

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30755
LANSING, MICHIGAN 48909

DANA NESSEL
ATTORNEY GENERAL

November 15, 2019

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

Dear Ms. Felice:

Re: MPSC Case No. U-20471

Enclosed find the *Attorney General's Reply Brief*, and related Proof of Service.

Sincerely,

Joel B. King
Assistant Attorney General

cc: All Parties

STATE OF MICHIGAN
BEFORE THE 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.

MPSC Case No. U-20471

Attorney General's Reply Brief

Dana Nessel
Attorney General

Joel B. King (P81270)
Assistant Attorney General
Michigan Department of Attorney
General, Special Litigation Division
525 W. Ottawa Street
P. O. Box 30755
Lansing, MI 48909
(517) 335-7627
KingJ38@michigan.gov

Dated: November 15, 2019

Table of Contents

INTRODUCTION	3
ARGUMENTS.....	6
I. Jurisdiction and Standard of Review	6
II. DTE Electric’s IRP – Sales Forecasts.....	7
III. Distribution and Transmission Planning	13
IV. River Rouge Concerns.....	17
RELIEF REQUESTED.....	18

INTRODUCTION

On October 29, 2019, the Attorney General Dana Nessel, through Assistant Attorney General Joel B. King, filed an initial brief in this matter before the Michigan Public Service Commission (“MPSC” or “Commission”) responding to the Application filed by DTE Electric Company (“DTE,” “DTE Electric,” or the “Company”) seeking approval of its Integrated Resource Plan (IRP). Other parties to this proceeding also filed initial briefs, including DTE, Michigan Public Service Commission Staff (Staff), the Association of Businesses Advocating Tariff Equity (ABATE), ITC Holdings Corporation (ITC), City of Ann Arbor, Michigan Energy Innovation Business Council and Institute for Energy Innovation, Energy Michigan Inc., Geronimo Energy, the Michigan Environmental Council, Natural Resource Defense Council and Sierra Club (collectively, “MEC-NRDC-SC”), Environmental Law & Policy Center, Union of Concerned Scientists, Solar Energy Industries Association, and Vote Solar (collectively, “ELPC”), Soulardarity, and Great Lakes Renewable Energy Association (GLREA).

The Attorney General (AG) files this reply brief to respond primarily to issues raised in DTE’s initial brief but also addresses some of the arguments and issues raised by other parties. The AG’s decision not to address certain issues in this reply brief is not a waiver of those issues nor does it indicate agreement with or acquiescence to those issues. The AG’s briefs, as well as her expert witnesses’ testimony and exhibits, should be considered in evaluating her position on the issues appearing in this case.

MCL 460.6t(8) provides that to approve a proposed IRP, the Commission must determine *all* of the following:

- (a) The proposed integrated resource plan represents the *most* reasonable and prudent means of meeting the electric utility's energy and capacity needs. To determine whether the integrated resource plan is the *most* reasonable and prudent means of meeting energy and capacity needs, the commission shall consider whether the plan *appropriately balances all of the following factors*:
 - (i) Resource adequacy and capacity to serve anticipated peak electric load, applicable planning margin, and local clearing requirement.
 - (ii) Compliance with applicable state and federal environmental regulations.
 - (iii) *Competitive pricing.*
 - (iv) Reliability.
 - (v) *Commodity price risks.*
 - (vi) *Diversity of generation supply.*
 - (vii) Whether the proposed levels of peak load reduction and energy waste reduction are *reasonable and cost effective.*
- (b) To the extent practicable, the construction or investment in a new or existing capacity resource in this state is completed using a workforce composed of residents of this state as determined by the commission. This subdivision does not apply to a capacity resource that is located in a county that lies on the border with another state.
- (c) The plan meets the requirements of subsection (5).¹

DTE asserts that its IRP meets these requirements.² To the contrary, the Company's IRP proposal fails to meet many of these requirements, as discussed below and in the AG's initial brief. Additionally, the AG notes up front that DTE's IRP lacks a coherent discussion about, or the required information needed to determine, how its customers' rates will be impacted if the proposals laid out in its IRP are implemented. This is unacceptable. As a result of the above, the AG

¹ MCL 460.6t(8) (emphasis added).

