costs/revenues of complying with those regulations, laws, and rules. The utility shall identify any changes to the applicable state, federal, ISO, RTO capacity and reliability regulations, laws rules and requirements and identify how its proposed resource plan satisfies those requirements**.** The utility shall include data regarding the utility's current generation portfolio, including the age, capacity factor, licensing status, and remaining estimated time of operation for each facility in the portfolio.

> DTE requests clarification on this statement "The utility shall identify any changes to the applicable state, federal, ISO, RTO capacity and reliability regulations, laws rules and requirements and identify how its proposed resource plan satisfies those requirements". Is this referring to only approved final changes that are implemented by the state, federal, ISO, RTO capacity and reliability regulations, laws, rules and requirements from when the MIRPP and filing requirements are put in place, i.e., not referring to proposed rules, interim rules, etc. focused on the potential seasonal capacity construct? If so, DTE suggests modifying to include "... satisfies those requirements *pertaining to capacity accreditation and reliability regulations affecting the IRP optimization modeling, current portfolio, and PCA*"

#4 – Environmental Justice Considerations discussed by EGLE. (Slides 14-19)

Suggested additions/modifications to utility filing:

1. Hold a technical conference with MPSC and EGLE staff within 30 days after the filing to discuss the environmental and emission related data included in the filing testimony, exhibits and workpapers.
2. Identify, quantify, and provide testimony that compares the expected changes in criteria pollutants, mercury, VOCs, and GHG emissions of the Proposed Course of Action (PCA), reasonable alternatives to the PCA presented by the utility, and previously approved build plan in the Business as Usual (BAU) scenario (optimized to select additional resources as needed). The utility will explain the methodology used to determine the emissions from MISO purchases. The utility will also use the BAU scenario and run it with two specific build plans for the purpose of comparing emissions: BAU optimized build plan and utility's PCA build plan.
3. Environmental Considerations….
    a. Analyze multiple build plans, including the PCA run in the BAU scenario, the optimal build plan from the BAU scenario, the optimal build plan from the BAU scenario under a high load sensitivity, and any other build plans that the utility presents as alternatives to the PCA to identify and qualitatively assess the potential impacts to vulnerable communities. The Michigan Environmental Justice Screening Tool or equivalent should be used for the identification of

vulnerable areas, including areas with higher disease rates compared to the rest of the state, within a 3-mile radius of each facility. Other alternative tools available through the USEPA can be used in its absence. This qualitative assessment should address water quality and waste disposal.

   b. Analyze the same build plans detailed above (in 3a) to identify and quantitatively assess the potential impacts to vulnerable communities. This quantitative assessment should address air emissions and their potential health impacts, and early retirement. Explain how these considerations were taken into account in the utility's decision.

4. Identify and assess the impact to non-attainment areas that the PCA has when run in the BAU scenario. This analysis should include an assessment of impacts to any non-attainment area within the electric utility service territory as compared to the previously approved build plan, and qualitatively support in testimony. Impacts should consider all nonattainment pollutants (i.e. SO2 and ozone), as well as their precursors (i.e. NOx and VOCs).
5. Using the areas identified as vulnerable by the Michigan Environmental Justice Screening tool, or equivalent (see #3 above) complete a comprehensive evaluation of PM2.5 impacts to these communities by comparing the previously approved build plan in the BAU scenario (optimized to determine additional resources that may be needed) to the PCA, describing expected air quality impacts. Analyze multiple build plans, including the PCA in the BAU scenario, the optimal build plans from the BAU scenario, the optimal build plan from the BAU scenario under a high load sensitivity, and any other build plans that the utility presents as alternatives to the PCA to identify and quantitatively compare the expected PM 2.5 impacts that would be projected to happen from each build plan. Justification should be provided for why the PCA was chosen if it is not shown to be the lowest emitting option. Include the effect of any early retirements in all analyses. Conduct dispersion modeling of the fossil fleet for PM2.5. The current emissions should be used to establish a baseline modeling demonstration by which to compare the future impacts of the PCA in the BAU scenario.
6. Include metrics to quantify health benefits/costs related to air emission reductions/increases expected to occur through the implementation of the utility's PCA as compared to its previously approved build plan in the BAU scenario for each facility emitting PM2.5 in alignment with item #5 and assess the impacts of early retirements and renewable energy adoption that leads to emission reduction across the MI-based fleet using the following tools:
   a. Environmental Benefits Mapping and Analysis Program - Community Edition (BenMAPCE) OR
   b. Co-Benefits Risk Assessment (COBRA) Health Impacts Screening and Mapping Tool

