



## ENVIRONMENTAL LAW & POLICY CENTER

October 24, 2024

Michigan Public Service Commission  
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Re: U-20147—MPSC Request for Comment on MPSC Staff’s Distribution Planning Straw Proposal

Please see the attached comments submitted by the Ecology Center, the Environmental Law & Policy Center, the Union of Concerned Scientists, and Vote Solar, collectively the Clean Energy Organizations or “CEO.” The CEO appreciate the opportunity to provide feedback on MPSC Staff’s Distribution Planning Straw Proposal.

The CEO’s feedback is provided in the form of a redline of Staff’s straw proposal. In particular, the CEO believe that Staff can improve its straw proposal by: (1) adding more detail around some of the required analyses particularly related to equity and hosting capacity; (2) making the utilities’ public engagement requirements more stringent and mandatory; (3) formalizing the Commission’s role in providing feedback on plans; and (4) ensuring the Utilities’ examination of grid modernization technologies includes a locational analysis.

The CEO look forward to participating in Staff’s collaborative session to further discuss the straw proposal.

Respectfully submitted,

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## Distribution Planning Staff Proposal

### Purpose and Objectives

#### a. Purpose

As directed by the Commission, Staff presents this proposal to facilitate a standard approach for future distribution plan filings submitted by each Michigan rate-regulated utility (“utility”). The straw proposal is provided with consideration given to prior Commission orders for content to be included in distribution plans, as well as prior interested party comments and discussion with utilities. The length and content of the plans may change over time based on Commission order.

#### b. Objectives

The goal of electric distribution plans is to provide the Commission, Commission Staff, and other interested parties a comprehensive understanding of anticipated utility needs, priorities, and spending outside of the contested rate case process, and to allow such parties to properly evaluate significant and necessary investments to the utilities’ aging distribution systems.<sup>1</sup> The Commission has established four overarching electric distribution system objectives for distribution planning: safety, reliability and resiliency, cost-effectiveness and affordability, and accessibility.<sup>2</sup> The Utility should use the electric distribution grid plan process to articulate its strategic mid- to long-term plan for its distribution grid through the lens of the Commission’s stated planning objectives. It has also reiterated the importance of plans being based upon reviewable data.<sup>3</sup> The informational nature of the planning process encourages more focus on supportive data than narrative, as distribution plans are not subject to formal approval<sup>4</sup> by the Commission and do not authorize future cost recovery. A utility may adopt its own goals for the distribution plan in addition to those set by the Commission.

### Schedule

Distribution plans must be filed every three years, or as otherwise ordered by the Commission, to an appropriate docket, and include a five-year investment plan and an extended (~~10~~-15 year) outlook from the date of the filing. The plan must

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<sup>1</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 66.

<sup>2</sup> August 20, 2020 Order in MPSC Case No. U-20147, pp. 36-37.

<sup>3</sup> September 8, 2022 Order in MPSC Case No. U-20147.

<sup>4</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 66.

address the specifics detailed below. Plans will be staggered between utilities on a schedule set by the Commission which properly situates grid plans so they do not overlap with rate cases.

An annual update is ~~optional~~required and intended to provide utilities the opportunity to update information within plan filings including, but not limited to, projections and forecasted costs to align with existing planning objectives. The update is intended to communicate changes in long-term strategy caused by unexpected shifts in forecasted metrics or costs. Annual updates, if appropriate, shall be filed annually from the date of the utility's most recent distribution plan filing in an appropriate docket. The filing of annual updates should be coordinated with rate case filings, such that deviations from the originally filed distribution grid plan are reflected in both the annual update and the rate case.

### Interested Party Outreach

As defined by the Commission, distribution plans must seek problem descriptions, goals, and possible solutions through community and third-party engagement.<sup>5</sup> To encourage ongoing discussion between utilities and interested parties, outreach and feedback opportunities will be made available by the utilities prior to and after distribution plans are filed.

#### a. Pre-Filing Outreach

The utility must hold ~~at least one~~several outreach meetings to collaborate with and engage community, customers, and other interested parties in a manner timely enough to ensure input can be incorporated into the plan filing and not less than 12 months prior to the filing. At least half of all, with a minimum of one, outreach meeting(s) must be held outside of normal business hours and offered in the utility's service territory in geographic locations convenient to customers. The utility is ~~encouraged~~required to invite interested parties, community leaders, interested community and advocacy groups, the Commission, and Commission Staff. The outreach is intended to provide transparency into the utility distribution planning process and explore how its goals will affect the distribution system while obtaining input and exploring ideas for the distribution grid of the future.

These outreach meetings must also provide an appropriate amount of time for stakeholders to aid the utility in defining problems and offering solutions.

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<sup>5</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 66.