² DTE Initial Brief, pp 10-11.

requests that the ALJ recommend to the Commission that the Company's IRP, as presented, is not the most reasonable and prudent means of meeting energy and capacity needs, as is required by MCL 460.6t(8).

The Attorney General is participating in this IRP proceeding in large part as an advocate for ratepayers, especially residential ratepayers. Because this proceeding addresses resource planning over the next 5, 10, and 15 years, the Attorney General urges the Commission to keep considerations of the affordability of any plan it approves, as it relates to all ratepayers, and specifically lower income persons, senior citizens and other vulnerable ratepayers, central to its calculus. At the same time the AG recognizes that issues of reliability and clean energy/carbon reduction are also of paramount importance. Accordingly, the AG requests that the Commission be mindful of, and explicitly explain, how all decisions will impact the rates DTE's customers are asked to pay while balancing critical reliability and carbon reduction goals. It is the Company's burden to prove that its requests are reasonable and prudent.³

This reply brief addresses the following issues:

- I. Jurisdiction and Standard of Review
- II. DTE Electric's IRP – Sales Forecasts
- III. Distribution and Transmission Planning
- IV. River Rouge Concerns

³MCL 460.6t(8)(a).

The Attorney General requests that the Commission issue an order reflecting the observations and recommendations included in the Attorney General's expert witnesses' testimony and exhibits and in her briefs.

ARGUMENTS

I. Jurisdiction and Standard of Review

In DTE's brief, in the section on jurisdiction and standard of review, the Company states that the evidentiary standard of a preponderance of the evidence "effectively bars last-minute criticisms of the Company's evidentiary presentation."⁴ For support, the Company cites to the January 11, 2010 Opinion and Order in Case Nos. U-15768 and U-15751. The AG notes that the statement that a preponderance of the evidence standard "bars last minute criticisms" of a party's evidentiary presentation is overly broad and is not supported by the specific cases cited by the Company. It is unclear from DTE's brief how that statement would apply in this case, but given the tight timeframes under which IRP cases proceed and the fact that receipt of discovery responses is often unpredictable and delayed for various reasons, the AG argues that the Company's statement in this section is vague and appears to be an attempt to improperly shift a burden onto intervenors and other parties.

⁴ DTE Initial Brief, pp 12-13.

In the Opinion and Order in case Nos. U-15768 and U-15751, the Commission took issue with the fact that Staff asked the Company *questions* in a reply brief, and attempted to use the fact that those questions were unanswered against the utility.⁵ This is much more narrow than “last-minute criticisms” that the Company argues should be barred under a preponderance of the evidence standard. Again, the AG is not entirely sure what the Company had in mind with that statement but wanted to flag it for the Commission as it appears to be an attempt to take an opportunity away from other parties to make valid arguments against the Company’s proposals.

II. DTE Electric’s IRP – Sales Forecasts

In its initial brief, DTE discusses its future sales forecasts and some of the critiques and recommendations put forth by intervenors.⁶ After an overview of the Company’s forecasting methodology,⁷ DTE’s brief discusses AG witness Dismukes’ suggestion that the Company’s electric vehicle (EV) forecast is too high.⁸ As noted in the AG’s brief, the AG recommends that the Commission reject DTE’s sales

⁵ “However, to hold questions until a reply brief does not permit the company a fair opportunity to respond to specific objections.” January 11, 2010 Opinion and Order in Case Nos. U-15768 and U-15751, p 37.

⁶ DTE Initial Brief, pp 43-47.

⁷ Id., pp 43-44.

⁸ Id., pp 46.

forecasts and instead adopt the alternative load forecast as presented in Exhibit AG-4.⁹

In reply to DTE's brief, the AG argues that 1) DTE's forecasting model and methodology is unsound and lacks robustness, and that 2) Dr. Dismukes' EV forecast is more realistic and more reasonable than DTE's.

First, the AG argues that the Company's forecasting process as laid out in its testimony and initial brief lacks robustness. Several examples help to make the AG's point.