   The associated narrative should also include considerations for publicly available analyses of the fleet's emissions that have been conducted by other entities.

DTE proposes the following related to environmental considerations:

Scope of Portfolio Build Plan/Scenarios Evaluated (herein referred to collectively as portfolios):

- Portfolio 1: Previously approved portfolio (status quo; approved PCA) run in the MIRPP Business-As-Usual (BAU) scenario (optimized through the current study period)
- Portfolio 2: Utility proposed course of action (PCA) portfolio run in MIRPP BAU scenario
- Portfolio 3: Optimized portfolio in MIRPP BAU scenario
- Portfolio 4: Optimized portfolio in MIRPP BAU scenario with high load sensitivity
- Portfolio 5: Reasonable Alternatives to the PCA presented by the utility in MIRPP BAU scenario

Analysis Provided:

1. The utility will provide the following data, in an agreed upon format, to EGLE for:
    - Emissions of the following:
        - sulfur dioxide (SO_2)
        - nitrogen oxides (NO_x)
        - carbon monoxide (CO)
        - particulate matter (PM)
        - lead (Pb)
        - mercury (Hg)
        - volatile organic carbon (VOC)
        - carbon dioxide (CO_2)

    This data will be presented as raw numbers/units and as the aggregate change comparing the three portfolios - #1, #2 and #5. The utility will explain the methodology used to determine the emissions from MISO purchases. The utility will propose a sample template of what would be provided in the IRP filing to EGLE for agreement.

2. The utility will perform an Environmental Justice Screening using the EPA Environmental Justice Screening and Mapping Tool (EJSCREEN), the Michigan Environmental Justice Screening Tool, or an equivalent tool. The screening will include vulnerable communities as defined below, within a 3-mile radius of each facility for all facilities. Vulnerable communities will be defined collaboratively with EGLE based on the screening tools' composite Environmental Justice index/score.

The portfolios referenced in the scope above should be analyzed to qualitatively assess the potential impacts on the identified vulnerable communities, including early retirements. The analysis should address water quality and waste disposal.

3. Air emissions data analysis will be performed to support environmental and health impact assessment for vulnerable communities as defined above. The utility will use the Environmental Benefits Mapping and Analysis Program – Community Edition (BenMAP-CE), the "Co-Benefits Risk Assessment (COBRA) Health Impacts Screening and Mapping Tool", or other analytical tools to conduct an environmental and public health impact assessment. Results, including impacts and associated costs, will be presented for all five listed portfolios.

4. For resources located within the non-attainment areas in the electric utility service territory, identify and assess their impact to the non-attainment status for the portfolio #2 listed above as compared to the previously approved build plan, and qualitatively support in testimony. The assessment should consider all nonattainment pollutants (i.e., SO2 and ozone), as well as their precursors (i.e., NOx and VOCs).

5. Narrative discussion of the quantitative and qualitative health and environmental impacts based on the analysis above, methodologies, data sources, and related observations. Explain how these considerations were taken into account in the utility's decision.

