



May 3, 2016

Chairman Nofs and Committee Members:

Thank you for the opportunity to provide comments regarding ITC's position on SB 437 and SB 438. ITC recognizes that a great deal of time and effort has gone into developing these bills to modernize Michigan's energy policies. However, at this time, we have two main concerns with the package of bills and are unable to support the versions before you in Committee.

ITC believes that any energy proposal moving forward should be comprehensive in nature. Although the two bills target a number of energy initiatives, they are grossly inadequate to address some of the fundamental needs faced in the northern Lower Peninsula and the Upper Peninsula. Specifically, the bills do nothing to promote the necessary transmission infrastructure needs in those regions and fail to address the tenuous connection between the two peninsulas. Currently, those two regions are essentially at the ends of extension cords. In order to enhance system reliability and provide access to power generation in the competitive wholesale market, a stronger connection between the peninsulas is necessary. Greater electrical connectivity between the Upper and Lower Peninsulas will arm Michigan with the infrastructure necessary to avoid future battles between Wisconsin and Upper Peninsula ratepayers, enable future economic development in the Upper Peninsula and northern Michigan, provide a more robust outlet to the MISO market for future electric generators, and promote a "One Michigan". ITC believes that the inclusion of SB 282 (Casperson), or its concepts, is an integral piece for a comprehensive energy package.

In addition to the above, ITC also has concerns with the proposed Integrated Resource Planning (IRP) process. The proposed process fails to recognize that Michigan is unique, as the majority of the transmission infrastructure is owned by independent transmission companies. As proposed, the investor owned utilities would be required to model and provide information on a system they do not own, manage, or operate. This would lead to inadequacies in the IRP process. ITC has several proposed amendments (attached) that would remedy this oversight in the legislation, and allow for a more effective and constructive IRP process.

Because of the above mentioned issues, ITC is unable to support this legislative package in its current form. We urge the Chairman and Committee members to consider the concerns outlined, and rectify these shortfalls. You have the opportunity to create a truly comprehensive energy package that benefits the whole state of Michigan, and its rate payers, and create "One Michigan".

Thank you for your time,

A handwritten signature in black ink, appearing to read "Randy Gross".

Randy Gross
Manager, State Government Affairs
ITC Holdings

Proposed ITC Amendments to IRP Section 6(T)

Sec. 6T(1)(E), after "assumptions" insert "for generation that"

Sec. 6T(1)(F), after "included in" insert "the generation"

Sec. 6T(1)(G), after "proposed" insert "generation"

Insert a new subsection before Sec. 6T(1)(H):

Accept from each transmission owner that owns transmission facilities over which networked transmission service is provided pursuant to the MISO tariff to the electric utilities in this state a report identifying the transmission infrastructure requirements for each generation modeling scenario submitted pursuant to this section. Such reports must be submitted to the Commission within 6 months of the Commission's publication of the proposed generation modeling scenarios. Based on these reports, the Commission shall determine the transmission infrastructure requirements for each generation modeling scenario that each electric utility must use in developing its integrated resource plan. The Commission shall publish such report of transmission infrastructure requirements.