# STATE OF MICHIGAN

## BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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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 )
In the matter, on the Commission's own motion, to implement the provisions of Section 6s of 2016 PA 341.	) ) ) Case No. U-15896 ) _)
In the matter, on the Commission's own motion, to implement the provisions of Section 6t(1) of 2016 PA 341.	) ) ) Case No. U-18418 ) _)
In the matter, on the Commission's own motion, to implement the provisions of Section 6t of 2016 PA 341.	) ) ) Case No. U-18461 ) _)

At the February 18, 2021 meeting of the Michigan Public Service Commission in Lansing,

Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair Hon. Tremaine L. Phillips, Commissioner Hon. Katherine L. Peretick, Commissioner

## <u>ORDER</u>

# Background

On December 21, 2016, Public Act 341 of 2016 (Act 341), which amended Public Act 3 of

1939 and Public Act 286 of 2008 (Act 286), was signed into law and became effective on April 20,

2017. Section 6t(3) of Act 341, MCL 460.6t(3), requires that each electric utility whose rates are regulated by the Commission file an integrated resource plan (IRP) within two years from the effective date of Act 341. Section 6t(3) states that the Commission "shall issue an order establishing filing requirements, including application forms and instructions, and filing deadlines for an integrated resource plan filed by an electric utility whose rates are regulated by the commission." In addition, pursuant to Section 6s(4)(a) of Act 286, as amended, the Commission must grant a certificate of necessity (CON) to an electric utility if it finds, among other determinations, that "the electric utility has demonstrated a need for the power that would be supplied by the existing or proposed electric generation facility or pursuant to the proposed power purchase agreement [PPAs] through its approved integrated resource plan under section 6t or subsection (11)."

On November 21, 2017, in Case No. U-18418 (November 21 order), the Commission approved, pursuant to MCL 460.6t(1) and (2), the Michigan Integrated Resource Planning Parameters (MIRPP) and stated that "[e]ach electric utility whose rates are regulated by the Commission shall demonstrate compliance with the Michigan Integrated Resource Planning Parameters as a condition of Commission approval of its respective integrated resource plan pursuant to MCL 460.6t(3)." November 21 order, p. 88. On December 20, 2017, in Case Nos. U-15896 and U-18461, the Commission approved application instructions for IRP filings and IRP filing requirements, along with instructions for CON alternative proposals for electric generation capacity resources. On September 11, 2019, in Case No. U-20464, the Commission approved the Michigan Statewide Energy Assessment (SEA) Final Report.<sup>1</sup> The SEA was conducted by the Commission in response to a request from Governor Gretchen Whitmer following electric and natural gas emergencies experienced during a polar vortex event on January 30 and 31, 2019. Among other things, the SEA discussed gaps in existing planning processes and identified areas that could be improved, such as increased diversity in supply resources, improved generation diversity, and revisions to currently approved utility IRP modeling parameters and filing requirements.

In the October 17, 2019 order in Case No. U-20645 (October 17 order), the Commission commenced the MI Power Grid initiative, a focused, multi-year stakeholder initiative to maximize the benefits of the transition to clean, distributed energy resources for Michigan residents and businesses. As part of the MI Power Grid initiative, the Commission made the following commitment:

Advanced planning processes for electric investments (resources, transmission, and distribution) will be examined to ensure modeling tools, assumptions, and processes are adapting to technology change, and to better integrate discrete planning activities currently being conducted for new resources (e.g., generation, demand-side options), transmission, and distribution, as detailed in the 2019 Statewide Energy Assessment. Work will also be done to quantify the value of resilience, particularly as it relates to distributed energy resources, as well as the value of diversity in the electric resource mix, in order to ensure proper consideration of both when evaluating proposed investments.

October 17 order, p. 8 (emphasis in original).

Building on these proposals, and under the auspices of the Integration of Resource,

Transmission, and Distribution Planning portion of the MI Power Grid initiative, the Commission

<sup>&</sup>lt;sup>1</sup> The SEA is filing #U-20464-0063 in that docket. It is also available here: <u>https://mipsc.force.com/sfc/servlet.shepherd/version/download/068t0000005XrEbAAK</u>.

opened Case No. U-20633 on August 20, 2020, in Case No. U-20633 (August 20 order) and directed the Commission Staff (Staff) to begin outreach aimed at holding a series of stakeholder sessions and to research best practices in several areas, including "[i]dentifying potential revisions to the Commission-approved IRP modeling parameters or the filing requirements to better accommodate transmission alternatives in IRPs in preparation for the next formal review of the Michigan IRP Planning Parameters expected to take place in 2022." August 20 order, pp. 3-4 (Integration of Resource/Transmission/Distribution Planning workgroup).

#### MI Healthy Climate Plan

On September 23, 2020, Governor Whitmer issued Executive Directive (ED) 2020-10 and Executive Order (EO) 2020-182, which announced the "MI Healthy Climate Plan." ED 2020-10, in conjunction with EO 2019-12, builds on the commitments and actions taken in ED 2019-12, pursuant to which Michigan joined the United States (U.S.) Climate Alliance, a bipartisan coalition of governors from 25 states devoted to pursuing the goals of the internationally accepted Paris Agreement. In ED 2020-10, Governor Whitmer stated that, "[b]y joining the U.S. Climate Alliance, Michigan committed to pursue at least a 26-28% reduction below 2005 levels in greenhouse gas [GHG] emissions by 2025 and to accelerate new and existing policies to reduce carbon pollution and promote clean energy deployment at the state and federal level." ED 2020-10, p. 1. She explained that Michigan must pursue a carbon-neutral future to protect the environment and public health, and to ensure the resiliency of its economy. Governor Whitmer stated that "[t]ransitioning to carbon neutrality will enable Michigan to eliminate its dependence on out-of-state fossil fuels and take full advantage of this energy transformation-from the jobs it will generate for Michigan's skilled workforce, to the protections it will provide for Michigan's natural resources, to the savings it will bring to Michigan's communities and families." Id., p. 2.

Page 4 U-20633 *et al.*  To this end, she asserted that "Michigan will aim to achieve economy-wide carbon neutrality no later than 2050, and to maintain net negative greenhouse gas emissions thereafter." *Id.* In order to develop a comprehensive and coordinated plan to meet the goals of ED 2020-10, Governor Whitmer provided a list of directives to State departments and agencies, which included a request that the Michigan Department of Environment, Great Lakes, and Energy (EGLE) further participate in the Commission's IRP process and assist in determining whether utility IRPs are consistent with the emission reduction goals set forth in ED 2020-10.

