Michigan looks to Ontario as provider in plan to boost Upper Peninsula’s electricity supply

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Michigan lawmakers are looking for ways to improve the availability, reliability and affordability of electricity in the state’s Upper Peninsula, and one potential solution is to bring in more power from neighboring Ontario.

In a letter this fall, the province backed Michigan’s request for the Midcontinent Independent System Operator to study the idea of extending electric-generating connections across the U.S.-Canada border.

“Interconnections with neighboring jurisdictions provide significant economic and reliability benefits on a daily basis,” wrote Glenn Thibeault, Ontario’s minister of energy, adding that these connections can help provide backup when areas lose their primary generating source.

MISO — which oversees transmission and transmission planning in 15 U.S. states (including most states in the Midwest) and the province of Manitoba — has agreed to study the potential of connecting Michigan’s eastern Upper Peninsula to Sault Ste. Marie, Ontario. In a separate study sought by Michigan Gov. Rick Snyder, MISO also is exploring possible new connections between the state’s Upper and Lower peninsulas.

Late last year, too, as part of a comprehensive new energy plan (SB 437 and 438), Michigan legislators established a task force to examine better connections for the Upper Peninsula and the state’s northern Lower Peninsula. As part of its work, the task force will examine the advantages and disadvantages of strengthening electrical connectivity within the state vs. improving cross-border transmission capabilities with Ontario.

Ontario is already a net exporter of electricity, including to Michigan. According to the Ontario Independent Electricity System Operator, the province exports nearly four times the electricity that it imports through its high-voltage transmission grid. Ontario also exports to Minnesota and New York.

Accompanying one of Snyder’s letters to MISO was a list of recent and likely changes to Michigan’s baseload electricity supply. The loss of more than 1,200 megawatts of coal-fired generation was expected in 2016, with additional retirements expected annually between 2017 and 2023. In addition, a nuclear power plant in the state will shut down in 2018, four years earlier than expected.

Snyder noted that Michigan had among the highest transmission prices within the MISO region, and that better connections to Ontario and between the UP the rest of Michigan could help increase reliability and lower costs. In all, The Detroit News reports, Michigan’s total electricity generation is estimated to fall by 30 percent over the next 15 years. A key goal of the state’s new energy law is to ensure that utilities establish and regularly update their long-term plans for meeting electricity demand.

In the Upper Peninsula, the coal-fired Presque Isle Power Plant is expected to close in 2020. Despite last year’s announcement that two new natural-gas power plants would open in the UP in 2019, the area still faces long-term challenges regarding its electricity supply.