

A publication of the Michigan Municipal Electric Association

Currents



July 2019

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Cover photo: Bond Falls in Haight Township, Michigan.
Photo by Andrea Horstmanshof

2019 Summer Energy Appraisal

Electricity sales decline, natural gas sales to increase; prices at the pump higher

Sales of electricity in Michigan are expected to be down for 2019, according to the Michigan Public Service Commission's *Michigan Energy Appraisal Summer Outlook 2019*. Also, natural gas consumption is projected to be higher from May through September compared to the same period in 2018.

Electricity sales are expected to decrease by 0.9 percent to 102.9 thousand gigawatt hours, according to the annual MPSC analysis of trends in the state's fuel and power sectors. That's down from 103.8 thousand gigawatt hours from the previous year. Residential sales are expected to drop 2.2 percent and commercial 0.6 percent. But industrial sales are expected to rise 0.3 percent. Consumption in the residential and commercial sectors is largely dependent on weather. If the summer is warmer than normal, then demand for electricity to power air conditioning could rise.

Natural gas demand is expected to rise 1.4 percent this year, due mainly to increased use for electricity production driven partially by January's polar vortex, according to the report. Higher than forecast temperatures this summer will also increase demand for cooling and electricity to run air conditioning. If prices remain at current levels, this year's average residential bill is expected to be \$20 lower than last year due largely to falling U.S. prices.

Michigan drivers should plan to pay more for a gallon of gasoline this summer as demand for the fuel is expected to increase for the seventh year in a row. A

gallon is expected to average \$2.83 during the April through September summer driving period. The price of a gallon of diesel fuel is expected to be \$3.20, down a penny from last year.

Other highlights from the MPSC's Summer 2019 Energy Appraisal:

Electricity

- This year's combined peak electrical demand plus planning reserve margin requirements are about 4 percent higher than was projected for 2018.
- In 2018, electrical demand peaked for Consumers Energy at 7,568 megawatts on July 5, and for DTE Energy at 11,418 megawatts on Sept. 5.
- The generation capacity required to serve the Lower Peninsula increased by 10.6 megawatts in 2019/20, compared to 2018/19. Generation capacity to serve the Upper Peninsula and eastern Wisconsin rose by 195 megawatts.
- This summer's peak demand plus reserve margin for the Lower Peninsula is expected to be 21,976 megawatts, up from 21,121 megawatts last summer.

Natural gas

- The average monthly residential summer bill for the four largest gas utilities – DTE Gas, SEMCO Energy, Consumers Energy, and Michigan Gas

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Summer

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Utilities -- is projected to be approximately \$34 for April 2019 through October 2019.

- A residential customer's annual gas bill for April 2019 through March 2020 is forecasted to be \$754, which is down from \$773 predicted for last year.
- Production from natural gas wells in the state continues to decline and is expected to decrease by 5.9 percent to 84.9 billion cubic feet in 2019.

Petroleum

- U.S. crude oil production averaged 10.96 million barrels per day in 2018 and is expected to increase to 12.45 million barrels per day in 2019 and to 13.38 million barrels per day in 2020.
- Absent unanticipated infrastructure or supply problems, it is expected that the price and supply of petroleum products will be stable for the remainder of 2019.

Gasoline

- Gasoline demand will be 4.73 billion gallons, up 1.5 percent from a year ago.
- With continued OPEC production curtailments and geopolitical risks in Iran and Venezuela, crude oil prices are likely to continue strengthening

Weather

- MPSC's models assume normal temperatures, but the Climate Prediction Center indicates a slightly warmer than normal summer by 2.8 percent.
- In 2018, May through September temperatures were 37 percent warmer than normal. Heating season monthly temperatures were 1 percent below normal.



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Affiliate & Associate Member News

Christman Selected for Michigan State University Power Plant Modernization

The Christman Company, a national construction management and real estate development firm, has been awarded an Engineer Procure Construct (EPC) contract for the modernization of the Michigan State University, T.B. Simon Power Plant. The \$37 million project will include the installation of three new Reciprocating Internal Combustion Engines (RICE) which will provide 28 MW of power generation to MSU's East Lansing, MI campus.

Christman is partnering with Stanley Consultants as the Engineer of Record and Wärtsilä North America as provider of the RICE equipment. The team will deliver the project on a 20-month schedule that began in March, 2019 and wraps up by the end of 2020. In addition to the three 9.37 MW RICE engines, the project will consist of the construction and installation of three Selective Catalytic Reduction (SCR) systems, and 100' exhaust stacks, a large radiator farm, a new medium voltage switchgear line-up, and 11,000 square foot engine hall.

