



Gretchen Whitmer, Governor
Sally A. Talberg, Chairman
Daniel C. Scripps, Commissioner
Tremaine L. Phillips, Commissioner

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Media contact: [Matt Helms](#) 517-284-8300

Customer Assistance: 800-292-9555

Final Statewide Energy Assessment outlines room for improvements to Michigan's energy supply and delivery systems

LANSING, Mich. – The Michigan Public Service Commission today released its final Statewide Energy Assessment to Gov. Gretchen Whitmer, outlining a number of immediate steps the Commission and its Staff will take to ensure that Michigan's systems for supplying and distributing energy to homes and businesses become more resilient and able to withstand weather extremes, aging infrastructure and other challenges ahead.

The final report, which took into account public input from a variety of stakeholders, found that Michigan's energy systems are adequate to meet customer needs. But there are significant ways that regulated utility companies, the MPSC, policymakers and others can work to strengthen and improve them. The final 220-page report makes 37 recommendations for the MPSC to improve the state's energy systems, along with 15 observations outside of the MPSC's regulatory jurisdiction.

The report caps a process that began last winter when Gov. Whitmer asked the Commission to evaluate the state's energy systems after a statewide energy emergency was declared Jan. 30-31 while a polar vortex cold snap enveloped Michigan.

During that period, a fire at a Consumers Energy compressor station in Macomb County's Ray Township threatened to disrupt the delivery of natural gas in the state. At the same time, the regional electric grid operator, the Midcontinent Independent System Operator, declared an electric emergency affecting Michigan and 14 other states, requiring all power generation to operate at maximum capacity.

Gov. Whitmer asked the MPSC to determine whether the design of Michigan's electric, natural gas and propane systems are adequate to handle operational problems, extreme weather events and other changing conditions, and to recommend ways to reduce risks.

"I'm committed to making sure that Michigan is prepared in the face of energy emergencies. That means ensuring we have a reliable, affordable and clean energy supply to keep our economy moving and keep families safe," Whitmer said. "The Statewide Energy Assessment shows that we have sufficient and unique assets that help ensure reliable supply and delivery of energy to help meet demand, but we have more work to do. We must improve our infrastructure and establish more diverse sources of energy supplies for Michiganders. These actions will help Michigan be more prepared in the case of any emergency event."

“The Commission Staff spent months deeply examining whether Michigan’s utility customers would be able to receive the reliable energy they expect, even during unexpected system failures and an increasing number of unusually severe weather events,” said MPSC Chairman Sally Talberg. “Our energy network is strong, but the report identifies areas in which it would be made more secure, reliable, and resilient through improved planning and analysis, coordination, and stronger communication. And we’re acting right away to begin those improvements.”

Making immediate moves, the Commission:

- Ordered Upper Michigan Energy Resources Corp., Consumers Energy Co., DTE Gas Co., Michigan Gas Utilities Corp., Northern States Power Co., Presque Isle Electric & Gas Co-Op and Semco Energy Gas Co. to file reports to the Commission expanding on how they will reliably serve their customers during peak times of colder-than-normal winters to also include contingency options for resilience at key facilities and more resilience in peak-day plans. The reports also must show how their systems will be resilient enough to maintain service if there are supply issues that go beyond extreme weather (Case Nos. U-20539 through U-20552).
- Ordered the creation of workgroups of MPSC Staff experts, representatives of utilities, consumer organizations and others that will:
 - A. Examine how to improve response from customers asked to reduce their energy use during periods of system disruption (Case No. U-20628);
 - B. Explore developing mutual aid agreements – already in place for electric utilities – that could result in improvements that help safely restore natural gas outages as quickly as possible. The group also would examine developing contingency planning for transmission of natural gas, including the potential impact on the delivery of natural gas to customers (Case No. U-20631);
 - C. Review whether natural gas curtailment procedures should be updated to prioritize residential heating over natural gas use for electric generation when appropriate during energy emergencies. As the use of natural gas for electric generation grows, competition for natural gas as both a heating source and an electric generation resource increases (Case No. U-20632);
 - D. Assess Michigan’s current electric service quality and technical standards, exploring best practices in other states and how current and future technological advances might improve safety and reliability and reduce customer outages (Case Nos. U-20629 and U-20630).
- Ordered MPSC Staff to evaluate making system resilience a part of utilities’ long-term electric distribution investment and maintenance plans. The Commission also extended deadlines for DTE Electric, Consumers Energy and Indiana Michigan Power to file their next plans to account for this order (Case No. U-20147).

In addition, Governor Whitmer and Chairman Talberg sent letters to the CEOs of regional transmission organizations serving Michigan, Midcontinent Independent System Operator and PJM Interconnection LLC, identifying recommended enhancements to transmission planning and wholesale market rules to improve electric reliability and resiliency based on the report’s findings.

The Commission's report focused on five categories: electric, natural gas, propane, cyber and physical security, and energy emergency management. The commission considered comments from numerous stakeholders on a draft released in early July.

The report is available on the Commission's docket in Case No. U-20464 at www.michigan.gov/mpsc under E-Dockets.

The assessment found that Michigan's energy systems are able to provide reliable supply and delivery at peak demand, and that market forces and regulatory oversight ensure utility companies are making needed investments in supply and delivery.

But there remain risks that can disrupt the system, including security threats, abnormal weather, changing electricity supplies and other factors. While systemwide risks of major emergencies remain low, these events have significant impact on the well being of Michiganders and the state's economy.

To strengthen Michigan's energy delivery systems and reduce risks, the report's recommendations include:

- Strengthening natural gas infrastructure maintenance and planning.
- Creating a system of integrated electricity system planning and strengthening electrical connections between Michigan's peninsulas and its neighboring states.
- Establishing more diverse sources of energy supply.
- Enacting rules for cyber security and incident reporting for natural gas utilities.
- Developing a formal contingency plan for continued supply and delivery of propane in the event of disruptions, including the potential temporary or permanent shutdown of Enbridge's Line 5 in the Straits of Mackinac.

A Statewide Energy Assessment fact sheet is [here](#). An SEA website is [here](#).

To look up cases from today's meeting, access the E-Dockets filing system [here](#).

To watch a livestream of the MPSC's meetings, [click here](#).

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