

Michigan Planning Consortium Kick-Off Meeting

July 23, 2008

Michigan Public Service
Commission

Agenda

- Introductions
- Overview of MPSC Order
- Discussion
 - Plan for future activities
 - Consortium structure
- Next steps and logistics for future meetings, communications, etc.

July 1 MPSC Order

- Electric infrastructure planning mix of local and regional initiatives.
- Need more organized state-level component to consider electric infrastructure alternatives and associated cost impacts on Michigan consumers.
- Need adequate coordination among different Michigan entities involved in planning.
 - Public better served
 - Regional planning process stronger

July 1 MPSC Order (cont.)

- Establishes Michigan Planning Consortium
 - Forum to collect needed information and work toward consensus recommendations for energy infrastructure development.
 - Policy and implementation oriented.
 - Complement, not duplicate, ongoing local and regional planning activities.

July 1 MPSC Order (cont.)

- Directed MPSC staff to work with stakeholders.
- Consortium to meet at least monthly; MPSC staff to facilitate.
- Meetings open to all stakeholders.

July 1 MPSC Order (cont.)

- Four initial goals of Consortium:
 - Ensure adequate information sharing.
 - Evaluate energy infrastructure projects, including transmission.
 - Examine cost effects of various alternatives.
 - Recommend the most effective ways for MI stakeholders to participate in regional planning processes and related state and federal proceedings, including MPSC Act 30 certification cases.

July 1 MPSC Order (cont.)

- The MPSC order does not call for:
 - Integrated resource planning.
 - Continuation of Capacity Needs Forum or 21st Century Energy Plan work.
 - Implementation of any state or federal legislation, though Consortium could accommodate this if appropriate.

July 1 MPSC Order (cont.)

- Consortium report to MPSC due July 2009. Report to address:
 - Accomplishments;
 - Consortium's efficacy in developing electricity infrastructure; and
 - Whether and how Consortium should continue.

Future Consortium Activities – MPSC Staff Perspective

- How should the initial goals be approached?
- MPSC staff suggestion:
 - Develop open issues list, prioritize list, and convene meetings or workgroups to complete top priorities.
 - Process issues may be easier to tackle first (e.g., information sharing). Other low-hanging fruit?
 - Create process to address new or emerging issues.

Future Consortium Activities – MPSC Staff Perspective

- The following topics may be areas for the Consortium to work on based on MPSC Staff's perspective.
 - Information sharing.
 - Planning assumptions
 - Evaluation of infrastructure proposals, cost effects, and alternatives. Small, near-term and/or large, long-term projects.
 - Coordination between state and regional processes.
 - Enhancements to PA 30 certification process.
 - Other (e.g., implementation of new legislation).
- These are ideas for discussion only – welcome feedback from Consortium on topics to address and how to prioritize.

Consortium Open Issue: Information Sharing

- Sample Policy / Process Issues:
 - What planning information is needed to evaluate energy infrastructure projects and to examine cost effects?
 - What information on system needs, infrastructure proposals, and cost effects is already being provided or available?
 - by whom?
 - to whom?
 - when?
 - If inadequate or untimely information exchange, what should be done? Examples follow.

Consortium Open Issue: Facilitation of Information Sharing

- Convene workshop on data access and information needs.
 - What planning information is publicly available, CEII, and competitively sensitive, and how do stakeholders access that information?
 - Any planning information needed that is not available or provided?
 - When is planning information needed to be most useful?
 - Are there CEII or confidential data that may benefit stakeholders if summarized or redacted versions were made publicly available?
- Form workgroup or hold meeting to review information-sharing protocols of utilities, transmission owners, RTOs and others; propose revisions or Michigan-specific supplement if warranted.
- Organize forum to present, discuss, and evaluate system needs and infrastructure proposals and get input early in the process (e.g., before submittal for RTO review).