"We're tremendously proud and excited to be working with the team of talented and experienced partners on this project under the leadership of MSU's Infrastructure Planning and Facilities group," said John Holmstrom, Christman senior vice president and leader of the company's

Industrial and Power Group. "The deployment of RICE engines is a next-generation technology which will significantly increase energy efficiency and reliability, reducing emissions and energy costs while helping the University achieve its energy transition plan goals toward more renewable resources."



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DTE Energy Board Elects Jerry Norcia as CEO; Gerry Anderson Elected Executive Board Chairman

DTE Energy President and Chief Operating Officer Jerry Norcia will succeed Gerry Anderson as president and chief executive officer effective July 1. Anderson, who will serve as executive chairman of the board and continue as a full-time employee of the company. The DTE Energy board of directors elected Norcia to the post June 23.

“Jerry Norcia and I have worked closely together for more than 15 years. He is a great business leader with a big heart for our people and our communities. One of the most important responsibilities of a CEO is to, at some point, hand off the job to a great successor at the right time. I’m confident I’m doing that,” said Anderson.

Norcia has served as DTE Energy president and chief operating officer since 2016, responsible for strategic oversight and operations of the electric and gas utilities, and the two large non-utility businesses.

He joined the company in 2002 as president of the Gas Storage and Pipelines business. He has also held the positions of president of DTE Gas and DTE Electric prior to his current role. As president and COO, Norcia assumed increasing responsibility for key business functions over the last few years.

“I’m grateful for the confidence that Gerry and the Board have in me to lead this company through such an exciting and transformative time in the energy industry,” said Norcia. “DTE’s top priorities remain the same: to be a great energy company, to continue to foster a world-class employee engagement culture, to drive customer service excellence, to be a force for good in our communities and to deliver distinctive shareholder returns.

“I also want to thank Gerry for his mentorship and support since joining DTE Energy. In his decade leading DTE, Gerry transformed our culture, drove a highly-successful growth agenda, and put us on a path to reduce carbon emissions more than 80 percent in a way that also supports customer reliability and affordability. He readied DTE for long-term success, and I look forward to building on the strong foundation he’s set,” Norcia added.

Anderson joined DTE in 1993 and held various senior executive leadership roles throughout the enterprise until being named president in 2004, CEO in 2010 and chairman in 2011.

As executive chairman, Anderson will serve as an advisor to Norcia on business issues and will focus on DTE’s community, political and broader industry roles. He will continue his leadership in the Detroit Regional CEO Group, the recently created Detroit Regional Partnership, the Detroit Economic Club, Business Leaders for Michigan (BLM) and the Edison Electric Institute. Anderson also chairs several non-profit organizations.

“This change is part of a multiyear succession plan and we are unanimously confident in Jerry Norcia’s leadership and vision,” said Ruth Shaw, lead independent director of the board. “On behalf of the board, I thank Gerry for leading us through such a transformative decade and congratulate Jerry on his new role.”



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DTE Energy Opens Detroit Urban Solar Park and Sustainability-Infused Park

The City of Detroit and DTE Energy, along with community members, celebrated the grand re-opening in June of O’Shea Park featuring a renovated park, the city’s utility solar park and green infrastructure.

Renovations at the 20-acre park include resurfaced basketball courts, walking paths, play fields, a community gathering space with seating, new trees and native flower beds. The project also included solar panels installed on more than nine acres along the I-96 and Greenfield edges of the park and the bioretention garden on the Capitol edge of O’Shea. The cost for the entire project was \$861,500.

“A few years ago, O’Shea was one of many large vacant areas in the city, with an abandoned, blighted recreation center and largely unused park that were a drain on the surrounding neighborhood,” said Mayor Mike Duggan. “Now, thanks to Gerry Anderson and our partners at DTE, we’ve built a beautiful 20-acre park, with recreation space for residents and a solar park, putting this vacant land back to productive use in a way that improves the neighborhood.”

DTE’s O’Shea Solar Park has been generating energy since July 2017. The array’s 7,400 panels generate enough clean energy to power 450 homes. The project is one of two solar parks included in DTE’s MIGreenPower, a voluntary renewable energy program that helps interested customers reduce their carbon footprint.

The O’Shea Solar Park was developed through a public-private partnership between DTE Energy and

(See, *Park*, continued on page 8)

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Current Developments

Park

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the City of Detroit. One of the largest urban parks in the region, the project will generate more than \$1 million in tax revenue for the City.