With regard to DTE's Offices Sales forecast model, Exhibit AG-8 contains a workpaper created Company witness Leuker entitled "WP MBL-8 Commercial Inputs."¹⁰ Page 13 of the workpaper, entitled "Model Info," includes a column labeled "mkt," and in that column is an entry labeled "OFFICES."¹¹ In the OFFICES row there is an entry in column "y" labeled OFFICES_sales, and an entry in column "x" labeled "POP_45UP." In response to discovery request AGDE-1.18avii, which is included as Exhibit AG-9, DTE indicated that POP-45UP refers to "Southeast Michigan's Population ages 45 and over." Accordingly, DTE's regression model implies that the Company's sales of electricity to offices is somehow driven by

⁹ AG Initial Brief, pp 20-29.

¹⁰ This workpaper provides inputs for DTE's commercial forecasting model.

¹¹ Ex. AG-8.

Southeast Michigan's population that is 45 and older. This is nonsensical and a good example of the lack of robustness of DTE's forecast modeling.

Similarly, in Exhibit AG-8, page 18 contains DTE's Supermarket forecast. In 2004, DTE's sales to supermarkets were 1,148.8 GWh.¹² In 2016, sales to supermarkets were only 594.4 GWh.¹³ That decline from 2004 to 2016 results in an average compound annual growth rate (CAGR) of negative 5 percent.¹⁴ However, according to DTE's workpaper, the Company's forecasted CAGR of electricity sales to supermarkets from 2016 to 2042 is a positive 0.1 percent.¹⁵ Exhibit AG-10 contains the equivalent worksheet (to Exhibit AG-8, page 18) from DTE's Certificate of Necessity proceeding, U-18419, which was provided in this case in response to discovery request AGDE-2.68b.¹⁶ This workpaper contains historical sales data from 1992 to 2015, which is one year shy of the historical data contained in Exhibit AG-8 in this proceeding.¹⁷ According to the workpaper in Ex. AG-10, DTE forecasted that electricity sales to supermarkets from 2015 to 2040 would experience a CAGR of negative 2.5 percent.¹⁸ Additionally, in the workpaper from

¹² Ex. AG-8, p 18.

¹³ Id.

¹⁴ $(594.4/1,148.8)^{(1/12)} - 1 = -.0530$.

¹⁵ Ex. AG-8, p 18.

¹⁶ Ex. AG-10, p 6.

¹⁷ Id.

¹⁸ Id.

U-18419, DTE forecasted sales to supermarkets of 312.9 GWh in 2040, while in the equivalent worksheet in this case, DTE forecasted sales to supermarkets of 612.3 GWh in 2040. That discrepancy represents an increase in forecasted values of more than 95 percent.¹⁹ This is another example of DTE's inconsistent forecasting methods, which create a weaker forecast and call into question DTE's results.

Finally, the AG would like to point out that DTE's use of a CAGR in some of the models is inappropriate. Exhibit AG-8, page 20 is entitled "RESTRNT." As noted in the workpaper, DTE's forecast of increasing electricity sales to restaurants is based on a CAGR of 0.05 percent as measured from 1993-2016.²⁰ Also as laid out in the workpaper, 2016 saw the lowest Company sales to restaurants since 1993.²¹ The workpaper shows that DTE has seen decreasing sales to restaurants consistently, year over year, since 2009. This makes the Company's use of a CAGR to predict increasing sales completely inappropriate and further underscores the lack of robustness of DTE's forecasting methodology as discussed in the Company's brief.²²

As noted before, the AG recommends that the Commission direct DTE to better document changes in its forecast from year to year and provide specific,

¹⁹ $(612.3-312.9)/312.9 = 0.956$.

²⁰ Ex. AG-8, p 20.

²¹ Id.

²² DTE Initial Brief, pp 43-45.

detailed reasons for any changes to better aid the Commission and intervenors in understanding DTE's process.

The second forecasting issue that the AG has with DTE's brief is the Company's argument that Dr. Dismukes' EV forecast is understated. In its initial brief, the Company does not provide much detail, but in summary argues that Dr. Dismukes' alternative EV forecast is too low.²³ DTE provides the sentence, "[t]he Company thought it most reasonable to take a moderate approach designed to neither overestimate nor underestimate growth in electric vehicles."²⁴ Statements like that are completely unhelpful and are designed to pit intervenors against each other and thus distract the Commission, rather than focusing on what reasonable forecasting would be. What that statement says, in essence, is that the Company's forecasting approach in this area was based on a goal of neither overestimating nor underestimating growth in EVs. That sets up the alternative of an approach that is *based on a goal* of overestimating or underestimating EV sales, something the Company appears to be implying that both Dr. Dismukes and ELPC witness Woychik did. Obviously parties to this case are not overestimating or underestimating EV sales purposefully, meaning that the Commission should ignore that sentiment and focus on what forecasting method is the most reasonable, regardless of where that forecast falls in the range of forecasts presented.