In EO 2020-182, Governor Whitmer created the Council on Climate Solutions (Council). She stated that the members of the Council will consist of the directors of six departments of the State of Michigan, the chairperson of the Commission, the Treasurer of the State of Michigan, the chief executive officer of the Michigan Economic Development Corporation, and 14 residents of the state of Michigan appointed by the Governor. Governor Whitmer asserted that the Council, among other things, must "[a]dvise [EGLE] in formulating and overseeing the implementation of the MI Healthy Climate Plan, which will serve as the action plan for this state to reduce greenhouse gas emissions and transition toward economywide carbon neutrality." EO 2020-182, p. 3.

#### MI Power Grid: Integration of Resource/Distribution/Transmission Planning

In the October 29, 2020 order in Case No. U-20633 (October 29 order), the Commission noted that, due to customer demand and declining prices, utilities in Michigan have added thousands of megawatts of renewable resources, such as wind and solar, and are on track to exceed the statutory goal of obtaining 35% of generation by 2025 from the cleanest energy sources: renewable energy and energy waste reduction. *See*, MCL 460.1001(3). The integrated resource planning process established by the Legislature in Act 341 and codified in MCL 460.6t has played an important role

in allowing for full consideration of these resources in the utilities' long-term resource plans. In light of the directives set forth in ED 2020-10 and EO 2020-182, the Commission found "that the process of updating utility IRP planning parameters and filing requirements should take into account the goals set by Michigan's utilities and how those goals align with the greenhouse gas emissions targets set by Governor Whitmer." October 29 order, p. 6.

Furthermore, in the October 29 order, the Commission noted that Consumers Energy Company (Consumers), Indiana Michigan Power Company (I&M), and Upper Michigan Energy Resources Corporation (UMERC) will be filing IRPs in 2021, and therefore it is imperative that the Staff timely develop recommendations to be considered by the Commission as to how these three utilities, and other utilities who file IRPs in the future, may best consider the emission reduction targets set by Governor Whitmer. The Commission directed the Staff to file a report in Case No. U-20633 by December 15, 2020, summarizing a Straw Proposal for advancing these objectives, other proposals from states with similar GHG emission objectives or proposals identified in the stakeholder process, and any stakeholder feedback. October 29 order, p. 7. The Commission stated that the December 15, 2020 report shall also provide the Staff's recommendation. In addition, the Commission provided an opportunity for stakeholders and interested persons to file comments in response to the December 15, 2020 report and recommendation. The Staff filed its "MI Power Grid: Emissions Reporting Requirements for Utility IRPs" in Case No. U-20633 on December 15, 2020 (December 15 report).

#### The Commission Staff's December 15, 2020 Report and Straw Proposal

In the December 15 report, the Staff stated that, in accordance with the August 20 order, it convened the Integration of Resource/Transmission/Distribution Planning workgroup and conducted a series of stakeholder meetings to perform research in this work area. At the

October 21, 2020 stakeholder session, the Staff presented a Straw Proposal for incorporating the Governor's emissions reduction goals into its recommendations for updating the utility integrated resource planning process and to show a potential future that meets the objectives of ED 2020-10. The Staff provided:

two different sets of proposals, one proposal for utilities filing before the next updates to the Michigan Integrated Resource Planning Parameters (MIRPP) and IRP Filing Requirements are approved by the Commission (Near-term filings), and one for utilities filing after these are approved by the Commission (Long-term filings). Each proposal provided multiple options for stakeholders to consider, with each option varying one or more of the following parameters: updates to the MIRPP (for Long-term filings), need for an optimized run if the preferred plan does not meet compliance, a chart that tracks annual carbon emissions of the Company's preferred plan, and reporting requirements for other greenhouse gas emissions. For example, 'option 1' for utilities filing Long-term filings requires a chart that provides the utilities['] annual carbon emissions through 2025, while 'options 2 and 3' require the same chart of annual carbon emissions through the 15-year planning horizon. The proposal for utilities filing Near-term filings includes options with similar changes to parameters, however these options do not consider an update to the MIRPP due to time constraints detailed in the Commission's October 29, 2020 order in Case No. U-20633.

December 15 report, p. 9. The Staff stated that, after presenting its Straw Proposal, it solicited feedback from the Integration of Resource/Transmission/Distribution Planning workgroup. The Staff also stated that it provided the opportunity for interested parties to present alternate proposals to meet the carbon emission reduction goals of ED 2020-10. The Staff noted that I&M and the Ecology Center, the Natural Resources Defense Council, the Michigan Environmental Council, the Environmental Law and Policy Center, the Union of Concerned Scientists, Sierra Club, and Vote Solar (the Environmental Coalition) presented proposals.

I&M advocated for continuing the current practice of allowing for a single, utility-systemwide IRP to be developed for multi-state utilities filing in Michigan. According to I&M, if the current structure is maintained, multi-state utilities would be permitted to file an IRP in Michigan for the utility's entire multi-state territory, but the Commission could also require the utility to provide supplemental information as necessary. I&M also emphasized the importance of dispatchable generation to achieve a carbon-neutral future. *See*, December 15 report, p. 10.

The Environmental Coalition presented an alternate proposal that:

focused on the need for the electric utilities to account for the timing and intensity of carbon emissions reductions from all other sectors of the economy, in order for the state to achieve the interim goal of a 28% reduction in economy-wide carbon emissions from 2005 levels by 2025. The [Environmental Coalition] compared historical emissions trends by economic sector, and found that, while the energy sector has achieved significant reductions in carbon emissions over the last decade, other sectors that comprise a significant portion of the state's annual carbon emissions have not seen a similar reduction. The [Environmental Coalition's] analysis concluded that the slower rate of emissions reductions in the other sectors of the economy will make it difficult to achieve the target of a 28% reduction in economy-wide carbon emissions by 2025. With the current expected rates of the electrification of the transportation and building sectors, the [Environmental Coalition] recommend[s] the energy sector reduce its carbon emissions by approximately 36% by 2025 from 2018 levels, to achieve this target while also experiencing significant load growth.