Hybrid meeting formats that include in-person, phone-in, and virtual options are ~~recommended~~required. For each meeting, the utility shall make the meeting contents publicly available and provide a forum for comments to be shared by parties unable to attend in-person.

b. Post-Filing Outreach and Comment Period

An appropriate docket will be made available for interested parties to file comments to the distribution plan after filing. Initial comments will be accepted for ~~9060~~ days after the distribution plan filing and reply comments will be accepted for 30 days after the initial comment period. Comments and reply comments will be reviewed by the Commission and considered for future utility plan filings and process improvements. Each utility should plan to respond in its reply comments to Intervenor comments or categories of comments directed at specific areas of the grid plan.

c. Commission Feedback

After the close of the comment period, the Commission will provide broad feedback on each Utility's distribution grid plan. The Commission will highlight areas of agreement and areas where the Utility may need to provide more data or explanation. Such feedback will aid the Utility and Intervenors to understand the Commission's view of the Company's planning proposals prior to rate cases. The Commission's September 26, 2024 order is a good example of this feedback.

## Distribution Plan and Documentation

A recommended outline is provided in this proposal for distribution plans. This outline is broad and not intended to be all-inclusive for each utility, but rather a starting point for distribution planning encompassing prior Commission orders and expected supportive data while facilitating filing consistency. If a utility is unable to include one or more of the topics below, a detailed explanation shall be provided.

Where possible and relevant, distribution plans shall be coordinated with the inputs and outputs of other ongoing planning efforts required by the Commission including, but not limited to, a utility's Integrated Resource Plan (IRP), Transportation Electrification Plan (TEP), and transmission planning such as the MISO Transmission Expansion Plan (MTEP) or the PJM Regional Transmission Process (RTEP). Distribution plan spending classifications (such as programs,

subprograms, categories) shall be aligned with such classifications within the utility's rate case, with variations explained in detail.

Utilities are encouraged to submit supporting data and documentation. All supporting data for charts, tables, and maps shall be provided as an attachment, appendix, or workpaper to the submitted plan in an accessible format for interested parties to review. All external data sources and references must be appropriately cited.

Utilities are encouraged to meet with interested parties both prior to and after filing their distribution grid plan.

The following outline and topics are recommended for future distribution plans:

**I. Objectives and Goals**

**II. Third Party and Community Outreach**

- a. Summary of Pre-Filing Outreach Meeting(s) Sharing Outreach Date(s), Location(s), Issues Identified, Potential Solutions Explored, and Final Plan Impact
- b. Summary of Utility Customer, Community, and Local Government Outreach Effort(s), and Program(s), Sharing Issues Identified and Potential Solutions Explored

**III. Distribution System Overview**

The distribution plan will provide a data-based review of the current and recent historical system characteristics, asset health, and relevant operations to provide basis and context. Maps and GIS data are encouraged formats for this information, where appropriate.

**a. General Asset Health and Condition**

The utility shall provide relevant data on its distribution system assets to provide the basis of its planning efforts. Relevant data includes, but is not limited to: age, condition (such as failure rates, outage/interruption causes, and quantifiable impacts from extreme weather events), location, planned upgrades or decommissioning, and voltage characteristics. A map of the utility's service territory shall be provided.

**b. Historical Reliability Metrics**

Utilities shall include SAIDI, SAIFI, CAIDI, CELID, and CEMI metrics. Benchmarking of reliability metrics against peer companies in the industry shall be performed and include the following, where able:<sup>6</sup>

- i. With MEDs
- ii. Without MEDs<sup>7</sup>
- iii. By condition (blue sky, gray sky, and catastrophic)<sup>8</sup>

Historical reliability metrics shall date back to and including the last five years, and shall be aggregated to zip codes and census block groups.

- c. Historical Safety Incidents Involving Electric Facilities,<sup>9</sup> including:
  - i. Date
  - ii. Location
  - iii. Electric system voltage
  - iv. Affiliation (Company, Contractor, or Public)
- d. Historical O&M and Capital Spending by spending category in each of the previous five years
- e. Historical Outage Events Affecting >1% of the Utility's Customer Base in Michigan
  - i. O&M and capital costs associated with catastrophic event recovery
  - ii. If feasible, maps of affected service territory with voltage levels and configurations of impacted customers
- f. Operations and Programs

A brief discussion or summary of the utility's current operation strategy including, but not limited to:

- i. Line clearing/vegetation management, including a map of the current vegetation management cycle as possible
- ii. Storm response and restoration
- iii. Asset management

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<sup>6</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 29.

<sup>7</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 70.

<sup>8</sup> MPSC Service Quality and Reliability Standards R 460.702, updated August 30, 2021.

<sup>9</sup> Accidents reported in accordance with R 460.3804 of the Technical Standards for Electric Service.