“DTE Energy is pleased to have played a role in the revitalization of O’Shea Park. Not only is this good for the neighborhood, it is helping us meet our goal to reduce carbon emissions 80% by 2040,” said Gerry Anderson, executive chairman of the board, DTE Energy. “Companies like ours have a responsibility to help strengthen our communities. The partnership we developed with the City to create our solar park adjacent to the renovated playground is doing that.”

The bioretention garden at O’Shea is one of 16 green projects across the city by the Detroit Water and Sewerage Department (DWSD). Green stormwater infrastructure is an approach to managing stormwater that uses the natural processes of soils and plants to soak up water where it falls before it can enter and overwhelm the City’s combined sewer system. DWSD planted flowering perennials and grasses that will thrive in conditions that will be present in the bioretention garden. The O’Shea bioretention area is expected to reduce 1.59 million gallons of stormwater runoff annually.

“The bioretention garden will reduce flooding on adjacent streets with landscaping that enhances the park’s and neighborhood’s features,” said Gary Brown, DWSD director. “A total of 16 stormwater projects we’ve installed or are under construction the past two years manage 61 million gallons of stormwater runoff annually. DWSD is proud to join other City departments and DTE to re-open a revitalized O’Shea Park that offers sustainable features that will benefit the neighborhood for years to come.”

During the event, kids took part in a number of fun activities including a petting zoo, face painting, balloons, arts-and-crafts, and double-dutch demonstration.



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Governor Whitmer Makes Appointments to UP Energy Task Force

Governor Gretchen Whitmer has announced appointments to the UP Energy Task Force. “I’m committed to ensuring UP residents have an energy supply that is affordable, secure, and environmentally sound,” said Whitmer. “The members of this task force have a wide variety of knowledge and perspectives, who will make recommendations to ensure the UP has a reliable propane supply and to identify solutions for lowering costs.”

The Governor has appointed 19 residents of this state, 12 of whom are from the Upper Peninsula, with a range of expertise in the energy field:

- Paul Ajegba, of Ann Arbor, Director of the Michigan Department of Transportation. The Director may choose a designee from within the department to serve in his place.
- Kristopher Bowman, of Gulliver, president of Bowman Gas Company in Gulliver.
- David Camps, of Hancock, owner and operator of Blue Terra Energy in Hancock.
- Liesl Eichler Clark, of Howell, Director of the Michigan Department of Environment, Great Lakes and Energy. The Director may choose a designee from within the department to serve in her place. Director Clark will serve as Chairperson of the Task Force.
- Mike Furmanski, of Escanaba, electric superintendent for the City of Escanaba.
- Thomas Harrell, of Gladstone, CEO of Alger Delta Cooperative Electric Association in Gladstone.
- Michael Larson, of Marquette, Upper Peninsula operations manager at Michigan Energy Options.

- Emily Leach, of Marquette, program manager at Superior Watershed Partnership.
- Jennifer Hill, of Marquette, Marquette City Commissioner and a contractor with Citizens Utility Board of Michigan.
- Douglas Jester, of East Lansing, partner at 5 Lakes Energy and has testified before the Michigan Public Service Commission on behalf of CARE, a consumer protection intervener.
- James Kochevar, of Marquette, general manager for Cleveland Cliffs’ iron ore mining and processing location in Ishpeming.
- Michael Nystrom, of East Lansing, executive vice president and secretary for Michigan Infrastructure and Transportation Association.
- Tanya Paslawski, of East Lansing, president of the Michigan Electric and Gas Association and the executive director of the Organization of MISO States, Inc.
- Mike Prusi, of Ishpeming, Director of Governor Whitmer’s Northern Michigan Office.
- Anthony Retaskie, of Marquette, Executive Director of the UP Construction Council.
- Major General Paul Rogers, of Farmington Hills, the Adjutant General and Director of the

(See, *Task Force*, continued on page 10)

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Task Force

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Michigan Department of Military and Veterans Affairs. The Director may choose a designee from within the department to serve in his place.

- Dan Scripps, of Northport, Commissioner on the Michigan Public Service Commission. Commissioner Scripps will serve as designee of Commissioner Sally Talberg, Chair of the Michigan Public Service Commission.
- Roman Sidortsov, of Hancock, assistant professor of energy at Michigan Technological University.
- Warren “Chris” Swartz, of Baraga, president of the Keweenaw Bay Indian Community and a tribal council member.