### Id.

The Staff stated that it researched other states that have adopted similar emissions reduction goals to locate best practices in incorporating these goals into utility resource planning processes, such as California, Hawaii, Maine (ME), Massachusetts, New York (NY), and Washington (WA). Although these states have adopted similar emissions reduction goals, the Staff noted that there were significant differences in how these goals were incorporated into utility planning processes. The Staff stated that, "[f]or instance, many states have set a goal for achieving carbon neutrality, however there are differences in when the state plans to achieve it, and in any interim metrics that must be met in the years before achieving carbon neutrality." *Id*. The Staff asserted that there are also significant differences in the details of the various states' goals, state and local regulations, established utility resource planning parameters, and market structures, as well as other additional

metrics and legislative mandates, and therefore it is difficult to apply solutions and practices from other jurisdictions directly to Michigan. However, the Staff found that "[o]ne commonality between multiple plans, including in Michigan, is the use of a Climate Council to develop a multiphased implementation plan to achieve these goals (ME, NY, WA)." *Id.*, p. 11.

At a November 6, 2020 stakeholder session of the Integration of Resource/Transmission/Distribution Planning workgroup, the Staff invited interested persons to submit comments on the Staff's Straw Proposal and I&M's and the Environmental Coalition's alternate proposals. On November 25, 2020, the Association of Businesses Advocating Tariff Equity (ABATE), the American Council for an Energy Efficient Economy (ACEEE), Michigan Energy Innovation Business Council (MEIBC), Armada Power, DTE Electric Company (DTE Electric), the Environmental Coalition, and Consumers provided comments. In the December 15 report, the Staff noted that a wide variety of comments were received and stated that "[t]he following is a partial list of topics highlighted by Stakeholders for further consideration: the need for equitable evaluation of non-wires alternatives and other non-traditional technologies, the need for a coordinated generation analysis for all retirement decisions, and the contributions of energy efficiency to building electrification." *Id.*, p. 12.

In developing its final set of recommendations for the Commission's consideration, the Staff explored different proposals presented during the Integration of Resource/Transmission/Distribution Planning workgroup's stakeholder meetings, stakeholder discussion, best practices in other states, and written feedback solicited from stakeholders. The Staff explained that its final set of recommendations include:

recommendations for utilities that are filing IRPs prior to finalization of the next MIRPP and IRP filing requirements updates (Near-term filings). Staff is not recommending options for utilities filing after the updates to the MIRPP and IRP filing requirements are approved by the Commission (Long-term filings) at this time. Those proposals will continue to be developed throughout the remainder of Phases II and III of this work group and require a more extensive discussion that includes consideration of how to incorporate these proposals into the utility planning process through updates to the MIRPP and IRP filing requirements, expected to occur in 2022.

December 15 report, p. ii.

For utilities making a Near-term filing, the Staff presented two options that provide slightly

different paths toward achieving the net zero carbon emissions goal by 2050. The Staff stated that

its "near-term options aim to leverage data to build the scenario that simply alters an existing

scenario specified as part of the current MIRPP, leveraging information that is already available to

utilities. Both options will provide necessary information to the Commission about paths toward

carbon neutrality for each of the utilities filing an IRP in the near-term." Id., p. 14. For Option 1,

the Staff recommended that a utility making a Near-term filing:

Perform one additional IRP modeling run to illustrate a path toward an electrification future and meet the interim goal of 28% carbon reduction by 2025 and continue along a trajectory toward net zero carbon emissions by 2050, as stated in ED 2020-10. This approach will help identify potential risks of this future scenario, such as consideration for resource interconnections and overall system reliability.

- Run the Environmental Policy [EP] scenario as defined in the MIRPP and apply the Company's proposed course of action [PCA] through the 15-year planning horizon, including the following changes in that run. Allow the model to build additional resources as needed.
- Reduce carbon emissions by at least 28% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025. Demonstrate a reasonable path to achieving carbon neutrality in 2050 by continuing to reduce carbon emissions through the end of the planning horizon.
- Apply a high load growth through the study period of 2% annually, up from the required 1.5% sensitivity included in the MIRPP Environmental Policy scenario. The increase in annual load growth will reflect an increase in load due to electrification.
- Include all carbon emissions for owned generation units, power purchase agreements, MISO [Midcontinent Independent System Operator, Inc.] market

Page 10 U-20633 *et al.*  energy purchases, and electricity used for the organization. Compare the projected carbon reduction achieved by the model through the 15-year planning horizon to the 2025 goal of a 28% carbon reduction and illustrate a trendline to the eventual 2050 goal. Given the likelihood of significant carbon emissions reductions occurring in single year intervals coinciding with the retirement of existing high-capacity fossil-fueled generation, this trendline should be levelized to provide the analogous annual emissions reduction rate through the planning horizon and beyond. Supply supporting evidence with necessary testimony and exhibits, including identifying any years in the planning horizon in which the model varies in carbon emissions significantly from the trendline, why this variation is occurring, and any actions planned to ensure the utility will stay on track to meet the 2050 goal.

- Provide exhibits that chart carbon emissions reductions through the 15-year planning horizon and illustrate the continued carbon emissions reduction trajectory necessary to meet the 2050 goal. Include exhibits that provide annual projected emissions for CO<sub>2</sub> [carbon dioxide], SOx [sulfur oxide], NOx [nitrogen oxide], Mercury, and PPM [primary particulate matter] through the 15-year planning horizon for the proposed course of action and each scenario optimized plan, including any additional scenarios developed by the utility. A copy of all exhibits in their native format, with all formulae intact, should be provided in additional documentation that accompanies the IRP filing.
- This additional modeling run would apply to utilities who serve customers in MISO local resource zone 7 (Lower Peninsula) as well as local resource zone 2 (Upper Peninsula). Utilities serving customers in the Upper Peninsula may not have included the Environmental Policy scenario in previous IRPs, as provided for in the MIRPP previously approved by the Commission.

Id., pp. 14-15 (notes omitted).

For Option 2, the Staff recommended that a utility making a Near-term filing:

Perform one additional IRP modeling run to illustrate a path toward an electrification future and achieve an increased interim goal for the electric sector of a 32% reduction in carbon emissions from 2005 levels by 2025. This option increases the interim 2025 goal beyond the 28% carbon emissions reduction specified in ED 2020-10. This interim goal is responsive to stakeholder feedback and analysis that attempted to calculate the additional near-term carbon reductions the electric power sector would need to make to achieve an economy-wide reduction in carbon emissions of 28% by 2025. This option assumes that historical emissions reduction trends in other sectors will continue.

• Run the MIRPP Environmental Policy scenario and apply the proposed course of action through the 15-year planning horizon, including the following changes in that run. Allow the model to select additional resources as needed.