DTE believes that modeling of PM2.5 emissions provides little to no value in an IRP process and is a significant cost and time burden. The IRP lays out the Company's plan over 15-20 years and compares various scenarios, including emissions. The IRP filing requirements will include a quantitative summary of emissions from electric generating sources as well as a qualitative analysis of the scenarios' impacts on vulnerable communities. These impacts will be analyzed using Environmental Justice (EJ) and health impacts screening tools which use a form of air quality modeling to determine impacts of emission changes on ambient concentrations and in turn translate into human health effects. The EJ screening tools (EPA EJSCREEN, Michigan EJ Screening Tool) and the health impacts screening tools (BenMAP, COBRA) already take into account health impacts of PM2.5, among other impacts, in their analysis. Unit and facility level emissions will be provided which will show emissions changes over time for each of the various scenarios required by the filing requirements. These scenarios and the associated emissions changes will also have been assessed as outlined above for impacts on vulnerable communities. Dispersion modeling of emissions does not further these analyses nor does it provide value in the IRP process.

#5 – New and Existing Resources Graph

Staff proposed addition: Section I) Executive Summary & Section XIX) Exhibits and Workpapers: The Company shall include an exhibit that depicts a stacked bar chart that includes all existing resources and proposed resources, color designated by resource type, in each of the planning years. The graph shall have a line representing expected demand over the length of the planning period with the inclusion of the necessary planning reserve margin.

> DTE is amenable to providing a stacked bar chart showing UCAP capacity of all existing resources and proposed resources over the length of the planning period for the PCA and any reasonable alternatives to the PCA presented by the utility.

DTE looks forward to further discussions and collaboration with Staff and industry stakeholders on Michigan's integrated planning process.

DTE Energy

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March 10, 2022

To: Kayla Gibbs, Michigan Public Service Commission

Re: Integrated Resource Plan (MIRPP-Filing Requirements)

Indiana Michigan Power Company (I&M or Company) submits these comments on the Michigan Public Service Commission (MPSC) Staff's February 28, 2022 presentation.

I. Introduction

I&M is a multi-jurisdictional public utility that is regulated in the States of Michigan and Indiana. I&M serves approximately 130,000 retail customers in Michigan, located in predominantly rural areas of southwest Michigan. I&M's Michigan retail customers comprise approximately 15% of the total generation load served by I&M. The remaining customers are wholesale or Indiana retail. Importantly, I&M operates within the PJM Interconnection, L.L.C. (PJM) Regional Transmission Organization (RTO), while most Indiana and Michigan utilities operate in the Midcontinent Independent System Operator, Inc. (MISO) RTO.

II. Comments

Issue 1: Carbon Accounting (Slides 65 and 66)

I&M comment: Individual companies should be able to choose the accounting method that best makes sense for their specific circumstance and operational footprint. Michigan has utilities that are multi-jurisdictional and participate in different RTOs. It should be noted, that the EPRI methods listed are meant to address annual reporting obligations and not forward-looking emission projections. Utilities should have flexibility in the data sourced for future wholesales purchases based on how they anticipate those purchases arising.

Similarly, the companies should also retain flexibility in the way they present the data. I&M has provided a large amount of data regarding its carbon emissions for the various portfolios analyzed in its recent IRP filing. To the extent the parties agree that there are any additional carbon-related outputs or summaries not already included that would further advance the planning process, these can be considered for future IRPs.

Issue 2: **Financing Option (Slides 67-68)**

I&M comment: If IRP rules require evaluating early retirement proposals, the early retirement and associated cost recovery should be approved in the IRP along with the plan and resource(s) that will replace it. Each retirement situation is different and should be considered within the context of the unique facts and circumstances of the retirement itself. I&M agrees with Staff's proposal that the IRP filing requirements should not impose specific types of analyses, but rather that options related to recovering the remaining net book value of early retirements be addressed and supported in an IRP where a utility is asking for approval of the retirement and replacement resource. This flexibility will allow a utility to address the unique facts and circumstances of such retirements and ensure the analyses presented is meaningful. For example, not all retirements result in a large unrecovered net book value and a lower remaining net book value may not be eligible for a securitization option. In addition, securitization is a unique financing option that can result in negative impacts to the utility and its customers and therefore should not be a required consideration. Also, in some cases recovering the remaining net book value through the newly proposed retirement date may result in unreasonable rate impacts and therefore not present a desirable option to the utility.