“I’m very appreciative that the Whitmer Administration gave Michigan’s 40 municipal electric utilities a voice through appointing Mike Furmanski. Mike has extensive knowledge and is a great choice for the task force.” said Katie Abraham, Executive Director of MMEA

Executive Order No. 2019-14 established the UP Energy Task Force which is charged with addressing the significant energy challenges that UP residents are facing. This task force will look for alternative, long-term solutions to rein in UP energy rates in regions facing the highest costs and identify alternatives to meeting the UP’s current propane-supply needs.

The Task Force shall complete its final report in two stages. First, the Task Force shall submit a propane plan to the governor by March 31, 2020. Second, the Task Force shall submit the remainder of its report by March 31, 2021. Ninety days after issuance of its final report, the Task Force shall dissolve.

EGLE Names Dr. Brandy Brown as Climate and Energy Advisor

Michigan Department of Environment, Great Lakes, and Energy (EGLE) Director Liesl Clark has named Dr. Brandy Brown the department’s climate and energy advisor. Brown will lead the Office of Climate and Energy, which Governor Gretchen Whitmer created in February 2019 when forming EGLE via Executive Order 2019-6.



Dr. Brandy Brown

The office will coordinate Michigan’s response to climate change across state departments and agencies, and provide recommendations, guidance and assistance on climate change mitigation, adaptation and resiliency strategies.

“Dr. Brown is a perfect fit for this new role at EGLE,” Clark said. “Her expertise in the clean energy economy will inform our work coordinating state efforts on climate change, providing insight and recommendations on mitigation and adaption to climate change. More than that, Dr. Brown is a strategic thinker who knows how to set objectives that matter, design programs to accomplish those objectives and measure progress along the way.”

Brown is an experienced energy strategist with deep industry knowledge. She joins EGLE from CLEAResult in East Lansing where she formulated strategic objectives for electrification products such as electric vehicles (EV), photovoltaic systems, battery storage and other emerging technologies.

Brown also developed CLEAResult's five-year strategic plan for Advanced Mobility, as well as residential- and commercial-utility-scale EV programs with a focus on low-to-middle-income customers.

Dr. Brown earned her Ph.D. in interdisciplinary evaluation from Western Michigan University where she researched cutting-edge energy evaluation methods. She also earned a Master of Public Administration degree and a bachelor's degree in communications, law, economics and government from American University in Washington, D.C.

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MPSC Approves Consumers Energy's Integrated Resource Plan

First long-term utility outlook OK'd under 2016 state energy laws

The Michigan Public Service Commission has approved Consumers Energy Co.'s integrated resource plan, the first strategic, forward-looking IRP to be acted upon by the MPSC under the state's energy laws passed in 2016.

The Commission found the contested settlement (Case No. U-20165) is fair and reasonable and assures reliable service to customers.

"This is a significant milestone in the implementation of Michigan's 2016 energy laws," said Sally Talberg, Chairman of the MPSC. "With this first utility integrated resource plan, we are seeing the positive outcomes of bipartisan legislation and a collaboration among stakeholders. This ultimately benefits customers, optimizes utility investment, and protects the environment with an increased commitment to clean energy and market forces."

Energy laws that went into effect in 2017 required the Commission to develop modeling parameters and assumptions that utilities must follow in their IRPs, which outline how a company will meet the electric needs of its customers for the next five, 10 and 15 years. The MPSC was also directed to set filing requirements and schedules.

Consumers was the first utility required to submit an IRP. In June 2018 it filed its original plan and on March 23 proposed a significantly modified settlement that most parties supported.

In its order, the Commission noted the groundbreaking aspects of the agreement: It

"This is a significant milestone in the implementation of Michigan's 2016 energy laws."

Sally Talberg, Chairman of the MPSC.

significantly changes the way Consumers conducts its business by using competitive bidding for future energy supplies. It also moves the company away from fossil fuels and toward renewable energy sources and ways to help residential and business customers cut energy waste.

Key aspects of the approved agreement approved:

- Retire coal Units 1 and 2 at the D.E. Karn Plant near Bay City in 2023, replacing them with renewable energy sources and programs that cut energy waste. Consumers will pursue customer cost savings by seeking to use a low-cost method of financing known as securitization to recover the unamortized book value of the closed Karn units.
- Approval of new investments in cost-effective programs that help residents and businesses to cut energy waste (totaling 718 megawatts by June 2022, or about 2 percent of the utility's annual electricity sales); improve system efficiencies through conservation voltage reduction programs (44 MW over the next three years), and demand response programs that shave peak consumption to avoid having to build new power plants (607 MW).
- Conduct annual competitive bidding administered by an independent third party for adding power generation capacity, including 1,200 MW of new solar energy from 2019-21. Consumers can own up to half of all the future additional capacity that it procures through competitive bidding and it must buy the remaining electricity through power purchase agreements with third parties, excluding Consumers affiliates.

