



STATE OF MICHIGAN
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February 4, 2019

Chairwoman Sally A. Talberg
Michigan Public Service Commission
7109 W. Saginaw Highway
Lansing, MI 48917

RE: Request of statewide review of supply and deliverability of natural gas, electricity and propane and contingency planning

On Wednesday, January 30, 2019, the Midcontinent Independent System Operator (MISO) issued a maximum generation event and declared conservative operations through Thursday, January 31, 2019 for the region because of forced generation outages and higher-than-forecasted load due to the record-low temperatures. In doing this, Michigan's incumbent utilities, Consumers Energy and DTE Energy, were told to ask their customers with interruptible rates to conserve energy. The combination of this event and a fire at the Consumers Energy Company's largest natural gas storage and delivery facility, lead to disruption and forced the utilities to make broad requests to all ratepayers for voluntary reductions of electric and natural gas usage.

I am requesting that the Michigan Public Service Commission review the supply, engineering, and deliverability of Michigan's natural gas, electricity and propane. This review should include at least the following:

- The Commission's current infrastructure planning criteria and methodologies around distribution, transmission, and generation (including contingency plans);
- Existing planning processes for electric and natural gas utilities and best practices for integration;
- Linkages and gaps between real-time operational reliability and infrastructure planning for long-term reliability;
- Demand response and mutual assurance protocols by natural gas utilities and opportunities for enhancement;

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- Contingency risks, interdependencies, and vulnerabilities of supply and/or delivery disruptions from physical and/or cyber security threats as well as a rough cost estimate of potential enhancements;
- Adequacy of Commission rules addressing customer safety, reliability and resiliency, and utility notifications;
- Evaluation of the existing gas efficiency program; and
- Identification of areas or types of systems most at risk.

After this assessment, the Commission should complete an initial report by July 1, 2019 that evaluates if the systems are adequate to account for changing system conditions and extreme weather events and identifies recommendations to mitigate risk and ensure safe, reliable energy. Upon the final report, the Commission should direct the utilities to take appropriate action to address any shortfalls highlighted in the report including but not limited to recommendations around changes to energy planning criteria and approaches, regulatory review, and proposed oversight improvements.

Climate change is producing record-setting temperatures and increasing extreme weather events. With these changes, the state needs to be prepared and Michigan's utilities need to ensure the production and delivery of safe, stable, and reliable energy to all Michiganders. Ensuring that Michigan has safe, dependable energy is key to our quality of life and our economy. We must ensure we have a resilient and reliable grid with adequate generation without ratepayers shouldering heavy costs or exposing citizens to negative health or environmental impacts.

Thank you in advance for your attention to this request.

Sincerely,



Gretchen Whitmer
Governor

CC: Norman J. Saari, Commissioner, Michigan Public Service Commission
Dana Nessel, Attorney General, State of Michigan