Details regarding the asset management must describe approaches applied in the utility's planning, efforts to prevent outages from occurring, and reducing risk in a proactive manner. The plans shall not only focus on asset age, but also condition-based assessments performed through monitoring and inspections.<sup>10</sup>

- iv. Overlay maps of planned and historic distribution system investments
- v. Streetlight/community lighting management, including investment strategy, operations strategy, and light pollution mitigation efforts

g. Resource Challenges

Descriptions of any recent historical or ongoing resource challenges, such as workforce or material supply.

h. Environmental Justice Mapping Analysis

~~An analysis of environmental justice within the utility's territory with a discussion on environmental justice and how it is incorporated in plans to support affected customers.~~

The Utility shall provide a comprehensive analysis of its performance in environmental justice communities. This analysis will include:

- comparative reliability analysis of key metrics like SAIDI, SAIFI and CAIDI against similarly situated non-EJ communities
- Regression Analysis using demographic data to analyze disparities in reliability performance
- Average Energy Burden by census block
- Percentage of Residential Customers disconnected by census block
- Percentage of low-income customers in each census block that participated in one or more energy assistance

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<sup>10</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 74.

programs

- Percentage of low-income customers in each census block group that participated in a payment plan
- Percentage of residential customers in each census block enrolled in shutoff protection plan
- Percentage of low-income customers in each census block that participated in energy efficiency programs

#### IV. Distribution System Planning

The utility shall include an action plan to address the established short-term and long-term challenges and needs. When a benefit cost analysis is used in the action plan, the methodology, analysis, and alternatives of the analysis shall be detailed. If the utility chooses to use scenario planning, it must discuss the analysis performed and present potential challenges under each scenario. Any new pilot proposals must meet Commission guidelines.<sup>11</sup> The action plans shall include the following:

a. Load Forecasts and DER Outlook - The Utility shall describe its circuit-level load forecasting process, including how the utility incorporates the load-modifying impact of DER. For each of its distribution circuits, the Utility shall provide the circuit voltage, capacity (MW or MVA), the peak and minimum daytime load for each of the previous five years, the forecasted peak load, MW of existing DER by DER type, and forecasted MW of DER by DER type. The Utility shall also provide scenario analyses to understand the impacts of DER expansion as well as building and transportation electrification.

a.b. Forecasted Reliability Metrics (include five- and ten-year projections)

For the planning period, utilities shall include, where able, SAIDI, SAIFI, CAIDI, CELID, and CEMI with and without MEDs, mapped to planned system investments and expected improvements.

b.c. Forecasted O&M and Capital Spend Projections (include five- and ten-year projections)

c.d. Forecasted Workforce and Material Resources

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<sup>11</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 74.

Any resource challenges noted in Section III should be projected and quantified to its impact on system planning. When describing challenges, distribution plans must provide tangible examples of resource or material supply shortages and quantify the impact to system planning. Citing general market dynamics or the potential for global supply chain risks/bottlenecks are an insufficient basis when estimating future planning requirements.

**d.e.** Any Anticipated Changes to Operations and Programs from Section III

**e.f.** Resilience Approach and Planning

- i. Vulnerability assessment
- ii. Description of proposed resilience program(s), if applicable
- iii. Projected costs and rate impacts

**f.g.** Grid Modernization Efforts

The utility shall detail its efforts to address ongoing and upcoming distribution technologies and improvements to create a modern grid, including how each of the following topics is included or considered within the action plan:

- i. Distributed Energy Resources (DERs)
- ii. Non-Wires Alternatives (NWA)s
- iii. Rebuilds/Hardening/Conversions
- iv. Undergrounding<sup>12</sup>
- v. Electrification (including TEP integration)

This can include, but is not limited to, forecasting of system load and impact from these topics on the distribution grid, O&M and capital costs of implementation, impacts to the utility's reliability, effects on local communities, and coordination with other Commission, local, state, and federal guidelines. The utility's grid modernization efforts must be granular, with a focus on locational value. The utility should identify specific circuits and substations that would be candidates for each investment type listed above.

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<sup>12</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 73.

~~g-h.~~ Hosting Capacity Analysis

- i. Most recently updated Hosting Capacity Go/No Go Maps,<sup>13</sup> provided as an attachment to the filing or as a publicly available URL link.
- ii. Discussion on how the hosting capacity map improves transparency by identifying interconnection points and necessary upgrades to the distribution grid to accommodate DERs.

iii. Describe in detail the criteria used for identifying violations.

iv. Discussion of the process and timeline used to develop the HCA and any ongoing or planned changes to that process.

iii-v. The Hosting Capacity Analysis should identify and discuss the ability of customers in EJ communities to interconnect, as well as the opportunity for those customers to participate in building and transportation electrification.

~~h-i.~~ Customer Affordability Analysis

- i. Spend prioritization
- ii. External funding opportunities exploration and grants
- iii. Customer rate impacts by customer class (residential, commercial, and industrial)

iii-iv. Affordability Gap Analysis

**V. Additional Requirements**

This section encompasses any other elements ordered by the Commission in the appropriate distribution plan docket(s) or other dockets since the previous distribution plan filing. If there are no other elements, this section may be removed.

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<sup>13</sup> September 8, 2022 Order in MPSC Case No. U-20147, p. 68.