- Modified the avoided cost rates and terms set in Case No. U-18090 for small, alternative power producers under the Public Utility Regulatory Policies Act of 1978 (see related rulings below). These changes include a five-year planning horizon (instead of 10 years) when determining whether the company needs additional capacity; updated avoided cost rates for energy from the independent producers based on wholesale power prices or forecasts; and capacity rates based on the company's competitive bidding results.
- Approval of a financial compensation mechanism for power purchase agreements the company enters into with third-party power suppliers, including power producers under PURPA, as authorized by the 2016 energy laws to remove disincentives to arrange supplies from third parties.
- Conduct a retirement analysis of coal-fueled Units 1 and 2 at the J.H. Campbell Plant near Port Sheldon, and possibly retire them as early as 2025.
- File a new IRP in June 2021.

The parties agreeing to the settlement were Consumers, Commission Staff, Michigan Environmental Council, Natural Resources Defense Council, Sierra Club, Association of Businesses Advocating Tariff Equity, Energy Michigan Inc., Independent Power Producers Coalition, Michigan Chemistry Council, Michigan Electric Transmission Company LLC, and the Department of the Attorney General.

Groups that did not join the settlement, but offered a statement of non-objection, were Great Lakes Renewable Energy Association, Residential Customer Group, Michigan Energy Innovation Business Council, Institute for Energy Innovation, Environmental Law and Policy Center, Invenergy, the Ecology Center, the Union of Concerned Scientists, and Vote Solar.

Midland Cogeneration Ventures LP did not sign the settlement or indicate whether it would sign a statement of non-objection.

In April, the Solar Energy Industries Association Inc. and Cypress Creek Renewables LLC filed objections to the settlement. The Commission said the issues raised by SEIA were adequately addressed in the settlement or can be addressed in future cases, and that the settlement met the standard for approval under Michigan law.

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EPA's Wheeler Signs Rule to Replace Clean Power Plan

By Peter Maloney
Public Power Daily

Environmental Protection Agency Administrator Andrew Wheeler on June 19 signed the final Affordable Clean Energy (ACE) Rule, which will replace the Clean Power Plan.

The ACE Rule aims to reduce carbon dioxide emissions by focusing on heat rate improvements that can be applied to individual coal-fired generating units. ACE provides a list of "candidate technologies" for states to select that can be used to establish unit specific performance standards states can incorporate into their compliance plans.

In a news release, the EPA said that the ACE Rule will reduce emissions of CO₂, mercury, as well as precursors for pollutants like fine particulate matter and ground-level ozone.

The agency said that in 2030, the ACE rule is projected to:

- Reduce CO₂ emissions by 11 million short tons
- Reduce SO₂ emissions by 5,700 tons
- Reduce NO_x emissions by 7,100 tons
- Reduce PM_{2.5} emissions by 400 tons
- Reduce mercury emissions by 59 pounds

EPA projects that ACE will result in annual net benefits of \$120 million to \$730 million, including costs, domestic climate benefits, and health co-benefits.

"With ACE, along with additional expected emissions reductions based on long-term industry trends, we expect to see CO₂ emissions from the electric sector fall by as much as 35% below 2005 levels in 2030," the EPA said.

Association comments on ACE Rule

The American Public Power Association on June 20 said it welcomed the EPA's final ACE Rule. It allows states to drive carbon dioxide reductions by improving the efficiency of power plants, as contemplated by Section 111(d) of the Clean Air Act.

"The final ACE rule provides a framework for states to tailor their emission reduction plans based on local market conditions and established emission policies. The rule gives states the flexibility to regulate emissions at the individual power plant level while considering factors such as a plant's remaining useful life," the Association said.

Public power utilities have reduced CO₂ emissions by 33 percent between 2005 and 2017 by investing in low and non-emitting generation from solar, wind, hydro, nuclear, and natural gas, the Association said, noting that public power continues to reduce emissions through local, state, and regional programs.