²³ DTE Initial Brief, p 46.

²⁴ Id.

In his direct testimony, Dr. Dismukes noted that DTE's load forecast includes growth in EVs of 3,167% by 2035.²⁵ In rebuttal, Company witness Leuker stated that such a forecast is not unreasonable.²⁶ 3,167% growth means that by 2035, there would be nearly 33 times the current number of EVs on Michigan roads. This implies an annual compound growth rate in the number of EVs on Michigan roadways of 21% each year. Assuming people purchase vehicles once every five years, or more likely once a decade, the implied growth rate of the *sale* of EVs would be much higher than 21% each year. Assuming that that growth in sales of EVs is 50% each year, that means that sales of EVs would double every two years, meaning that after 18 years, annual sales of EVs would be 512 times the level of current sales.²⁷ As further discussed in the AG's initial brief, DTE's forecasting method of applying a quadratic extrapolation to historic and projected short-term EV sales is not appropriate, especially given that Michigan has not seen the same rate of EV adoption as other states.²⁸

Ultimately, as laid out in her initial brief, the AG recommends that the Commission reject DTE's sales forecast and adopt an alternative forecast, as presented in Exhibit AG-4.²⁹ This forecast incorporates an adjustment to EV-

²⁵ Direct Testimony of David Dismukes, p 22.

²⁶ Rebuttal Testimony of Markus Leuker, p 19.

²⁷ $2*2*2*2*2*2*2*2*2*2 = 512$.

²⁸ Attorney General Initial Brief, pp 26-28.

²⁹ Id., p 20-28.

related energy sales, which results from using the EIA Annual Energy Outlook's EV forecast through 2040.³⁰ The AG further recommends that the Commission conduct a review of DTE's forecasting process to ensure that DTE's future load forecasts follow common industry techniques and best practices. The Company should implement out-of-sample forecast validation in selecting its forecast models.³¹ The Company should also document and justify any changes in its model from one year to the next.

III. Distribution and Transmission Planning

The AG would like to reply to some of the discussion by DTE and other parties on distribution and transmission planning.³² In its initial brief, DTE discusses its communications with ITC, as well as intervenor suggestions to rely on imported capacity.³³ As a preliminary, general matter, the AG notes that this topic is becoming increasingly important³⁴ and the AG urges the Commission to carefully

³⁰ Id., p. 29.

³¹ Out-of-sample forecast validation involves measuring the ability of the model to predict known values when those values are excluded from the data used to estimate the model, and better aligns the choice of model to forecasting unknown future observations.

³² See e.g., DTE Initial Brief, pp 71-78.

³³ Id., pp 72-73.

³⁴ The AG requests that the ALJ and Commission take administrative notice of the November 7, 2019 letter (Attached as Appendix A) sent from the Commission to Mr. John Bear, CEO of MISO, requesting that MISO conduct a study to help Michigan better understand the effects of increasing the CIL and Capacity Export Limit into and out of Zone 7.

consider the information and evidence and work to chart a path forward that makes sense for Michigan and for utility ratepayers. While the AG has not presented expert testimony specifically on the full breadth of these topics yet, it is becoming apparent that this area deserves additional scrutiny and thought.

In her initial brief, the AG did discuss issues related to asset ownership and DTE's proposals for ownership of future generation, which plays into this topic.³⁵ Part of this analysis is an exploration of how to increase transmission capabilities and/or imports of energy into DTE's service territory, Zone 7 of MISO. At a high level, decreasing the local clearing requirement (LCR) would allow for more electricity imports into Zone 7, which in turn should keep costs lower for customers and increase reliability. This represents a two-step process, where step one is to decrease the LCR and step two is for DTE to seek to enter into more bilateral agreements with out-of-region providers for long-term contracts for increased imports. That said, the AG understands that there are other considerations that must be taken into account before making final decisions.