Issue 3: **Season Construct (Slides 69-70)**

I&M comment: I&M supports careful consideration as part of the IRP process of specific resource characteristics. The Company includes hourly dispatch of resources and load for all seasons, including characteristics of all resource types. The current PJM construct plans for generation peak demand based on the summer peak period. Winter peaks have been considered and thus far rejected by the RTO. I&M is also a summer peaking company and this is not forecasted to change. I&M continues to identify the optimal portfolio to serve customers through its optimization modeling that already includes all seasons and years for the planning period.

Further descriptions of the IRP process that would benefit stakeholders, including treatment of outages, generation profiles, etc., to the extent they support common understanding and transparency, are welcome. However, blanket requirements such as the following, *"The utility shall indicate how it complies, and will comply, with all applicable state, federal, ISO, RTO capacity and reliability regulations, laws, rules and requirements, (such as planning reserve margins, system reliability,and ancillary service requirements) including the projected costs/revenues of complying with those regulations, laws, and rules."*, are overly broad and not appropriate. This could be a volumetric change in the size of IRPs with diminishing value for stakeholders. It also confuses the ability to focus on what is the most important aspects of the IRP. I&M will always work to comply with all applicable laws and regulations and the stakeholder process provides a forum if any party is concerned that there is such a law or regulation that has not been adequately addressed.

Issue 4: Environmental Justice Considerations (Slides 14-19)

I&M comment: Item 2 – The emissions methodology for wholesale purchases should reference "respective RTO market" instead of "MISO" to account for Michigan utilities being party to different RTOs.

Item 3a – EGLE should specify what metric/percentile qualifies a census track being vulnerable. Remove "higher disease rates" as a consideration as overall vulnerability is already being captured and "disease" is not necessarily influenced by environmental factors. Water quality and waste disposal consideration should be removed as consideration as water quality can mean a variety of things, most of which are not dependent on utility activities and waste disposal is not necessarily a localized concern nor are specific disposal facilities necessarily tied to specific generation resources.

Item 5 – Dispersion modeling is a resource intensive exercise and should not be utilized within the IRP process, particularly as it pertains to existing sources which operate under permitted emission limits. Furthermore, different modeling techniques must be used to cover different pollutants and distances associated with the dispersion, making this particularly challenging to undertake. Quantifying overall changes in PM 2.5 emissions should suffice as well as utilizing established tools, such as MERPs, to evaluate emission precursors and impacts, particularly when considering generation resources located outside the state of Michigan.

Item 6 – Remove reference to considering "publically available studies." This item is nebulous and it is unclear what consideration are relevant to resource planning.

Issue 5: Resource Chart (Slide 64)

I&M comment: The Company supports the inclusion of a new and existing resource graph by planning year through the planning year along with a line representing the forecasted demand. The Company notes that it already includes such a graph in its recently submitted IRP (Figure 4 and Figure 54).

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion, to commence a collaborative to consider issues related to integrated resource and distribution plans.	))))	Case No. U-20633

COMMENTS OF THE
ASSOCIATION OF BUSINESSES ADVOCATING TARIFF EQUITY

I. INTRODUCTION

The Michigan Public Service Commission ("Commission") issued an Order on September 24, 2021 directing Commission Staff to begin Advanced Planning Phase III of the Integration of Resource, Distribution, and Transmission Planning workgroup. Specifically, this phase is to revisit the Michigan Integrated Resource Planning Parameters ("MIRPP"), integrated resource plan ("IRP") filing requirements, and Demand Response ("DR") and Energy Efficiency Studies which are required to be evaluated every five years under MCL 460.6t(1).

The Commission directed Staff to create a redline version of the MIRPP published on November 21, 2017, that reflects the recommendations developed through the Integration of Resource, Distribution, and Transmission Planning workgroup to date, as well as feedback from stakeholders and the directives for building a carbon-neutral Michigan pursuant to Executive Directive 2020-10. Pursuant to this direction Staff conducted a workgroup on February 28, 2022 and solicited feedback on certain questions and issues as set out below. Pursuant to that solicitation the Association of Businesses Advocating Tariff Equity ("ABATE") provides the following comments.