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- Decrease carbon emissions more aggressively by achieving at least a 32% reduction in utility carbon emissions by 2025 from 2005 amounts, modeled as a hard cap on carbon emissions in 2025. Demonstrate a reasonable path to achieving carbon neutrality in 2050 by continuing to reduce carbon emissions through the end of the planning horizon.
- Apply a high load growth through the study period of 2% annually, up from the required 1.5% sensitivity included in the MIRPP Environmental Policy scenario. The increase in annual load growth will reflect an increase in load due to electrification.
- Include all carbon emissions for owned generation units, power purchase agreements, MISO market energy purchases, and electricity used for the organization. Compare the projected carbon emissions reduction achieved by the model through the 15-year planning horizon to the 2025 goal of a 32% carbon emissions reduction and illustrate a trendline to the eventual 2050 goal. Given the likelihood of significant carbon emissions reductions occurring in single year intervals coinciding with the retirement of existing high-capacity fossil-fueled generation, this trendline should be levelized to provide the analogous annual emissions reduction rate through the planning horizon and beyond. Supply supporting evidence with necessary testimony and exhibits, including identifying any years in the planning horizon in which the model varies in carbon emissions significantly from the trendline, why this variation is occurring, and any actions taken to ensure the utility will stay on track to meet the 2050 goal.
- Provide exhibits that chart carbon emissions reduction through the 15-year planning horizon and illustrate the continued carbon emission reduction trajectory necessary to meet the 2050 [goal]. Include exhibits that provide annual projected emissions for CO<sub>2</sub>, SO<sub>x</sub>, NO<sub>x</sub>, Mercury, and PPM over the 15-year planning horizon, and through 2050 for the preferred plan and each scenario optimized plan including any additional scenarios developed by the utility. All exhibits should be provided in their native format, with all formulae intact, in the workpapers included in the IRP filing.
- This additional modeling run would apply to utilities who serve customers in MISO local resource zone 7 (Lower Peninsula) as well as local resource zone 2 (Upper Peninsula). Utilities serving customers in the Upper Peninsula may not have included the Environmental Policy scenario in previous IRPs, as provided for in the MIRPP previously approved by the Commission.

Id., pp. 15-16 (notes omitted).

The Staff also provided recommendations for multi-state utilities. The Staff noted that MCL 460.6t(4) "requires the Commission to accept an integrated resource plan filed in another state for the purposes of filing in this state. That same section of the statute allows the Commission to 'require supplemental information if necessary as part of its evaluation and determination of whether to approve the plan." *Id.*, p. 16 (quoting MCL 460.6t(4)) (note omitted). Therefore, the Staff recommended that multi-state utilities perform an additional modeling run that shows how its Michigan service territory will meet the carbon emissions reduction goals set forth in ED 2020-10. According to the Staff, "this additional modeling run is necessary to provide supplemental information to ensure multi-state utilities are on track to meet the carbon emissions goals of ED 2020-10." *Id.* The Staff further explained:

The impact on multi-state utilities is different than the impact on utilities whose service territory is fully contained within the Michigan State boundaries. The impact of an electrification future in Michigan would potentially increase the Michigan portion of the total multi-state utility load. The interim carbon goal should be appropriately proportioned to reflect the amount of the utility's Michigan service territory load as a portion of the total utility's system load, while considering anticipated load growth in the rest of the utility's service territory that may not have the same carbon emission reduction goals as Michigan. For example, if the Michigan portion of a multi-state utility's load represents 25% of its total service territory load and a 50% carbon emission reduction is required by a specific year then that utility would be expected to achieve a 12.5% carbon reduction to meet the ED 2020-10 goal for its Michigan service territory, (25%\*50%=12.5%).

*Id.*, p. 17. The Staff stated that, alternatively, the Commission could allow multi-state utilities more flexibility to demonstrate compliance with the carbon emission reduction goals by requiring supporting testimony and exhibits that provide clear information from the multi-state utility's existing scenarios, illustrating an electrification and carbon neutral future in its Michigan service territory. The Staff asserted that "this supporting evidence must show the overall impact to load, utility resources, and emissions and demonstrate a path towards the ED 2020-10 carbon emission reductions." *Id.* 

Page 13 U-20633 *et al*. In conclusion, the Staff recommended that the Commission select either Option 1 or Option 2 for utilities filing IRPs before the next updates to the MIRPP and IRP filing requirements are finalized, and one option for multi-state utilities to meet the goals of ED 2020-10. The Staff stated that:

discussions will continue in Phases II and III of the MI Power Grid Advanced Planning processes work group on the development of a proposal for utilities filing after the next updates to the MIRPP and IRP Filing Requirements are approved by the Commission, expected in 2022. A proposal for the long-term filings will require updates to the MIRPP and IRP filing requirements, and its implementation will include any guidance from EGLE and the Council on Climate Solutions that is available to Staff at that time.

Id.

#### Comments

Comments on the December 15 report were filed by ABATE; the Environmental Coalition; Consumers; UMERC; I&M; DTE Electric; and MEIBC and Advanced Energy Economy (together, MEIBC/AEE). Many of the comments mirror the stakeholder feedback described above.

ABATE states that determinations regarding the retirement of fossil-fueled generation should take place only after a reasonable and transparent analysis, explaining that "requiring or instituting prescriptive assumptions around specific utility retirements is inappropriate and presents a risk of uneconomic retirement of generation." ABATE's comments, p. 2. ABATE contends that utilities should direct their carbon reduction efforts towards the generation units that they own and directly control, and not towards carbon emissions occurring outside their direct control. ABATE states that ED 2020-10 issued by Governor Whitmer does not expand the Commission's jurisdiction, and that the Commission's authority does not include the power to make management decisions. ABATE asserts that the recommendations in the December 15 report are "arguably close to

Page 14 U-20633 *et al.*  effectively appearing or operating as administrative rules," and that any established reduction target should be supported by a "cost-benefit analysis." *Id.*, p. 3. ABATE contends that all stakeholders will continue to have the opportunity to intervene in IRP proceedings.

The Environmental Coalition notes that, in the December 15 report, the Staff stated that its "overarching recommendation is that all utilities filing a Near-term IRP model one scenario that achieves the goals of ED 2020-10." Environmental Coalition's comments, p. 2 (quoting the December 15 report, p. 13). However, the Environmental Coalition argues that neither of the two options proposed in the December 15 report actually achieve the goals of ED 2020-10.

