



ENVIRONMENTAL LAW & POLICY CENTER
Protecting the Midwest's Environment and Natural Heritage

October 7, 2019

Ms. Kavita Kale
Michigan Public Service Commission
7109 W. Saginaw Hwy.
P.O. Box 30221
Lansing, MI 48909

RE: MPSC Case No. U-20471

Dear Ms. Kale:

The following is attached for paperless electronic filing:

Motion for Leave to File Surrebuttal Testimony of Kevin Lucas on behalf of the Environmental Law & Policy Center, the Ecology Center, the Solar Energy Industries Association, the Union of Concerned Scientists, and Vote Solar.

Exhibits A and B

Proof of Service

Sincerely,

Margrethe Kearney
Environmental Law & Policy Center
mkearney@elpc.org

cc: Service List, Case No. U-20471

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**STATE OF MICHIGAN
MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter of the Application of DTE)	
Electric Company for approval of its)	
integrated resource plan pursuant to MCL)	Case No. U-20471
460.6t, and for other relief.)	
)	

**THE ENVIRONMENTAL LAW & POLICY CENTER, THE ECOLOGY CENTER,
THE SOLAR ENERGY INDUSTRIES ASSOCIATION,
THE UNION OF CONCERNED SCIENTISTS, AND VOTE SOLAR’S
MOTION FOR LEAVE TO FILE SURREBUTTAL TESTIMONY OF KEVIN LUCAS**

The Environmental Law and Policy Center, the Ecology Center, the Union of Concerned Scientists, the Solar Energy Industries Association, and Vote Solar (collectively, “ELPC et al”) pursuant to the Michigan Public Service Commission (“Commission”) Rules of Practice and Procedure, files this Motion for Leave to File Surrebuttal Testimony (“Motion”) of its witness Kevin M. Lucas (attached as Exhibit A) in response to the Rebuttal Testimony of DTE Electric Company (“DTE” or the “Company”) witness Laura K. Mikulan. In support of its Motion, ELPC et al. states as follows:

1. On August 21, 2019, ELPC et al. witness Kevin M. Lucas filed direct testimony in the above-captioned case addressing a number of issues in DTE’s Integrated Resource Plan (“IRP”) filing. Portions of this testimony relied on the results of modeling conducted by ELPC et al. witness Anna Sommer.

2. On September 19, 2019, DTE filed the rebuttal testimony of Laura K. Mikulan. Ms. Mikulan’s rebuttal testimony was in response to several Staff and Intervenor witnesses’ testimony, including that of Mr. Lucas and Ms. Sommer. Relevant to this Motion, Ms. Mikulan identified an error in the solar capacity factor used by Ms. Sommer in certain of her modeling

runs than were performed at Mr. Lucas' direction. The results of those modeling runs were included in Mr. Lucas' direct testimony.

3. DTE witness Mikulan re-ran Ms. Sommer's models with the correct capacity factor and presented the results on page 60 of her rebuttal testimony. Having reviewed Ms. Mikulan's rebuttal testimony, and in order to respond to discovery from DTE, Ms. Sommer has also re-run her models, correcting for the error identified by Ms. Mikulan. Mr. Lucas has reviewed both DTE witness Mikulan's rebuttal testimony and ELPC et al. witness Sommer's discovery response (attached as Exhibit B – SAV files omitted).

4. ELPC et al. requests leave to file surrebuttal testimony to correct witness Lucas' testimony to account for Ms. Sommer's modeling error and to clarify Mr. Lucas' testimony in light of the revised modeling results.

5. Rule 427(3) of the Commission's Rules of Practice and Procedure, R 792.10427(3), provides the presiding officer with the authority and the discretion to permit surrebuttal testimony. Rule 427(3) states that “[s]ome surrebuttal evidence may be permitted at the discretion of the presiding officer or the commission.”