In its initial brief, DTE focuses on the testimony and cross-examination back and forth between MEC/NRDC/SC witnesses Fagan and Osborn and Company witnesses Burgdorf and Hunnell.³⁶ The AG replies that, throughout this discussion and its proposals, DTE fails to comply with statutory requirements with regard to

³⁵ Attorney General Initial Brief, pp 29-35.

³⁶ DTE Initial Brief, pp 73-78.

the effective capacity import limitation (ECIL). On page 8 of his direct testimony, Company witness Burgdorf discusses ECIL for MISO Zone 7 for Planning Year 2019/2020.³⁷ He states that the ECIL for planning year 2019/2020 is 164 MW based on preliminary MISO Planning Resource Auction (PRA) data published on March 22 of 2019.³⁸ From page 12, lines 15-18 of Mr. Burgdorf's testimony, it is clear that this only applies to planning year 2019/2020.

At that same spot on page 12 of his direct testimony, Mr. Burgdorf summarizes the position of witness Hunnell, that DTE does not believe that current ECIL or capacity import limitation (CIL) will change significantly in the near-term future.³⁹ He then defines "near-term future" as planning years 2020/2021 and 2021/2022, or effectively the next three years.⁴⁰ On page 13 of Mr. Burgdorf's direct testimony, he presents a table that shows projections for planning years 2019/2020 through 2021/2022. In these projections, DTE finds a consistent CIL of 3,211 MWs for each year.⁴¹

Page three of exhibit AG-11 contains a response to discovery request MECNRDCSCDE-2.16d, specifically a tab entitled "Capacity prices Z7 (rev)." In

³⁷ Direct Testimony of Shawn Burgdorf, p 8.

³⁸ Id.

³⁹ Id., p 12.

⁴⁰ Id.

⁴¹ Id., p 13.

that tab, there is a column titled “CIL,” that shows the previously identified 3,211 MWs for year 2019.⁴² That amount continues through 2040.⁴³

It is important to compare this to Charles Marshall’s direct testimony on behalf of ITC. In his testimony, Mr. Marshall argues that, based on the recent MISO PRA for 2019/2020, Michigan does not have adequate import capabilities.⁴⁴

Witness Marshall goes on to state that

ITC believes the best solution to increase the import capability into the State is an extra-high (“EHV”) transmission system linking geographically remote regions. As Michigan moves toward a future electric system that is defined by dynamic system flows that rely heavily on intermittent resources and a dispatchable generation fleet fueled chiefly by natural gas, an EHV transmission system will provide stability and accessibility that will ensure that customers’ expectations and demands are met reliably.⁴⁵

As laid out in his direct testimony, witness Marshall discusses the possibility of increasing the import capability into Michigan. Relatedly, MCL 460.6t(5)(h) reads

(5) An integrated resource plan shall include all of the following:

... (h) An analysis of potential new or upgraded electric transmission options for the electric utility.

Importantly, this means that DTE’s unwillingness to consider and present expanded electric transmission options is both unreasonable and contrary to the

⁴² Ex. AG-11, p 3.

⁴³ Id.

⁴⁴ Direct Testimony of Charles Marshall, p 5.

⁴⁵ Id., p 8.

statutory language. Accordingly, DTE's argument in its brief that it would "be imprudent to plan on importing any significant capacity external to Zone 7 to meet long-term resource adequacy requirements" neglects to follow the clear statutory mandate. Such an attitude also displays a closed-minded approach that forecloses options that could be beneficial to customers, apparently based on DTE's desire to build and/or own generation resources, as opposed to purchasing capacity.⁴⁶ The AG recommends that the Commission take special note of this issue and the ways that the different options affect customers.

IV. River Rouge Concerns

In its initial brief, DTE discusses the Company's retirement analysis of its River Rouge Power Plant and its decision to extend that timeline to 2022 while powering the plant on industrial gasses.⁴⁷ In its initial brief, MEC discusses this decision at length, noting that continued operation of River Rouge would result in an increase in harmful emissions⁴⁸ and would be uneconomic to continue to operate.⁴⁹ In reply, the AG notes that she shares MEC's concerns in this area and agrees that the Company has failed to demonstrate that the proposed extension of the life of River Rouge 3 on industrial waste gas is reasonable, prudent, or in the

⁴⁶ DTE Initial Brief, pp 88-93.