II. COMMENTS

1. Carbon accounting proposed language.

   ABATE does not have any issues with the proposed language for Carbon Accounting.

2. Financing option proposed language.

   ABATE is supportive of this requirement for an analysis that considers at least three financing options ((i) depreciation over the original life; (ii) accelerated depreciation over the new life; and (iii) securitization) that demonstrate the impact on the NPVRR due to early retirements of generating units. It is important as part of this planning process to understand how the early retirements of generating units could impact customer rates.

   ABATE has just one suggestion: it may be prudent to set a minimum threshold that determines if these analyses are required. A minimum capacity of the generating unit, the size of the net book value, and the number of years the plant is retired early should be considered.

3. Seasonal construct proposed language.

   ABATE is generally supportive of this proposed language. It is critical that the utility describe and identify how its model approach and proposed resource plan will meet usage and demand for all times of the year and for each year of the planning horizon.

4. Environmental Justice Considerations discussed by EGLE.

   ABATE has no feedback.

5. Any other feedback.

   ABATE suggests that a version of the "New and Existing Resources Graph" be required that shows the annual energy production in MWh from each resource as the bar chart and a line that represents that annual system load in MWh.

III. CONCLUSION

Pursuant to Staff's solicitation of feedback ABATE recommends Staff consider and incorporate the comments set out above.

Respectfully submitted,

CLARK HILL PLC

By: */s/ Stephen A. Campbell*
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Date: March 10, 2021

From: Charlie Beauregard <charlie@mieibc.org>
Sent: Wednesday, March 9, 2022 11:30 AM
To: Gibbs, Kayla (LARA) <GibbsK2@michigan.gov>
Cc: Simpson, Naomi (LARA) <SimpsonN3@michigan.gov>; Harlow, Jesse (LARA) <HarlowJ@michigan.gov>; Laura Sherman <Laura@mieibc.org>; Ryan Katofsky <rkatofsky@aee.net>; Michael Weiss <mweiss@aee.net>
Subject: Comments on MI IRP Discussion from Feb 28

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Dear Ms. Gibbs,

Advanced Energy Economy (AEE) and the Michigan Energy Innovation Business Council (Michigan EIBC) (collectively "Michigan EIBC/AEE") appreciate the opportunity to provide feedback in response to the discussion in MI Power Grid's Advanced Planning Processes Phase III stakeholder meeting on Monday, February 28, 2022. Michigan EIBC/AEE have been active participants in many MI Power Grid workshops since the initiative's launch and appreciate Staff's time, effort and willingness to receive robust stakeholder feedback throughout these proceedings.

This email serves as our feedback on the most recent stakeholder meeting, in which we are generally supportive of the new additions to **Sections I, XIX, XVIII, XVII, and X**. In particular, we recognize and commend the Commission for the increased emphasis on addressing environmental justice considerations, under **Section XVIII**, as part of the MIRPP and Filing Requirements. Yet, as voiced in the February 28, 2022 meeting, we recognize that stakeholders have some concerns related to the environmental justice considerations, particularly regarding the practicality and feasibility of the dispersion modeling in suggested addition/modification #5 (slide 18).

Michigan EIBC/AEE believe that the inclusion of new and improved environmental justice considerations is a major step forward in identifying how Michigan's energy system impacts historically marginalized communities. We believe it is necessary to understand the environmental justice impacts of expected changes in criteria pollutants across specific communities in which the pollutants are being emitted and deposited rather than aggregating these changes across the entire utility territory. Although some of these pollutants are global or regional in their dispersion patterns, particulates (e.g., PM2.5) and certain heavy metals (including mercury) are deposited locally and it is therefore critical to evaluate the impacts of these pollutants on a community-by-community basis. As such, Michigan EIBC/AEE support the Commission's suggested addition/modification #5 that requires utilities to use the Michigan Environmental Justice Screening tool to complete a comprehensive evaluation of PM2.5 impacts on vulnerable communities as identified by the tool, as well as to conduct dispersion modeling of PM2.5 from the fossil fleet.