6. The attached proposed Surrebuttal Testimony of Kevin M. Lucas is limited in scope and is directly responsive to the modeling error identified by DTE witness Mikulan. The rebuttal testimony is relevant evidence within the meaning of Michigan Rule of Evidence (“MRE”) Rule 401. In accordance with MRE 402, all relevant evidence is admissible.

7. The proposed surrebuttal testimony of witness Lucas is relevant evidence that does not prejudice any party to this case. At the same time, the attached surrebuttal testimony ensures the creation of a complete record upon which the Commission can make a proper decision.

WHEREFORE, ELPC et al. respectfully requests that the presiding officer grant its Motion for Leave to File Surrebuttal Testimony and permit the filing and receipt into evidence of the attached Surrebuttal Testimony of Kevin M. Lucas.

Respectfully submitted,

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**STATE OF MICHIGAN
MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter of the application of)	
DTE ELECTRIC COMPANY)	Case No. U-20471
for approval of its integrated resource plan)	
pursuant to MCL 460.6t, and for other relief)	

**EXHIBITS TO MOTION FOR LEAVE
TO FILE SURREBUTTAL TESTIMONY OF
KEVIN LUCAS**

ON BEHALF OF

**THE ENVIRONMENTAL LAW & POLICY CENTER,
THE ECOLOGY CENTER,
THE SOLAR ENERGY INDUSTRIES ASSOCIATION,
THE UNION OF CONCERNED SCIENTISTS,
AND
VOTE SOLAR**

October 7, 2019

**STATE OF MICHIGAN
MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter of the Application of **DTE**)
ELECTRIC COMPANY for approval)
of its integrated resource plan pursuant)
to MCL 460.6t, and for other relief)

Case No. U-20471

SURREBUTTAL TESTIMONY OF

KEVIN M. LUCAS

ON BEHALF OF

**THE ENVIRONMENTAL LAW AND POLICY CENTER,
THE ECOLOGY CENTER,
THE SOLAR ENERGY INDUSTRIES ASSOCIATION,
UNION OF CONCERNED SCIENTISTS
AND
VOTE SOLAR**

October 7, 2019

1 **Q1. PLEASE STATE FOR THE RECORD YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A1. My name is Kevin M. Lucas. I am the Director of Rate Design at the Solar Energy Industries
3 Association (SEIA). My business address is 1425 K St NW #1000, Washington, DC 20005.

4 **Q2. ARE YOU THE SAME KEVIN LUCAS THAT FILED DIRECT TESTIMONY IN THIS CASE?**

5 A2. Yes.

6 **Q3. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

7 A3. The purpose of my surrebuttal is to address certain errors in the modeling that I relied upon in
8 part of my direct testimony and explain they do not impact my overall conclusions.

9 **Q4. DID YOU REVIEW THE TESTIMONY OF WITNESS MIKULAN REGARDING THE SOLAR CAPACITY
10 FACTOR IN THE MODELING THAT MS. SOMMER PERFORMED?**

11 A4. Yes. I reviewed that testimony and I understand that Ms. Mikulan identified an error in the
12 modeling that Ms. Sommer performed that results in solar facilities generating more energy
13 than was intended. This in turn impacts the net present value of the revenue requirement
14 (NPVRR) figures that I used in my direct testimony.

15 **Q5. CAN YOU EXPLAIN HOW THIS ERROR AFFECTS YOUR DIRECT TESTIMONY?**

16 A5. Ms. Mikulan found that the characterization of solar resources in the modeling runs that Ms.
17 Sommer performed on my behalf resulted in more generation from these units that had been
18 intended. When this was corrected, the solar units produced less energy, which in turn
19 impacted the NPVRR results shown in Table 4 on page 67 of my direct testimony.
20 Additionally, some of my discussion of these results is also affected as the updated NPVRR
21 values are different.