According to the Environmental Coalition, ED 2020-10 sets an emissions reduction target on an economy-wide basis. Thus, the Environmental Coalition contends that the requirement that utilities consider only their own emissions, such as in Option 1, is inadequate because it addresses emissions from only the electric power sector of the state's economy. The Environmental Coalition maintains that "the power sector has large cost-effective opportunities to move at a faster pace than other sectors and must do so for the state to achieve both the 2025 and 2050 MI Healthy Climate Plan goals." *Id.*, p. 4 (note omitted). The Environmental Coalition advocates adoption of a modified version of Option 2 which mandates a requirement "to model a hard cap on emissions representing a 36% reduction from their 2018 levels, or a 52% reduction from their 2005 levels" by 2025. *Id.*, p. 5. The Environmental Coalition argues that Michigan utilities will exceed even the 32% target simply by conducting business as usual, and that studies show that these higher proposed targets will be necessary for the Michigan economy to reach the Governor's goals. The Environmental Coalition posits that EGLE and the Council will set requirements for higher short-term contributions towards emissions reductions from the power sector.

The Environmental Coalition also recommends that the high load growth factor of 2% be removed from any option that is adopted because:

there is very little evidence from electrification trends that support load growth increasing an additional 0.5% over the next 4 years. The 2% approach recommended by Staff is too blunt of an instrument to incorporate the dynamic nature of electrification (or, "flexible demand"), fails to address how it is likely to affect load growth, and likely would produce misleading and negative ratepayer and grid impacts that are inconsistent with a well-leveraged and well-planned increase in the near term of behind-the-meter electric technologies.

*Id.*, p. 8. The Environmental Coalition states that the existing high load factor of 1.5% is sufficient for Near-term filings. The Environmental Coalition further comments that utilities should demonstrate a 2050 pathway to zero emissions and not simply to carbon neutrality. The Environmental Coalition "view[s] carbon neutrality as code for offsets," and recommends that the Commission decline to consider offsets as a carbon reduction strategy because they tend to promote unequal environmental impacts. *Id.*, p. 10. The Environmental Coalition supports the Staff's recommendation that multi-state utilities making Near-term filings include modeling that shows how their Michigan service territories will meet emission reduction targets, but again advocates a 36% reduction from 2018 levels by 2025 rather than the targets set in ED 2020-10.

Consumers states that all of the options contained in the December 15 report are premature and would result in inconsistencies between the Near-term filings and IRPs filed after 2022. Consumers notes that there are only three utilities filing an IRP in the near term and that, of those three, only Consumers would be required to undertake the full modeling and reporting requirements laid out in the December 15 report (I&M is a multi-state utility and UMERC serves a smaller number of customers). Consumers argues:

In general, requiring a portion of the state's utilities to perform analysis and reporting to be representative of state goals prior to final updates to the MIRPP creates inconsistences between emissions modeling and data that would be filed in IRPs prior to 2022, versus those that would be filed after 2022 when MIRPP updates have been thoroughly discussed, developed, and finalized. Issuing these additional requirements prior to recommendations or guidelines issued as part of the MI Healthy Climate Plan will also create the potential for inconsistencies in goals and reporting.

Consumers' comments, p. 2. Consumers contends that new modeling and reporting requirements should be applicable to IRPs after 2022 for consistency and equity. Consumers notes that EGLE and the Council have been tasked with coordinating the state's carbon reduction efforts, and argues that new requirements set by the Commission may become obsolete. Consumers offers that, for information purposes, the Commission could require all utilities to submit a status report showing how each utility is tracking to the near-term and long-term goals of ED 2020-10.

Consumers states that Options 1 and 2 require at least two additional modeling runs. Consumers notes that, if the PCA as modeled in the EP scenario does not demonstrate compliance with the 28% reduction by 2025 target, then an additional model showing alternative resource selections must be provided. Consumers submits that this seems to create an alternate PCA and it is unclear whether this is intended to form an alternate IRP. Consumers notes that the additional high load growth sensitivity of 2% annually requires another modeling run, and argues that the current MIRPP requirement to evaluate a 1.5% annual load growth sensitivity is sufficient to address the amount of electrification expected to occur in the near term. Consumers states that "the Company supports the recommendation to work to develop industry-specific electrification forecasts for future incorporation in demand forecasts, which will provide more reasonable and accurate assumptions to help drive the utility decision making process for IRPs filed using the updated and final MIRPP expected in 2022." *Id.*, pp. 4-5.

Consumers objects to the requirement that it include in the modeling all carbon emissions for PPAs, MISO market energy purchases, and electricity used by the company, along with the emissions from company-owned generation units. Consumers avers that it "is unable to identify,

and does not control, units that produce emissions associated with MISO-related purchases," and argues that the utility industry has not yet established a method for estimating the carbon emissions associated with energy market transactions. *Id.*, p. 5. Consumers seeks clarification as to whether the mandate to model emissions associated with criteria air pollutants applies only to utility-owned resources.

Consumers also objects to being required to apply its emissions reductions towards the 32% goal in order to compensate for economic sectors that cannot meet the 28% goal. Consumers avers that EGLE and the Council will work with all industries and sectors to provide guidance, and contends that it is unreasonable to require individual utilities with Near-term filings to achieve this higher target. Consumers offers its own proposed Options 1 and 2 which reflect the company's comments. In sum, Consumers argues that the current MIRPP requirements are sufficient for Near-term filings "when supplemented with exhibits or charting of carbon emissions of a utility's PCA, alternative plans, and the outcome of the 1.5% load growth sensitivity." *Id.*, pp. 10-11. Consumers urges the Commission to adopt requirements after 2022 that will apply to all utilities and will reflect guidance from EGLE and the Council.

UMERC supports adoption of Option 1 because it is consistent with ED 2020-10. UMERC argues that Option 2 requires the electric utility industry and its ratepayers to compensate for the shortcomings of other industries with respect to carbon reduction. UMERC contends that, "because electricity is a necessity, consideration must be given to the fact Option 2 will result in the underprivileged subsidizing underperforming industries whose products they may be unable to afford (e.g. car manufacturers); equity requires that all industries (and their consumers) equally bear the burden of reaching carbon emission goals." UMERC's comments, pp. 3-4. UMERC also

notes that all stakeholders will be able to intervene in each electric utility's IRP proceeding to advance their policy advice and concerns. *Id*.