Clean Power Plan

The Clean Power Plan sought to implement a broad interpretation of the best system of emission reduction to CO₂ emissions. Under that system, a state could have created a plan to reduce aggregate emissions, by joining a multi-state emissions reduction scheme, for instance.

Critics of the Clean Power Plan said that such a system wide or industry wide approach was an overly broad interpretation of Section 111(d) of the Clean Air Act.

A group of states and industry associations, led by West Virginia, filed a lawsuit to halt the implementation of the plan, arguing that it violated their rights to regulate the electric power industry. The Clean Power Plan was put on hold by the Supreme Court in 2016 and states did not have to implement the rule.

Subsequently, EPA continued to inform the court of its plans as the agency conducted its evaluation as to whether the CPP and new source performance standards should be revised or repealed.

In his campaign, then-presidential candidate Donald Trump several times pledged to repeal the Clean Power Plan. Under the Trump administration the EPA is now finalizing its repeal of the Clean Power Plan and replacing the rule with the Affordable Clean Energy rule which is in keeping with EPA's new interpretation that unit efficiency improvements is the only permissible reading of CAA section 111(a)(1).

“Unlike the Clean Power Plan, ACE adheres to the Clean Air Act and gives states the regulatory certainty they need to continue to reduce emissions and provide a dependable, diverse supply of electricity that all Americans can afford,” Wheeler said in a statement.

EPA's final ACE rule does not include changes to the new source review program whose permitting requirements begin when a power plant or other facility is rebuilt or modified and results in a significant increase in emissions of air pollutants.

The utilities have viewed NSR as a barrier to plant owners and operators making efficiency improvements. Instead of finalizing the NSR reforms in ACE, EPA plans to issue a future rulemaking.

Association commented on proposed ACE Rule in October

The EPA last summer proposed to replace the CPP with the ACE Rule and the American Public Power Association subsequently filed comments on the proposed ACE Rule in October of last year.

Legal challenges

On the same day that Wheeler signed the ACE Rule, several parties said that they intended to file legal challenges to the rule including the Natural Resources Defense Council and New York Attorney General Letitia James.

The advertisement features a black and white photograph of a worker in a hard hat and safety gear using a chainsaw. The worker is positioned in front of a piece of equipment with the text "SINCE 1919" and "NELSON" visible. Overlaid on the image is the text "PROTECTING THE REPUTATION OF THE UTILITIES WE SERVE FOR 100 YEARS". Below the image, a dark banner contains the text "IT'S PART OF OUR JOB". At the bottom right, the Nelson Tree Service logo is displayed, featuring a stylized tree and the text "100 YEARS", "Nelson TREE SERVICE, LLC", and "1919 2019". Below the logo, the text "Vegetation Management Specialists" is written, followed by the phone number "800-522-4311" and the website "www.nelsontree.com". On the bottom left, there is a QR code with the text "See the videos" above it.

Communicating Public Power's Environmental Stewardship

By Paul Ciampoli
Public Power Daily

As the public's concern for the environment grows, public power utilities must make a greater effort to explain how renewables fit into broader generation plans, emphasize that they are community-owned, and leverage the news media to tell their story, panelists said on June 10 at the American Public Power Association's 2019 National Conference.

The session, "Green is the New Black: Communicating Environmental Stewardship," focused on how to educate communities and stakeholders about public power's commitment to environmental stewardship.

Meena Dayak, Vice President of Integrated Media and Communications at the Association, noted the groundswell of support for protecting the environment, both in the U.S. and across the globe and pointed out that concern for the environment cuts across political affiliations, as well as age and income groups.

She noted that public power must focus on three things to address public sentiment on the environment — reiterate its roots, educate, and engage.

"You need to go back to the fact that you are community-owned utilities," Dayak said. "You do not answer to remote shareholders, so what the community wants is what the community gets. You need to remind the people you serve that they actually have a voice in decision making."

In addition, public power utilities need to educate people on their short and long-term plans. "Talk about

where you expect to be in terms of, let's say, your generation mix, or the way you deliver electricity — whether it's five years, ten years or 20 years from now. You need to communicate that as broadly as possible to the community."

It's important for utilities to talk about the consequences of their decisions and about everything they are doing to make a difference."

As for engagement, "it's important that we don't just talk at our customers anymore," Dayak said. There needs to be two-way communication between public power utilities and their customers.

She noted that because public power is in the community, there is a unique opportunity to "go out into the schools, to be educating people right from the elementary school level because kids can make a difference."

Dayak noted that in 2018, the Association conducted its first national awareness campaign and is considering adding a school-based component this year.