22 **Q6. DO THE UPDATED MODELING RESULTS IMPACT YOUR OVERALL CONCLUSIONS?**

1 A6. No. Even though the updated modeling results in a higher NPVRR than Ms. Sommer’s
 2 original modeling, the portfolios consisting of more solar earlier in the planning horizon that
 3 I discuss continue to be lower cost than DTE’s comparable scenario.

4 **Q7. DOES THIS ERROR IMPACT ANY OTHER AREAS OF YOUR TESTIMONY?**

5 A7. No. Other areas of my testimony addressing DTE’s modeling choices, its assumptions on
 6 solar costs and operational characteristics, the performance of its old peaker facilities, and the
 7 Company’s proposal to own all new assets are not impacted by this modeling error.

8 **Q8. ARE YOU AWARE OF WHETHER MS. SOMMER HAS RERUN HER MODELS TO CORRECT FOR**
 9 **THE ERROR?**

10 A8. Yes. I have seen discovery response DEELPC-4.3 in which Ms. Sommer states that she has
 11 corrected for the error and rerun the model. Her NPVRR result for WP LKM-1056 (which
 12 corresponds to the “STDE 2.3b 2040 Reference Case Ren + 1.75% EE” column in Table 4 of
 13 my direct testimony) is \$14,270 million and for WP LKM-1058 (which corresponds to the
 14 “STDE 2.3b 2040 Reference Case Ren + 1.5% EE” column in Table 4 of my direct
 15 testimony) is \$14,237 million.

16 **Q9. ARE MS. SOMMER’S NUMBERS SUBSTANTIALLY DIFFERENT FROM MS. MIKULAN?**

17 A9. No. Ms. Mikulan’s NPVRR results for WP LKM-1056 is \$14,237 million and for WP LKM-
 18 1058 is \$14,240 million, \$3 million higher than the corresponding result from Ms. Sommer.
 19 The original values along with updated values from Ms. Mikulan and Ms. Sommer are shown
 20 below.

Lucas Table 4	DTE Updated Ref LCP	STDE 2.3b 2040 Reference Case Ren + 1.75% EE	STDE 2.3b 2040 Reference Case Ren + 1.5% EE
Mikulan Table 11	DTE Update REF LCP (Doherty Exhibit S-6.2)	WP LKM-1056	WP LKM-1058
Lucas Direct Original NPVRR (\$mm)	\$14,346	\$13,365	\$13,278

Delta from DTE Updated REF LCP		-\$981 million	-\$1,068 million
Mikulan Rebuttal	\$14,346	\$14,273	\$14,240
Delta from DTE Updated REF LCP		-\$73 million	-\$106 million
Sommer DEELPC-4.3	\$14,346	\$14,270	\$14,237
Delta from DTE Updated REF LCP		-\$76 million	-\$109 million

Figure 1 - Original and Updated NPVRR Results

1

2 **Q10. WOULD USING MS. MIKULAN’S FIGURES INSTEAD OF MS. SOMMER’S CHANGE YOUR**
 3 **TESTIMONY ABOVE?**

4 A10. No. Both updated results show that the solar portfolios that Ms. Sommer ran produced lower
 5 NPVRRs than DTE’s updated Reference case presented in STDE 2.3b. As explained above,
 6 updating this value does not impact the rest of my testimony.

7 **Q11. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

8 A11. Yes.



ENVIRONMENTAL LAW & POLICY CENTER
Protecting the Midwest's Environment and Natural Heritage

October 3, 2019

Ms. Lauren D. Donofrio
DTE Electric Company
One Energy Plaza, 1635 WBC
Detroit, MI 48226

RE: MPSC Case No. U-20471

Dear Ms. Donofrio:

Attached is the Environmental Law & Policy Center, Ecology Center, the Solar Energy Industries Association, the Union of Concerned Scientists, and Vote Solar's Response to DTE Electric Company's Fourth Discovery Requests. In providing these responses, ELPC et al do not necessarily concede that the requested information is relevant or material to this proceeding. ELPC et al specifically reserves the right to raise objections to the introduction into evidence, through cross examination or otherwise, of any material supplied pursuant to a discovery request.