I&M contends that, as a multi-state utility, Options 1 and 2 do not apply to it. Regarding the Staff's third option, I&M agrees to consider performing an additional modeling run that shows how its Michigan service territory will meet the ED 2020-10 targets and states that the recommendation is reasonable. I&M notes that its IRP proceeding will include stakeholder participation. Though Options 1 and 2 do not apply to I&M, the company suggests that the high load growth factor of 2% is not realistic because normalized load growth has actually been declining.

DTE Electric notes that the IRP development process requires 12-18 months, and the company does not support modifying the MIRPP or the IRP filing requirements for utilities filing IRPs prior to 2023. However, DTE Electric posits that the process of updating these documents should take into account the ED 2020-10 targets. DTE Electric states that it supports application of the ED 2020-10 targets to one scenario, and finds that the EP scenario is the most appropriate. However, DTE Electric "does not agree with modeling the EP scenario and forcing in the Company's proposed course of action (PCA) as a 'starting point,' allowing the model to select additional resources, as needed. This approach creates a new scenario and results in an additional build plan after the utility's PCA has been determined." DTE Electric's comments, p. 2. DTE Electric supports requirements that are informative and not overly burdensome, and states that whether to add a load sensitivity to the modeling runs should be addressed in the future MIRPP update discussions.

DTE Electric objects to a pre-set growth rate sensitivity as too prescriptive, and suggests that load growth sensitivities should be specific to each utility's service territory. In addition, DTE Electric states that the description of required emissions should be as follows: "Quantify all carbon emissions attributable to energy to serve customers' load plus internal use and losses. This includes carbon emission estimates from owned generation units, power purchase agreements, and carbon emissions attributable to balanced MISO market purchases/sales." *Id.*, p. 3. Furthermore, DTE Electric objects to modeling an emissions target that goes beyond the mandates of ED 2020-10. Finally, DTE Electric opposes the inclusion of a metric for public health in the IRP modeling, and suggests that the definition of any such metric be provided by EGLE and the Michigan Advisory Council on Environmental Justice.

MEIBC/AEE contend that the carbon reduction goal in Option 2 should be increased to 36% consistent with the analysis offered by 5 Lakes Energy. In addition, MEIBC/AEE argue that the EP scenario should be considered the baseline assumption rather than being viewed as a special environmental scenario. MEIBC/AEE also seek clarification from the Staff as to whether the 2% load growth assumption is applicable to the EP scenario. MEIBC/AEE support application of the higher load growth rate in the EP (baseline) scenario because it reflects the expected increase in electrification, and suggest that "[t]o the extent possible, Staff should tie these growth rate assumptions to the assumed level of GHG reductions in the scenario." MEIBC/AEE's comments, p. 3. MEIBC/AEE urge the Commission to engage in further discussion of long-term carbon reduction options.

## Discussion

The Commission appreciates the comments in response to the December 15 report, which will assist in evaluating how to achieve the objectives set forth in ED 2020-10. The Commission notes that ED 2020-10 states, in pertinent part:

1. Michigan will aim to achieve economy-wide carbon neutrality no later than 2050, and to maintain net negative greenhouse gas emissions thereafter. To

Page 20 U-20633 *et al.*  ensure steady progress toward this ultimate statewide goal, and to prevent irreparable harm to our ecosystem, residents, and businesses in the interim, the state will aim to achieve a 28% reduction below 2005 levels in greenhouse gas emissions by 2025.

- 2. The Department of Environment, Great Lakes, and Energy ("Department"), through its Office of Climate and Energy, must develop and issue the MI Healthy Climate Plan ("Plan"), which will serve as the action plan for this state to reduce greenhouse gas emissions and transition toward economy-wide carbon neutrality. The Plan must provide strategies and recommendations for achieving and tracking progress toward the statewide goals set forth in section 1 of this directive, with a focus on near-term objectives that Michigan can achieve in five years. . . .
- 3. The Department, under the leadership of its Office of Climate and Energy, must oversee the implementation of the Plan. This must include, but is not limited to, monitoring and evaluating programs and activities that support statewide climate mitigation and adaptation practices, and coordinating and supporting the implementation efforts of state departments and agencies, tribal and local governments, utilities, businesses, communities, and other stakeholders. . . .
- 4. The Department must expand its environmental advisory opinion filed by the Department in the Michigan Public Service Commission's ("Commission") Integrated Resource Plan (IRP) process under MCL sections 460.6t and also file environmental advisory opinions in IRPs filed under MCL 460.6s. The Department must evaluate the potential impacts of proposed energy generation resources and alternatives to those resources, and also evaluate whether the IRPs filed by the utilities are consistent with the emission reduction goals included in this Directive. For advisory opinions relating to IRPs under both MCL 460.6s and MCL 460.6t, the Department must include considerations of environmental justice and health impacts under the Michigan Environmental Protection Act. The Commission's analysis of that evidence must be conducted in accordance with the standards of the IRP statute and the filing requirements and planning parameters established thereto.

As set forth in ED 2020-10, Michigan must "aim to achieve economy-wide carbon neutrality no later than 2050, and to maintain net negative greenhouse gas emissions thereafter." ED 2020-10, p. 2. Accordingly, to achieve this goal, the Commission finds that the process of updating the MIRPP and IRP filing requirements should take into account the goals set by Michigan's utilities and how those goals align with the GHG emissions targets set by Governor Whitmer. The work of the stakeholder group established in the August 20 order shall guide this process, set to be

Page 21 U-20633 *et al.*  completed in 2022. In the interim, Consumers, I&M, and UMERC will be filing an IRP before the process to update the MIRPP and IRP filing requirements is complete. Therefore, the Commission finds that it is imperative to determine how these three utilities, and other utilities who file IRPs in the future, may best consider the emission reduction targets set by Governor Whitmer.

The Commission notes that, in 2017, the state of Michigan achieved a statewide emission reduction in all energy sectors of approximately 20%, with utilities achieving a 26% reduction in electric power sector carbon emissions below 2005 levels.<sup>2</sup> In addition, with the utilities' proposed coal-fired unit retirements and planned renewables additions, it is likely that many Michigan utilities will meet or exceed a 32% reduction in carbon emissions below 2005 levels by 2025 if the utilities continue to conduct business as usual. Furthermore, the Commission notes that, because the electric power sector has efficient, economical, and established means to reduce energy waste, administer demand response programs, and provide diverse sources of generation, the electric power sector is uniquely positioned to achieve higher carbon reduction targets more rapidly than other sectors of the economy. Therefore, pursuant to its statutory authority, the Commission directs rate-regulated utilities filing Near-term IRPs to complete modeling scenarios that assist the state of Michigan in achieving economy-wide carbon neutrality by 2050.