Although we recognize that dispersion modeling is complicated, this is not a reason to avoid incorporating measures to advance environmental justice. An Integrated Resource Plan lays out a 20-year vision of the resources to be added and retired as part of a utility's fleet of generation resources, and if an action has the potential to result in a more equitable portfolio, then it should be appropriately considered. In addition, both Governor Whitmer's Executive Directive 2020-10 and President Biden's economy-wide emissions reductions targets commit to a series of environmental justice targets. If Michigan wants to be serious about addressing inequality in our

energy system, while abiding by the aforementioned orders and remaining competitive with the rest of the country, it is critical that it continue to support and incorporate environmental justice considerations into utility planning processes.

Michigan EIBC/AEE thank Commission staff for the opportunity to comment. We hope our insights today further support the Commission's efforts in updating the MIRPP and Filing Requirements. If you have any further questions, please do not hesitate to reach out.

Best,
Charlie Beauregard
On behalf of Michigan EIBC and AEE
--

Charles Beauregard - Policy Associate

Michigan Energy Innovation Business Council

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Join EIBC at our 10th Annual Energy Innovators Conference on April 26th at the Kellogg Center in East Lansing! Registration and sponsorship opportunities are available!

http://www.mieibc.org

From: James Gignac <jgignac@ucsusa.org>
Sent: Thursday, March 10, 2022 2:49 PM
To: Gibbs, Kayla (LARA) <GibbsK2@michigan.gov>; Simpson, Naomi (LARA) <SimpsonN3@michigan.gov>
Cc: Margrethe Kearney <mkearney@elpc.org>; Will Kenworthy <will@votesolar.org>
Subject: Feedback on Feb. 28 MIRPP workshop - environmental justice and equity

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Hello Kayla and Naomi,

Thank you for the MIRPP workshop on Feb. 28 focusing on environmental issues and environmental justice. Below is some feedback from Dr. Elena Krieger of Physicians, Scientists, and Engineers for Healthy Energy.

1. Dispersion modeling is valuable to identify the pollution impacts of different resource portfolios, on a spatial and temporal basis, and to determine if certain pathways increase or decrease both total pollution burdens as well as health impacts in vulnerable or environmentally overburdened communities. Even if pollution burdens overall go down, there is value to identifying pathways that have the greatest health benefits or have the greatest benefits to those who most need it.

2. With respect to concerns over the amount of time required for dispersion modeling, using reduced form air pollution models can take less time and still provide valuable data for comparing scenarios.

3. Because power plant impacts are broad, it is important to calculate *total* health impacts in order to have the greatest public health benefits, as well as the impacts on vulnerable communities to determine if power plants have particular impact on vulnerable communities.

4. Regarding affordability and customer bills, the costs of resources selected in IRPs are likely to be passed on to customers, so they do matter on issues related to affordability and energy burden. Additionally, IRPs can also influence the amount of bill-savings measures such as distributed solar and energy efficiency that are pursued by utilities, which affects affordability. For example, IRPs can and should include details such as how much residential efficiency utilities are targeting and how much low-income residential efficiency they are planning to do. This allows for calculating whether low-income households are expected to have equitable access to efficiency programs through these estimates.

5. The EJ screening tool looks really interesting, especially the inclusion of “contextual layers” that can help people navigate the data.

6. For the required capacity figure: it would be useful to have total *capacity* by resource by year, total *energy* by resource by year, and also some version of net capacity/zonal capacity by resource by year. These would allow for a quick understanding of how rapidly resources are being built out, what the potential reliability/emissions implications are of these resources, and so forth.

Thank you,

James Gignac
Union of Concerned Scientists

Margrethe Kearney
Environmental Law & Policy Center

Will Kenworthy
Vote Solar

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