Steve Roalstad, Communications and Marketing Manager at Colorado's Platte River Power Authority (PRPA), said that if a utility is not maintaining strong system reliability or keeping a lid on costs, "all the environmental communications in the world won't do you any good."

However, if a utility has those two things covered, Roalstad has found that the news media is twenty to thirty percent more likely to provide "space or to cover you if you're talking about environmental stewardship." If a utility is proactive, the fairness of the coverage increases. "I look at that and say it behooves us to talk about environmental stewardship issues."

A communications strategy really begins at the top, said Roalstad. If your organization does not have

a goal and it does not have a strategy, then usually there's no action," he said. "You've got to have the leadership there and goals set forth for the action to take place so that you can tell a story."

PRPA is a not-for-profit wholesale electricity generation and transmission provider that delivers energy and services to its owner communities of Estes Park, Fort Collins, Longmont and Loveland, Colorado for delivery to their utility customers.

When Roalstad first took on his role as communications and marketing manager at PRPA, he developed a three-step communications strategy.

The first step involved shifting the conversation. PRPA's top generating facility is a 280-megawatt coal plant. Instead of talking about megawatt hours or coal burnt, PRPA highlighted how having the plant in its portfolio gave it the flexibility to do other things.

PRPA is leveraging the plant's efficiency to build more wind, solar, etc. "So it's actually an asset for us in many ways – not only from a system reliability and overall production point of view, but it's actually enabling us to go out and build more renewables," explained Roalstad.

Public power utilities must not be afraid to get out into the community and talk about what they're doing. "If you have third party endorsements, that's always a benefit," he added.

The second step calls for making bold statements.

In 2018, PRPA started talking about developing a 50 percent non-carbon portfolio by 2021 "and people really stood up and took notice," Roalstad said.

At the same time, PRPA was talking about what it would take to create a zero net-carbon (ZNC) energy mix. A study completed by Pace Global LLC in late 2017 concluded that a ZNC energy portfolio for the PRPA owner communities could be achieved.

In December, the PRPA board of directors committed to a 100 percent non-carbon portfolio by 2030. "That got a lot of headlines," Roalstad said. "If you have that story to tell, it works."

The third step is for utilities to measure what they are doing and if they're not achieving objectives, then recalibrating the strategy.

A 2018 community survey revealed that PRPA has 56 percent name recognition and a 68% favorable to very favorable rating.

Roalstad said PRPA got about a half a million dollars' worth of brand value out of media coverage. "I would have to spend another \$500,000 that I don't have to get the same kind of communications impact that I did by using the news media. So don't be afraid to work with the news media."

Bill Coletti, Founder & CEO of Austin, Texas-based Kith Consulting, said that "a company owns its brand, but the public owns its reputation."

Coletti discussed what he referred to as the seven levers of reputation: (1) transparency, (2) responsible citizenship, (3) leadership privilege, (4) employee endorsement, (5) products/services, (6) financial performance and strength and (7) innovation and ideas.

"It's with these seven levers that we should look at environmental engagement programs," he said. "If we bury it in responsible citizenship, that's a mistake. We should not bury it. It should be a part of the CEO agenda, it should be a part of the employees' conversations that they have."

Coletti said that the environmental initiatives of public power utilities should bolster their reputations and create growth and that's where public power utilities should show leadership.

Renewables Generation Exceeded Coal for First Time in April: EIA

Paul Ciampoli
Public Power Daily

In April 2019, U.S. monthly electricity generation from renewable sources exceeded coal-fired generation for the first time based on Energy Information Administration data, EIA reported on June 26.

The data was included in EIA's Electric Power Monthly. Renewable sources provided 23% of total electricity generation to coal's 20%.

"This outcome reflects both seasonal factors as well as long-term increases in renewable generation and decreases in coal generation," EIA noted in its "Today in Energy" report. EIA includes utility-scale hydropower, wind, solar, geothermal, and biomass in its definition of renewable electricity generation.

EIA said that in the U.S., overall electricity consumption is often lowest in the spring and fall months because temperatures are more moderate and electricity demand for heating and air conditioning is relatively low. As a result, electricity generation from fuels such as natural gas, coal, and nuclear is often at its lowest point during these months as some generators undergo maintenance.

"Record generation from wind and near-record generation from solar contributed to the overall rise in renewable electricity generation this spring," EIA said. Electricity generation from wind and solar has increased as more generating capacity has been installed. In 2018, about 15 gigawatts of wind and solar generating capacity came online.