Section 6t of Act 341, MCL 460.6t, states, in relevant part:

(1) The commission shall, within 120 days of the effective date of the amendatory act that added this section and every 5 years thereafter, commence a proceeding and, in consultation with the Michigan agency for energy, the department of environmental quality, and other interested parties, do all of the following as part of the proceeding:

\* \* \*

<sup>&</sup>lt;sup>2</sup> "Sketch for Construction of IRP Scenarios Reflecting ED 2020-10" presented by the Environmental Coalition at the November 6, 2020 stakeholder session: <u>https://www.michigan.gov/documents/mpsc/MPG\_Advanced\_Planning\_11.06.20\_707093\_7.pdf</u>, p. 69.

(f) Establish the modeling scenarios and assumptions each electric utility should include in addition to its own scenarios and assumptions in developing its integrated resource plan filed under subsection (3) . . . .

\* \* \*

(3) Not later than 2 years after the effective date of the amendatory act that added this section, each electric utility whose rates are regulated by the commission shall file with the commission an integrated resource plan that provides a 5-year, 10-year, and 15-year projection of the utility's load obligations and a plan to meet those obligations, to meet the utility's requirements to provide generation reliability, including meeting planning reserve margin and local clearing requirements determined by the commission or the appropriate independent system operator, and to meet all applicable state and federal reliability and environmental regulations over the ensuing term of the plan. The commission shall issue an order establishing filing requirements, including application forms and instructions, and filing deadlines for an integrated resource plan filed by an electric utility whose rates are regulated by the commission. The electric utility's plan may include alternative modeling scenarios and assumptions in addition to those identified under subsection (1).

(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. . . .

\* \* \*

(20) An electric utility shall file an application for review of its integrated resource plan not later than 5 years after the effective date of the most recent commission order approving a plan, a plan amendment, or a plan review. The commission shall consider a plan review under the same process and standards established in this section for review and approval of an integrated resource plan. A commission order approving a plan review has the same effect as an order approving an integrated resource plan. (21) The commission may, on its own motion or at the request of the electric utility, order an electric utility to file a plan review. The department of environmental quality may request the commission to order a plan review to address material changes in environmental regulations and requirements that occur after the commission's approval of an integrated resource plan. An electric utility must file a plan review within 270 days after the commission orders the utility to file a plan review.

As stated in Section 6t(1)(f) of Act 341, the Commission may establish modeling scenarios

and parameters for IRPs, in addition to the utility's own scenarios and assumptions, so that the

utility can provide:

a 5-year, 10-year, and 15-year projection of [its] load obligations and a plan to meet those obligations, to meet the utility's requirements to provide generation reliability, including meeting planning reserve margin and local clearing requirements determined by the commission or the appropriate independent system operator, and to meet all applicable state and federal reliability and environmental regulations over the ensuing term of the plan.

To assist the state of Michigan in achieving economy-wide carbon neutrality by 2050, the

Commission finds that Consumers, I&M, UMERC, and any utility providing a Near-term IRP filing shall provide two additional model runs, in addition to the utility's own scenarios and assumptions and those required by the MIRPP, that: (1) demonstrate a reduction in carbon emissions by at least 28% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025; and (2) demonstrate a reduction in carbon emissions by at least 32% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025.

In the December 15 report, the Staff stated that a utility making a Near-term IRP filing should provide modeling that "[i]nclude[s] all carbon emissions for owned generation units, power purchase agreements, MISO market energy purchases, and electricity used for the organization." December 15 report, p. 14. DTE Electric requests that the Staff's modeling requirements be more clearly defined as follows: "Quantify all carbon emissions attributable to energy to serve customers' load plus internal use and losses. This includes carbon emission estimates from owned generation units, power purchase agreements, and carbon emissions attributable to balanced MISO market purchases/sales." DTE Electric's comments, p. 3. The Commission finds that DTE Electric's proposed language should be adopted, modified as follows: "Quantify all carbon emissions attributable to energy to serve customers' load plus internal use and losses. This includes carbon emission estimates from owned generation units, power purchase agreements, and carbon emissions attributable to balanced MISO market purchases and sales." For the purpose of assigning a carbon value to MISO or PJM Interconnection LLC (PJM) market purchases, utilities should use the MISO or PJM annual average.

In addition, to achieve the objectives of ED 2020-10, the Commission finds that, pursuant to MCL 460.6t(4), a multi-state utility making a Near-term IRP filing must provide supplemental information. Accordingly, multi-state utilities shall perform two model runs: (1) demonstrate a total portfolio reduction in carbon emissions, proportional to the amount of load that the Michigan jurisdiction represents as compared to the total customer load across all states served, by at least 28% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025; and (2) demonstrate a total portfolio reduction in carbon emissions, proportional to the amount of load that the Michigan jurisdiction represents as compared to the total customer load across all states served, by at least 28% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025; and (2) demonstrate a total portfolio reduction in carbon emissions, proportional to the amount of load that the Michigan jurisdiction represents as compared to the total customer load across all states served, by at least 32% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025. The Commission notes that, to achieve carbon neutrality by 2050, it is imperative that multi-state utilities that have resources serving Michigan load are on the same track as utilities located in Michigan. Therefore, modeling parameters, consistent with the Governor's goal of carbon neutrality by 2050, shall be developed

by the stakeholder group tasked with updating the MIRPP and IRP filing requirements for multistate utilities that are providing Long-term filings.

Regarding the load growth sensitivity, the Commission notes that there are many nuances that are not captured by a flat annual growth rate. For example, the rate of electrification is difficult to predict with specificity and it is uncertain how much of that load will be served by distributed generation (DG). And, because of future energy demands from new electric uses such as electric vehicles and electric heating appliance purchases, load may not increase in a linear fashion. Thus, the Commission finds the 1.5% increased demand and energy growth sensitivity set forth in the MIRPP to be reasonable, given the potential for DG and new electric uses. The Commission will continue to evaluate the reasonableness of the assumed 1.5% load growth every five years as directed by MCL 460.6t(1).