Sincerely,

Margrethe Kearney
Environmental Law & Policy Center
mkearney@elpc.org

cc: Service List, Case No. U-20471

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DEELPC-4.1:

Confirm that the results of the Strategist modeling runs WPs AS-4, AS-6, AS-12, and AS-14, performed by Witness Sommer as discussed in the rebuttal testimony of DTE Electric Witness Mikulan (LKM-55 through LKM-60) was based on a 40.5% capacity factor applied to the solar resource (SITC)? If not confirmed, please explain.

Response:

Not confirmed. DTE's original specification for the SITC resource served as the basis for that resource in Ms. Sommer's modeling, DTE did not model the SITC resource by specifying a capacity factor, and therefore neither did Ms. Sommer. The 40.5% capacity factor in the runs referenced in DEELPC-4.1 was a product of the modifications made by Ms. Sommer, but was not an explicit input to nor the basis for those runs. The intended energy profile was provided in Ms. Sommer's workpaper WP AS-1 - Sommer Workpaper 1, tab "Lucas hourly profile – Strat." When Ms. Sommer made changes to other SITC inputs at the request of Mr. Lucas, those changes inadvertently changed the resulting capacity factor.

Respondent: Counsel

DEELPC-4.2:

Was the capacity factor of 40.5% and the associated energy profile intended as the Strategist input for modeling runs WPs AS-4, AS-6, AS-12, and AS-14 performed by Witness Sommer?

- a. If yes, provide studies, reports, and/or support indicating that solar resources within MISO zone 7 could achieve a 40.5% capacity factor.
- b. b. If no, please confirm the capacity factor value and associated energy profile that was intended to be the Strategist input for modeling performed by Witness Sommer.

Response:

No, please see response to DEELPC-4.1.

Respondent: Counsel

DEELPC-4.3:

Confirm that the Strategist modeling runs WPs AS-12 and AS-14 performed by Witness Sommer, as discussed in the rebuttal testimony of DTE Electric Witness Mikulan (LKM-55 through LKM-60), resulted in an understated NPVRR of over \$900 million consistent with Table 11 in the rebuttal testimony of DTE Electric Witness Mikulan (LKM-60).

- a. If not confirmed, what do you contend is the correct value?
- b. If not confirmed, supply supporting documentation including modeling runs and workpapers with formulas intact that support a different value.

Response:

- a. Not confirmed. The correct values (in thousands of dollars) for WP LKM-1056 is \$14,270 and for WP LKM-1058 is \$14,237.
- b. See attached SAV files.

Respondent: Counsel

DEELPC-4.4:

What quality control checks did Witness Sommer, Witness Lucas, and Witness Daniel perform on the Strategist modeling results relied upon in their direct testimony?

Response:

Ms. Sommer engages in quality control checks that are typical for IRP modeling. She verifies that the modeling changes she makes are consistent with those intended. Where inputs would change repeatedly across runs or in significant number she normally reads that information in using macros. And she reran all the runs presented in Mr. Lucas and Mr. Daniel's testimonies to make sure she arrived at the same result a second time. Throughout the modeling process, Ms. Sommer would communicate with Mr. Daniel and Mr. Lucas about the changes they sought to make and the information that would be necessary to make those changes. She also shared selected output reports with Mr. Lucas and Mr. Daniel so that they could see the key results of their runs.

Respondent: Counsel

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PROOF OF SERVICE

I hereby certify that a true copy of the *Environmental Law & Policy Center, the Ecology Center, the Solar Energy Industries Association, the Union of Concerned Scientists, and Vote Solar's Motion for Leave to File Surrebuttal Testimony of Kevin Lucas and Exhibits A & B* were served by electronic mail only upon the following Parties of Record, this 7th of October, 2019.

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