⁴⁷ Id., pp 59-60.

⁴⁸ MEC Initial Brief, pp 14-16.

⁴⁹ Id., pp 99-105.

best interest of customers. Extending the life of River Rouge 3 would be unreasonable and imprudent environmentally and health-wise for those communities surrounding the plant, and economically unreasonable and imprudent for all DTE customers.

RELIEF REQUESTED

The Attorney General respectfully requests that the Administrative Law Judge issue a proposal for decision that is consistent with the positions set forth in the Attorney General's initial brief and this reply brief. Based on what the AG and other intervenors have presented in their briefs, the AG recommends that the Commission deny DTE's IRP, unless modifications, and in some places wholesale changes, are made based on the information, evidence, and arguments of the AG and intervenors.

Respectfully submitted,

Dana Nessel
Attorney General

Joel B. King (P81270)
Assistant Attorney General
Michigan Department of Attorney
General, Special Litigation Division
525 W. Ottawa Street
P. O. Box 30755
Lansing, MI 48909
(517) 335-7627
KingJ38@michigan.gov

Dated: November 15, 2019

APPENDIX A



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION

ORLENE HAWKS
DIRECTOR

TREMAINE L. PHILLIPS
COMMISSIONER

SALLY A. TALBERG
CHAIRMAN

DANIEL C. SCRIPPS
COMMISSIONER

November 7, 2019

Mr. John Bear
Chief Executive Officer
Midcontinent Independent System Operator
720 City Center Drive
P.O. Box 4202
Carmel, IN 46082-4202

Dear Mr. Bear,

The October 17, 2019 letter from Governor Gretchen Whitmer and the Michigan Public Service Commission (MPSC) referenced the MPSC's Statewide Energy Assessment recommendation to conduct additional analyses to increase the import capability for MISO's Local Resource Zone 7, covering the majority of Michigan's Lower Peninsula. Additional import capacity could help Michigan access diverse and economical supplies of power, assist with reliability and resiliency during emergency conditions, and meet MISO's annual resource adequacy requirements, particularly with respect to the zone's ability to meet the MISO local clearing requirement (LCR). As you know, Michigan is experiencing a significant number of power plant retirements and has the potential to be short of meeting the LCR in MISO's upcoming MISO Planning Resource Auction (PRA) based on MISO's loss of load expectation study.

Accordingly, the MPSC requests that MISO conduct a study to help the State of Michigan better understand the effects of increasing the Capacity Import Limits (CIL) and Capacity Export Limits (CEL) into and out of Local Resource Zone 7. This would augment MISO's research of Zone 7 in a current "Out-Year CIL-CEL Study Scope," which examines changes in import and export limits based on generation fleet changes but does not consider ways to expand the limits.

We consider MISO's regional planning and modeling expertise as necessary and invaluable to us as we look to determine whether and how Michigan is able to meet reliability goals going forward, including evaluating the potential costs and benefits of increased import and export limits in Zone 7.

Many fundamental characteristics of the Bulk Electric System have evolved over the last five years and change to the system is expected to accelerate. With projected capacity constraints in Zone 7, it is critical for Michigan to explore increasing its import and export limits. Specifically, we would like to better understand transmission solution options available to increase the limits into and out of Zone 7 in the near and long term.

LARA is an equal opportunity employer/program.

Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.
7109 W. SAGINAW HIGHWAY • P.O. BOX 30221 • LANSING, MICHIGAN 48909 • www.michigan.gov/mpsc • 517-284-8100

Mr. John Bear
November 7, 2019
Page 2

Our first request is for MISO to analyze increasing the CIL and CEL in the near term at smaller increments such as 500 MW and 1,500 MW. The goal is to determine the infrastructure needed to accommodate cost-effective increases in the near term, with corresponding costs and benefits to Zone 7 and other Zones as applicable. Second, we seek to understand what types of projects could facilitate an increase in the CIL and CEL in Zone 7 by larger increments over the next decade to accommodate additional renewable energy and other changes in the generation mix. This may include additional high voltage infrastructure coming into Zone 7, as well as an estimate of corresponding costs and benefits. We would also like to understand how the costs of any projects proposed to increase the CIL and CEL would be allocated under the current MISO tariff, as well as explore other cost allocation methodologies that could be beneficial to furthering the development of transmission projects to increase the CIL and CEL for Zone 7.