Wind generation reached a record monthly high in April 2019 of 30.2 million megawatt hours. Solar generation—including utility-scale solar photovoltaics and utility-scale solar thermal—reached a record monthly high in June 2018 of 7.8 million MWh and will likely surpass that level this summer, according to EIA.

"Record generation from wind and near-record generation from solar contributed to the overall rise in renewable electricity generation this spring," EIA said

Seasonal increases in hydroelectric generation also helped drive the overall increase in renewable generation, the report noted.

Conventional hydroelectric generation, which remains the largest source of renewable electricity in most months, totaled 25 million MWh in April. Hydroelectric generation typically peaks in the spring as melting snowpack results in increased water supply at downstream generators, EIA said.

The April 2019 EIA data also shows that nuclear generation edged out coal generation.

Coal generation has declined from peak

U.S. coal generation has declined from its peak a decade ago. Since the beginning of 2015, about 47 GW of U.S. coal-fired capacity has retired, and virtually no new coal capacity has come online. Based on reported plans for retirements, EIA expects another 4.1 GW of coal capacity will retire in 2019, accounting for more than half of all anticipated power plant retirements for the year.

According to forecasts in EIA's latest Short-Term Energy Outlook, coal will provide more electricity generation than renewables in the United States for the remaining months of 2019.

On an annual average basis, EIA expects that coal will provide more electricity generation in the United States than renewables in both 2019 and 2020, but it expects renewables to surpass nuclear next year.

FERC Strengthens Cyber Security Standards for Bulk Electric System

The Federal Energy Regulatory Commission (FERC) has bolstered the cyber security of the nation's bulk electric system by expanding the reporting requirements for incidents involving attempts to compromise operation of the grid. The action closes a gap in the prior Critical Infrastructure Protection Reliability Standards that required entities to report only when an incident has compromised or disrupted one or more reliability tasks.

FERC previously directed the North American Electric Reliability Corp. (NERC) to enhance the reporting of cyber security incidents out of concern that the existing standards may understate the true scope of threats by excluding from reporting incidents that could facilitate subsequent efforts to harm the reliable operation of the grid.

"Defending our nation's electric grid against cyber security threats is one of the Commission's most pressing challenges," Chairman Neil Chatterjee said. "It is vital that we ensure that NERC and the Department of Homeland Security have all the



AVANT ENERGY
220 South Sixth Street
Suite 1300
Minneapolis, MN 55402
TEL 612.349.6868
FAX 612.349.6108
Info@AvantEnergy.com

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information needed to understand the evolving threat landscape for industrial control systems.”

The approved new Critical Infrastructure Protection Reliability Standard CIP-008-6 (Cyber Security – Incident Reporting and Response Planning) now requires reporting of cyber security incidents that either compromise or attempt to compromise Electronic Security Perimeters, Electronic Access Control or Monitoring Systems, and Physical Security Perimeters associated cyber systems. The new Reliability Standard also encompasses disruptions or attempts to disrupt the operation of a bulk electric system cyber system.

Each responsible entity will be required to develop criteria for identifying an attempt to compromise a cyber asset and then apply those criteria during its cyber security incident identification process. This approach provides responsible entities the flexibility to develop criteria appropriate to their systems.

The revised standard also addresses the information to be included in Cyber Security Incident reports, their dissemination, and deadlines for filing. Reports and updates will be sent to the Electricity Information Sharing and Analysis Center and the Department of Homeland Security's National Cybersecurity and Communications Integration Center.

Michigan Municipal Electric Association

809 Centennial Way
Lansing, MI 48917

PRSR STD
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PERMIT # 689

Michigan Municipal Electric Association

809 Centennial Way
Lansing, MI 48917
517-323-8346
e-mail: MMEA@Mpower.org

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Coldwater Board of Public Utilities

Dennis Hicks
Currents Editor
dennis.hicks@icloud.com

Calendar of Events

- July 11, 2019 MMEA Board of Directors Meeting,
Lansing, MI
- July 24 - 26, 2019 Michigan Energy Providers Conference,
Grand Hotel - Mackinac Island
- Oct. 8 - 11, 2019 MMEA 2019 Fall Conference,
Grand Traverse Resort, Acme, MI

Fast Facts

In 2018, Norway's fully electric car sales rose to a record 31.2 percent market share from 20.8 percent in 2017, far ahead of any other nation, and buyers had to wait as producers struggled to keep up with demand.

Source: Reuters