Consortium Open Issue: Planning Criteria and Assumptions

- Sample Policy / Process Issues
 - Are the existing planning criteria and assumptions adequately documented, or is more specificity or transparency needed?
 - Are the planning criteria and assumptions consistent among planning entities in MI?
 - Should the Consortium develop a Michigan-based set of planning criteria and assumptions?
 - Better data set for RTO analysis; streamline modeling.
 - Reduce or avoid disputes.

Consortium Open Issue: State and regional coordination

- Sample Policy / Process Issue:
 - How can Michigan stakeholders participate most effectively in existing transmission planning processes?
 - Is there adequate coordination between the local and regional processes for both reliability and economic projects?
- Sample Consortium Activities:
 - Convene educational workshop on existing planning processes and studies (e.g., MTEP/RTEP, targeted studies).
 - Provide forum to disseminate information to, and gather input from, a broader set of Michigan stakeholders regarding transmission owner, RTO or other planning activities.

Consortium Open Issue: Evaluation of Infrastructure Proposals

- Sample Policy / Process Issues:
 - What should be the Consortium's role in evaluating and integrating resource and infrastructure options, and how does it tie into existing state and regional processes (e.g., PA 30 certification, MTEP/RTEP, RTO special studies)?
 - Demand response and energy efficiency
 - Generation, including renewables
 - Transmission
 - Should Consortium address previous planning determinations and if so, how?
 - When and how should alternatives to proposed new transmission be presented?
 - How, when, and in what forum should costs be evaluated?

Consortium Open Issue: Evaluation of Infrastructure Proposals

- Sample Policy / Process Issues:
 - Do the current planning processes evaluate “non-wires” alternatives on a level playing field? If not, why and what, if anything, should be done?
 - MISO’s tariff provides that its transmission expansion plan will include evaluation of demand-side options. Includes sensitivity analyses on effectiveness of demand response as alternative planning solutions, to the extent methodologies are developed.
 - Is MI taking full advantage of this? Should it?
 - Should the Consortium propose a methodology for such sensitivity analyses?

Consortium Open Issue: PA 30 certification proceedings

- Sample Policy/Process Issues:
 - What can be done to improve processing of transmission line certification requests?
 - Can the Consortium reach agreement on issues that will not require rules to implement?
 - Should implementation rules be developed and, if so, when (e.g., wait until pending court appeal is resolved)?
 - What can Michigan learn from other states?

Consortium Open Issue: Scope of Consortium

- Consortium's scope should complement, and not overlap existing local or regional planning activities
 - Are there gaps in existing planning activities that this Consortium could fill?
 - Would the role be different for economic projects versus reliability projects?
 - Should the Consortium focus on near-term or long-term needs, or both?
 - What specific issues would you like to see discussed or addressed by this Consortium?
 - What are the most critical problems that need solutions?

Consortium Open Issue: Consortium Structure

- Steering Committee?
 - What would be the function? E.g., advise staff on meeting agendas, future direction of Consortium, and emerging issues.
 - How would committee members be selected?
 - How would committee interact with full Consortium?
- *Ad hoc* workgroups as needed?
 - Special projects or issues where additional analysis, information gathering and discussion are needed (e.g., renewable planning, extra high-voltage transmission, PA 30 process).

Communications

- Planning Consortium Website:
 - Go to <http://www.michigan.gov/mpsc> (click on “Electricity” then “Workgroups” and then “Planning Consortium”).
 - Subscribe to list serv from website.
- MPSC Staff will maintain Open Issues List and post on the website.
- Issues to be identified in advance of meetings to allow for better discussion.
- Please forward all requested agenda items, new issues, and updates to Open Issues List to Staff listed on the webpage (Cathy Cole and Sally Talberg).

Consortium Future Meetings

- Proposed dates:
 - Tuesday, August 26th
 - Wednesday, September 17th
 - Wednesday, October 22nd
 - Wednesday, November 19th
 - Thursday, December 11th
 - Wednesday, January 21st