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Together We Energize Houghton County

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Bonnie Janssen
Michigan Public Service Commission
Michigan Agency for Energy

Dear Ms. Janssen,

As managing director of a Western U.P. energy non-profit (501c3) that delivers energy efficiency retrofits and resources to homeowners and renters of the area's largely pre-1940s housing stock, I would like to express the opinion that at the top of the list of required components for a Michigan utility's Integrated Resource Planning process should be:

An improved method for interacting with ratepayers. With today's technology, why not better interaction with the people footing the bill for future utility capital allocations? The method on the table (transmission and utilities working with selected county commissioners and two NGOs) puts too much decision-making capacity into too few hands, especially when (as in the case of county officials) a significant number of their constituents understand some of the finer nuances of the situation more thoroughly than they do.

If the MPSC were to allocate a staff person to develop and moderate an online energy forum, the process could well-benefit from crowd-sourced due diligence.

Suggestion: Put an online forum in place to make the communication process more transparent and effective. Array the proposed solutions in a logical and coherent manner and open up the dialogue.

Questions and comments on the UP-IRP Overview White Paper.

Language in blue, **questions/comments in green.**

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II. Legislative Charter (h) Proposed modeling scenarios and assumptions (1)
Before issuing the final modeling scenarios and assumptions each electric utility

should include in developing its integrated resource plan, receive written comments and hold hearings to solicit public input regarding the proposed modeling scenarios and assumptions.

Question #1:

Is it true that according to MI state law, each utility creates its own IRP without requiring input from “outside” sources? Is there a way to mandate that utilities incorporate the valid and thoughtful suggestions of the working groups?

II. Legislative Charter (h) Proposed modeling scenarios and assumptions (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). An electric utility providing electric tariff service to customers both in this state and in at least 1 other state may design its integrated resource plan to cover all its customers on that multistate basis. If an electric utility has filed a multistate integrated resource plan that includes its service area in this state with the relevant utility regulatory commission in another state in which it provides tariff service to retail customers, the commission shall accept that integrated resource plan filing for filing purposes in this state. However, the commission may require supplemental information if necessary as part of its evaluation and determination of whether to approve the plan. Upon request of an electric utility, the commission may adjust the filing dates for a multistate integrated resource plan filing in this state to place its review on the same timeline as other relevant state reviews.

Question/Comment #2:

Doesn't this language permit the MPSC to place obstacles in the way of developing small-scale local renewable generation?

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II. Legislative Charter (h) Proposed modeling scenarios and assumptions (5) An integrated resource plan shall include (f) Projected load management and demand response savings for the electric utility and the projected costs for those programs

Question/Comment #3:

This appears to enable a utility to purchase RECs from outside of its footprint, thus allowing it to meet RPS without using indigenous renewable resources. This proposal does not benefit the service territory of the utility – can this be a requirement?

II. Legislative Charter (h) Proposed modeling scenarios and assumptions (5) An integrated resource plan shall include (h) An analysis of potential new or upgraded electric transmission options for the electric utility; and (j) Plans for meeting current and future capacity needs with the cost estimates for all proposed construction and major investments, including any transmission or distribution infrastructure that would be required to support the proposed construction or investment, and power purchase agreements

Question/Comment #4:

Can this include an analysis that compares, side-by-side, costs for new or upgraded transmission options and “transmission or distribution of infrastructure that would be required” with lowest-cost means to develop local renewable energy and removing load through energy efficiency which would prolong the lifespan of existing substations and transmission facilities?

III Meeting Highlights (g) Key Questions (iv)

I am interested in helping to develop a process to involve stakeholders and conduct a combined IRP for the UP.

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III. Meeting Highlights (j) EWR Work Group Request

Question/Comment #5:

During 2015-2016 the Houghton Energy Efficiency Team (HEET) participated in the Georgetown University Energy Prize competition. Houghton County reduced its residential and municipal electricity footprint by 13% from its 2013-14 baseline/setpoint. It’s difficult to quantify exactly how much of this reduction was due to HEET’s work, because the area’s residents are motivated to reduce consumption in light electricity costs.

ⁱ Overall, Michigan utilities achieved statewide electricity savings of almost 1.2% in 2015.

HEET was volunteer-led and far outstripped that performance. Similar reductions were noted in natural gas consumption.

III. Meeting Highlights (I) Some interested stakeholders believed that stakeholder engagement was a necessity while others felt that how a utility conducted its IRP should be at the discretion of the utility alone. All comments received were supportive of working towards an informal UP IRP to model the generation, load, and imports in to the UP.

Question/Comment #6 – Iterating upon Question #1

Will utilities insist that IRP input is only advisory? Or is there a way to strengthen the impact of the work that is going into this process? Can the results of this work group become requirements for utilities?

IV Recommendations a.) Inputs/Assumptions (i) (1) EIA Annual Energy Outlook 2017

Question/Comment #7:

The source for load forecasting is too general. Recommend that all available forecasting sources are utilized, from:

- U.P. Utilities
- Other MI Utility forecasting
- All Wisconsin utility forecasts
- WI PSC
- MISO

Additionally, exaggerated load forecasts are the means of justification for capital utility spending, and higher growth forecasts make requests for local renewables and energy efficiency costlier – so getting forecasting tools and method in place that can be agreed upon is essential for the most accurate modeling and resultant effective resource planning.

I wish you the best of luck in coming up with a process that is agreeable to all involved parties – it's an ambitious task!

Sincerely,

Melissa Davis

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ⁱ <http://aceee.org/sites/default/files/pdf/state-sheet/2016/michigan.pdf>