Based upon the foregoing, the Commission adopts Options 1 and 2 provided by the Staff in its Straw Proposal, with some modifications identified in this order. Near-term IRP filings should provide two additional model runs, as outlined by the Staff, that are based on, but separate from, the existing EP scenario with a modification to include all new proposed resources included in the company's PCA, and the 1.5% high load growth sensitivity, thereby creating a new scenario known as a Carbon Reduction scenario. The Carbon Reduction scenario will aid in assessing risks associated with the PCA's ability to achieve necessary carbon reductions. Utilities should run the Carbon Reduction scenario first with a hard cap on carbon emissions at 28% by 2025 and second with hard cap on carbon emissions at 32% by 2025. Both runs are expected to demonstrate a continuing downward trend such that the utility is positioned to achieve carbon neutrality by 2050.

The Commission acknowledges that there is some dispute between stakeholders on the level of emissions reduction needed from the power sector in order to achieve both a 28% reduction in

economy-wide emissions from 2005 levels by 2025, and the longer-term objective of achieving carbon neutrality. Specifically, the Commission notes the arguments raised by the Environmental Coalition that, given the relative lack of progress in addressing non-energy-related GHG emissions and energy-related emissions connected to buildings, industry, and transportation, a far more aggressive emissions reduction of 52% below 2005 levels (or 36% below 2018 levels) is needed from the power sector to achieve the 2025 economy-wide targets contained in ED 2020-10. Environmental Coalition's comments, p. 5. However, the Commission believes that the Council may be better placed to adjudicate this issue and expresses its hope that the Council's recommendations can serve to inform the ultimate scenarios to be included in the MIRPP and IRP filing requirements for Long-term filings.

Finally, in response to the Staff's Options 1 and 2 in the December 15 report, Consumers requests that the modeling of its sensitivities be included as workpapers, rather than exhibits. Consumers' comments, pp. 8, 10. The Commission agrees, so long as the workpapers are provided to the Staff and available to EGLE. However, in the workpapers, utilities shall include annual projected emissions for CO<sub>2</sub>, SOx, NOx, mercury, and PPM over the 15-year planning horizon for the preferred plan and each scenario optimized plan including any additional scenarios developed by the utility. Furthermore, because workpapers are not a part of the record, the utility shall provide, with its IRP filing, an emissions summary, including the annual projected emissions for CO<sub>2</sub>, SOx, NOx, mercury, and PPM over the 15-year planning horizon, to assist the Commission in its evaluation of the IRP and determination.

## THEREFORE, IT IS ORDERED that:

A. Prior to the update to the Michigan Integrated Resource Planning Parameters and Integrated Resource Plan filing requirements in 2022, a Michigan rate-regulated utility filing an integrated resource plan pursuant to Section 6t of Public Act 341 of 2016, MCL 460.6t, shall perform two model runs, in addition to the utility's own scenarios and assumptions and those required by the Michigan Integrated Resource Planning Parameters, that are based on the existing Environmental Policy scenario with the high load growth sensitivity of 1.5%, thereby creating a new scenario, that: (1) demonstrate a reduction in carbon emissions by at least 28% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025; and (2) demonstrate a reduction in carbon emissions by at least 32% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025.

B. Prior to the update to the Michigan Integrated Resource Planning Parameters and Integrated Resource Plan filing requirements in 2022, multi-state utilities with resources serving Michigan load that file an integrated resource plan pursuant to Section 6t of Public Act 341 of 2016, MCL 460.6t, shall perform two model runs, in addition to the utilities' own scenarios and assumptions and those required by the Michigan Integrated Resource Planning Parameters, that are based on the existing Environmental Policy scenario with the high load growth sensitivity of 1.5%, thereby creating a new scenario, that: (1) demonstrate a total portfolio reduction in carbon emissions, proportional to the amount of load that the Michigan jurisdiction represents as compared to the total customer load across all states served, by at least 28% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025; and (2) demonstrate a total portfolio reduction in carbon emissions, proportional to the amount of load that the Michigan jurisdiction represents as compared to the total customer load across all states served, by at least 32% of the utility's 2005 amounts by 2025, accomplished by modeling a hard cap on carbon emissions in 2025. C. The two additional modeling runs shall quantify all carbon emissions attributable to energy to serve customers' load plus internal use and losses. This includes carbon emission estimates from owned generation units, power purchase agreements, and carbon emissions attributable to market purchases and sales. For the purpose of assigning a carbon value to Midcontinent Independent System Operator, Inc. and PJM Interconnection LLC market purchases, utilities should use the Midcontinent Independent System Operator, Inc. or PJM Interconnection LLC annual average.

D. The load growth sensitivity included in the Michigan Integrated Resource Planning Parameters Environmental Policy scenario shall remain 1.5%, subject to future Commission evaluation.

E. Prior to the update to the Michigan Integrated Resource Planning Parameters and Integrated Resource Plan filing requirements in 2022, a Michigan rate-regulated utility or multistate utility with resources serving Michigan load that is filing an integrated resource plan pursuant to Section 6t of Public Act 341 of 2016, MCL 460.6t, may include the modeling of its sensitivities as workpapers, rather than exhibits, so long as the workpapers are provided to the Commission Staff and available to the Michigan Department of Environment, Great Lakes, and Energy.

F. In the workpapers, utilities shall include annual projected emissions for carbon dioxide, sulfur oxide, nitrogen oxide, mercury, and primary particulate matter over the 15-year planning horizon for the preferred plan and each scenario optimized plan including any additional scenarios developed by the utility.

G. With its integrated resource plan filing, the utility shall provide an emissions summary, including the annual projected emissions for carbon dioxide, sulfur oxide, nitrogen oxide, mercury,

and primary particulate matter over the 15-year planning horizon, to assist the Commission in its evaluation and determination.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at <u>mpscedockets@michigan.gov</u> and to the Michigan Department of the Attorney General - Public Service Division at <u>pungp1@michigan.gov</u>. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

## MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Tremaine L. Phillips, Commissioner

Katherine L. Peretick, Commissioner

By its action of February 18, 2021.

Lisa Felice, Executive Secretary

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# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-20633 et al.

County of Ingham

)

Brianna Brown being duly sworn, deposes and says that on February 18, 2021 A.D. she

electronically notified the attached list of this Commission Order via e-mail transmission,

to the persons as shown on the attached service list (Listserv Distribution List).

Brianna

Subscribed and sworn to before me this 18<sup>th</sup> day of February 2021.

Angela P. Sanderson Notary Public, Shiawassee County, Michigan As acting in Eaton County My Commission Expires: May 21, 2024

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