We appreciate your consideration of this request and are open to addressing this request in a suitable MISO stakeholder forum, such as the MTEP, if the timing allows or addressing this request through a stand-alone process. Given the rapid changes occurring in the energy industry and the long lead time for infrastructure planning and development, we have a sense of urgency and look forward to collaborating with MISO on this request. In order to accomplish this request, the MPSC stands ready to address any open questions and technical support from our Staff. Thank you for your assistance.

Sincerely,

Sally Talberg
Chairman

Dan Scripps
Commissioner

Tremaine Phillips
Commissioner

cc: Melissa Seymour
Carmen Clark

PROOF OF SERVICE - U-20471

The undersigned certifies that a copy of the **Attorney General's Reply Brief**, was served upon the parties listed below by e-mailing the same to them at their respective email addresses on the 15th of November 2019.

Joel B. King

MPSC:

Heather Durian
Daniel Sonneveldt
Amit Singh
Benjamin Holwerda
Sarah Mullkoff
durianh@michigan.gov
sonneveldtd@michigan.gov
singha9@michigan.gov
holwerdab@michigan.gov
mullkoffs1@michigan.gov

ALJ:

Hon. Sally Wallace
wallaces2@michigan.gov

Attorney General Special Litigation

Division:

Joel B. King
Kingj38@michigan.gov
ag-enra-spec-lit@michigan.gov

David Dismukes
Michael Deupree
daviddismukes@acadianconsulting.com
michaeldeupree@acadianconsulting.com

George Evans
georgeevans@evanspowerconsulting.com

DTE Energy Company:

Lauren Donofrio
Martin Heiser
Jon Christinidis
Megan Irving
David Maquera
Lauren.donofrio@dteenergy.com
Martin.heiser@dteenergy.com
Jon.christinidis@dteenergy.com
Megan.irving@dteenergy.com
David.maquera@dteenergy.com
mpscfilings@dteenergy.com

Energy Michigan, Inc.:

Timothy Lundgren
Laura Chappelle
Justin Ooms
tjlundgren@varnumlaw.com
lachappelle@varnumlaw.com
jkooms@varnumlaw.com

Great Lakes Renewable Energy

Association:

Don Keskey
Brian Coyer
donkeskey@publiclawresourcecenter.com
bwcoyer@publiclawresourcecenter.com

Michigan Environmental Council:

Christopher Bzdok
Tracy Andrews
Lydia Barbash-Riley
chris@envlaw.com
tjandrews@envlaw.com
lydia@envlaw.com

Environmental Law & Policy Center:

Margrethe Kearney
Jean-Luc Kreitner
mkearney@elpc.org
jkreitner@elpc.org

ITC Transmission:

Richard Aaron
Courtney Kissel
raaron@dykema.com
ckissel@dykema.com

Midland Cogeneration:

Jason Hanselman
John Janiszewski
jhanselman@dykema.com
jjaniszewski@dykema.com

ABATE:

Michael Pattwell
Bryan Brandenburg
Stephen Campbell
mpattwell@clarkhill.com
bbrandenburg@clarkhill.com
scampbell@clarkhill.com

Michigan Energy Innovation Business Council:

Toni Newell
tnewell@varnumlaw.com

Michigan Public Power Agency:

Peter Ellsworth
Nolan Moody
pellsworth@dickinsonwright.com
nmoody@dickinsonwright.com

Cypress Cree Renewables, LLC:

Jennifer Heston
jheston@fraswerlawfirm.com

Sierra Club:

Karla Gerds
Kimberly Flynn
Breanna Thomas
karla@envlaw.com
kimberly@envlaw.com
breanna@envlaw.com

Shannon Fisk
Cassandra McCrae
Raghu Murthy
sfisk@earthjustice.org
cmccrae@earthjustice.org
rmurthy@earthjustice.org

Soulardarity:

Nicholas Schroeck
Nicholas Leonard
schroenj@udmercy.edu
Nicholas.leonard@glelc.org