



## Legislation Text

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**File #:** 18-0483, **Version:** 1

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Resolution Supporting the Energy Commission's Resolution Concerning DTE's Propos 1100MW Natural Gas Power Plan (Case U:18419)

Whereas, DTE Energy submitted a Certificates of Necessity (CON) application to the Michigan Public Service Commission (MPSC)(U:18419) declaring a need to build an 1100MW natural gas fired power plant that will cost almost \$1 billion, a cost to be passed on to consumers,

Whereas, In December 2012, with the passage (by the Ann Arbor City Council) of the Climate Action Plan (CAP), the City of Ann Arbor committed to an ambitious multi-strategy vision to address Climate Change by reducing its community-wide greenhouse emissions (8% by 2015, 25% by 2025, and 90% by 2050 relative to year 2000 baseline carbon dioxide equivalent (CO<sub>2</sub>e) emissions levels);

Whereas, Numerous independent experts from groups as diverse as the MEC and ABATE have found DTE's modeling failed to include options and scenarios that would lead to cheaper electrical generation than the proposed plant;

Whereas, DTE has received at least 141 applications from renewable energy producers to build clean energy projects in Michigan that would substantially reduce the need for a new power plant;

Whereas, Building this plant will make it more difficult for Ann Arbor to meet its CAP goals;

Whereas, Multiple experts have presented analysis showing that a continued ramp-up of renewable energy at current rates, along with an increased rate of energy waste reduction and additional demand side management programs could provide an equivalent amount of reliable electricity at lower cost than the proposal in DTE's CON application with less risk due to fluctuations in future natural gas prices and lower GHG emissions;

Whereas, Additional research shows that a diverse mix of clean energy sources would result in 5000 construction jobs and 134 permanent jobs across Michigan, far more than the 35 permanent jobs and 500 construction jobs expected to result from the gas plant in DTE's proposal;

Whereas, Granting of this CON will allow DTE Energy to recover costs for this plant during construction;

Whereas, The MPSC staff found the following issues and inconsistencies in DTE's submission:

1. Concerns with the competitive bid process;
2. Concerns with the way in which demand-side resources were modeled;
3. Concerns with the modeling of alternative resources and the ability of the model to equitably choose alternatives due to potential limitations;
4. Concerns with DTE's risk analysis;
5. DTE's refusal to model a resource scenario which MPSC Staff requested;

6. DTE's forecasts for natural gas prices were too low;
7. Numerous concerns with DTE's Integrated Resource Plan (IRP) resource screening;
8. DTE's scenarios and sensitivities were not robust enough;
9. DTE did not adequately consider energy efficiency in its IRP;
10. DTE did not fully consider demand response and energy efficiency as a solution to displace some capacity requirements; and
11. DTE should have considered a case with high levels of renewables, demand response and energy efficiency, which combined could "delay or displace the need for a new natural gas combined cycle generating facility." (5 Tr. 306.).

Whereas, The Energy Commission passed the attached Resolution Concerning DTEs Proposed 1100MW Natural Gas Power Plant (Case U:18419) at its March 13, 2018 meeting;

RESOLVED, That City Council supports the Energy Commission's recommendation that the Michigan Public Service Commission deny DTE's Certificate of Necessity case U:18419 and require DTE to draft an IRP that includes more renewable energy, energy conservation and demand side management.

Sponsored by: Councilmember Eaton