

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the investigation, on the)	
Commission's own motion, into the electric)	
supply reliability plans of Michigan's)	Case No. U-17523
electric utilities for the years 2014 through 2016.)	
_____)	

At the December 19, 2013 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Greg R. White, Commissioner
Hon. Sally A. Talberg, Commissioner

ORDER

This order calls upon electric utilities regulated by the Commission, alternative electric suppliers, utility affiliates, and certain power supply cooperatives and associations to submit a self-assessment of their ability to meet their customers' expected electric requirements during the three-year period of 2014 through 2016.

In recent years, the Commission has investigated the adequacy and reliability of the electric generation capacity for meeting customer requirements in the Consumers Energy Company (Consumers), DTE Electric Company (DTE Electric), and Indiana Michigan Power Company (I&M) service territories. The Commission has expanded the scope of the investigations to include, among other things, the availability of transmission capability, the effects of the companies' retail open access programs, affiliate dealings, the Customer Choice and Electricity Reliability Act, MCL 460.10 *et seq.*, expected changes in the wholesale market for electricity in

the Midwest, and the interconnection of merchant generating plants. Beginning with Case No. U-14087, the Commission expanded its investigation to include all Michigan-regulated electric utilities, including member-regulated cooperatives.¹

The Commission finds that it should conduct a similar investigation for the years 2014 through 2016. The Commission's investigation spans a three-year period due to the expected retirement of older generating units in the state, as a result of new air quality requirements. As in prior years, Michigan electric utilities and other load-serving entities should file assessments of their plans for meeting customer loads. Midcontinent Independent System Operator, Inc. (MISO), PJM Interconnection (PJM), and providers of transmission services in Michigan are invited to file comments regarding issues that affect the role of transmission in ensuring reliability; and other interested persons are also invited to file comments. Each assessment should consider the load-serving entity's expected peak demand, the resources available to meet peak demand, and the amount of expected reserves. Each assessment should justify its expected reserve margin in light of its circumstances, including the reliability characteristics of its resource base and the characteristics and diversities of the customer load. Each assessment should also distinguish between in-state and out-of-state generation resources and analyze how its generation is expected to affect service to its customers.

Each assessment should further provide details regarding the actual deliverability of generation output and purchased power under peak operating conditions, and transmission capabilities and

¹The Commission identifies these electric utilities as Consumers, DTE Electric, I&M, Alpena Power Company, Upper Peninsula Power Company, Wisconsin Electric Power Company, Wisconsin Public Service Corporation, Northern States Power Company, d/b/a Xcel Energy, and the following electric cooperatives: Alger-Delta Co-operative Electric Association, Cherryland Electric Cooperative, Cloverland Electric Co-operative, Great Lakes Energy Cooperative, Midwest Energy Cooperative, The Ontonagon County Rural Electrification Association, Presque Isle Electric & Gas Co-op, Thumb Electric Cooperative of Michigan, and HomeWorks Tri-County Electric Cooperative.

constraints or other factors affecting deliverability. Further, each assessment should identify all resources designated to meet reserve requirements – including generation units that are owned by the load-serving entity or otherwise committed to serve the load, firm contract capacity supported by commitments of designated unit or system resources, and demand response or load curtailment measures – in sufficient detail to verify that no resource is being credited more than once toward the planning requirements of one or more load-serving entities. Each assessment should also provide details regarding plans for complying with standards set by ReliabilityFirst or other relevant regional reliability organizations, either as an individual load-serving entity or through participation in a planned reserve-sharing group.

The self-assessment reports should be filed with the Commission by March 28, 2014.

Comments from interested persons regarding those self-assessment reports should be filed with the Commission by April 18, 2014.

The self-assessment reports required by this order and any comments filed by interested persons shall be submitted electronically through the Commission's E-Dockets Website at: michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact the Commission Staff at (517) 241-6180 or by e-mail at mpscedockets@michigan.gov.

THEREFORE, IT IS ORDERED that:

A. By March 28, 2014, all Michigan-regulated electric utilities shall file a self-assessment of the utility's ability to meet its customers' expected electric requirements in the 2014 through 2016 timeframe and that addresses the topics outlined in this order.

B. By March 28, 2014, alternative electric suppliers, including, but not limited to, the Michigan regulated electric utility affiliate Wolverine Power Supply Cooperative, Inc., shall file similar assessments.

C. Midcontinent Independent System Operator, Inc., PJM Interconnection, American Transmission Company, LLC, the Michigan Electric Transmission Company, and International Transmission Company are requested to submit comments by April 18, 2014, on the issues that they believe are relevant to this investigation.

D. Other interested persons wishing to file comments in response to the assessments shall file those comments by April 18, 2014.

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

MICHIGAN PUBLIC SERVICE COMMISSION



John D. Quackenbush, Chairman



Greg R. White, Commissioner



Sally A. Talberg, Commissioner

By its action of December 19, 2013.



Mary Jo Kunkle, Executive Secretary

P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-17523

County of Ingham)

Lisa Felice being duly sworn, deposes and says that on December 19, 2013 A.D. she served a copy of the attached **Commission Order (Commission's Own Motion) via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

Lisa Felice

Subscribed and sworn to before me
this 19th day of December 2013

Gloria Pearl Jones
Notary Public, Ingham County, MI
As acting in Eaton County
My Commission Expires June 5, 2016

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