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by Sidney Davy Miller

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February 28, 2023

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917

Re: Upper Peninsula Power Company
2022 RE Reconciliation
Case No: U-21356

Dear Ms. Felice:

Enclosed for electronic filing in the above case, please find Upper Peninsula Power Company's Application and supporting Direct Testimony and Exhibit of Nicole E. Bell. Also enclosed is my Appearance.

Should you have any questions, please contact me.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

By: _____
Sherri A. Wellman

SAW/ehk
Enclosures
cc w/enc: Nicole E. Bell
Gradon Haehnel
Eric W. Stocking

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
UPPER PENINSULA POWER COMPANY)	Case No. U-21356
to commence a renewable energy cost)	
reconciliation proceeding for the 12-month)	
<u>period ended December 31, 2022.</u>)	

APPLICATION

Upper Peninsula Power Company (“UPPCO” or the “Company”) hereby requests the Michigan Public Service Commission (“Commission”) to approve the Company’s 2022 Renewable Energy Annual Report (“Report”) and the reconciliation of its renewable cost pursuant to MCL 460.1049 for the 2022 calendar year. In support thereof, the Company respectfully represents as follows:

1. UPPCO is a Michigan corporation, with its principal office located in Marquette, Michigan, and is engaged as a public utility in the generation, purchase, distribution, and sale of electric energy in its service territory in the Upper Peninsula of Michigan.

2. UPPCO serves certain cities, villages and townships located in the counties of Alger, Baraga, Delta, Houghton, Iron, Keweenaw, Marquette, Menominee, Ontonagon, and Schoolcraft. UPPCO’s Michigan retail electric business is subject to the jurisdiction of the Commission pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; and 1939 PA 3, as amended, MCL 460.1 et seq.

3. By Order Approving Settlement Agreement, dated July 24, 2018, in Case No. U-18235, the Commission approved the Company's renewable energy plan and, as of the date of this application, the approved plan has not been amended and therefore relates to this 2022 reconciled period. As approved, the renewable energy plan provides for meeting renewable energy standards through existing power supply resources, with the costs thereof to be addressed and accounted for through Power Supply Cost Recovery ("PSCR") proceedings, without a separate renewable energy surcharge.

4. By order dated February 2, 2023, the Commission established a filing deadline of March 1, 2023, for UPPCO's renewable energy reconciliation for the 2022 calendar year.

5. UPPCO's actions with regards to renewable energy for the 2022 calendar year: (i) comply with the renewable energy standards; (ii) are consistent with UPPCO's renewable energy plan, as approved by the Commission; and (iii) are reasonable and prudent.

6. UPPCO's renewable energy plan for the 2022 calendar year did not include any renewable energy surcharge. Thus, there are no separate renewable energy surcharge revenues to be reconciled. Further, UPPCO is not seeking pursuant to MCL 460.1049(2) a modification to its renewable energy cost recovery mechanism.

7. UPPCO's 2022 Report is filed herewith as Exhibit A-1 (NEB-1) to the prefiled direct testimony of Nicole E. Bell, which is filed contemporaneously herewith and in support of hereof.

WHEREFORE, Upper Peninsula Power Company requests that this Commission:

A. Find and determine that the Company's 2022 Renewable Energy Annual Report satisfies all applicable requirements;

- B. Find and determine that UPPCO's actions in 2022 complied with renewable standard standards, and were reasonable and prudent;
- C. Find and determine that UPPCO's reconciliation for 2022 does not result in any under-recovery or over-recovery of revenues; and
- D. Grant such other relief as is just and reasonable.

Respectfully Submitted,

UPPER PENINSULA POWER COMPANY

Dated: February 28, 2023

By: _____

Its Attorney

Sherri A. Wellman (P38989)

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

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Lansing, Michigan 48933

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STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

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UPPER PENINSULA POWER COMPANY)	
to commence a renewable energy cost)	Case No. U-21356
reconciliation proceeding for the 12-month period)	
ended December 31, 2022.)	
_____)	

DIRECT TESTIMONY AND EXHIBIT OF
NICOLE E. BELL
ON BEHALF OF
UPPER PENINSULA POWER COMPANY

February 28, 2023

DIRECT TESTIMONY AND EXHIBIT OF
NICOLE E. BELL

1 **Q. Please state your name, business address, and the name of your employer?**

2 A. My name is Nicole E. Bell. My business address is 18494 Canal Road, Houghton, Michigan
3 49931. I am employed by Upper Peninsula Power Company (“UPPCO” or the “Company”).

4
5 **Q. Please provide your title and describe your job responsibilities.**

6 A. My title is Regulatory Analyst within the Regulatory Affairs department. My
7 responsibilities in this role include a wide variety of issues touching several aspects of
8 UPPCO’s business, including tariff administration, Renewable Portfolio Standard (“RPS”)
9 compliance analysis, sales and peak demand forecasting, rate design, and revenue analysis,
10 among other related duties.

11
12 **Q. Briefly describe your educational background and applicable professional experience.**

13 A. I graduated from the Community College of the Air Force in 2013 with an Associate of
14 Applied Science in Weather Technology. I graduated from American Military University in
15 2016 with a Bachelor of Science in Environmental Science. I graduated from Grand Canyon
16 University in 2021 with a Master’s in Business Administration. In January 2011, I entered
17 employment with the United States Air Force (“USAF”) as a Weather Specialist, tasked with
18 the observing, recording, forecasting, and dissemination of weather data and information to
19 military installations throughout the United States. In January 2015, I completed my
20 enlistment in the USAF and began employment with the Tucson Electric Power Company
21 (“TEPC”) as a Renewable Energy Forecaster and Trading Analyst in the Wholesale
22 Marketing and Renewables departments of TEPC. My responsibilities in this position

DIRECT TESTIMONY AND EXHIBIT OF
NICOLE E. BELL

1 included the forecasting and analysis of renewable resource output and availability, the
2 updating and maintaining of TEPC's renewable resource forecasting models, and other
3 analysis of the department's generation resources, including analysis of transactions between
4 TEPC and its counterparties. I cross-trained in several different positions throughout the
5 Wholesale Marketing department, where I completed tasks related to the scheduling of
6 power purchases and sales, creation and monitoring of transaction tags, creation and
7 monitoring of transmission reservations, and the conducting of daily communication
8 between counterparties. In January 2020, I left my employment with TEPC. I began
9 employment with UPPCO in March 2020 as a Regulatory Analyst within the Regulatory
10 Affairs department.

11
12 **Q. Have you previously testified before the Michigan Public Service Commission**
13 **(“MPSC”)?**

14 A. Yes. I provided testimony in support of UPPCO's 2020 and 2021 renewable energy cost
15 reconciliation. I also provided testimony in support of UPPCO's rate case application filed in
16 September 2022.

17
18 **Q. What is the purpose of your testimony in this proceeding?**

19 A. The purpose of my testimony is to present UPPCO's analysis and discussion regarding
20 the following items:

- 21 1. UPPCO's 2022 Renewable Energy Annual Report.
- 22 2. Reconciliation of Renewable Energy Surcharge revenues and costs.

23

DIRECT TESTIMONY AND EXHIBIT OF
NICOLE E. BELL

1 **Q. Are you sponsoring any exhibits in this proceeding?**

2 A. Yes, I am sponsoring Exhibit A-1 (NEB-1), UPPCO's 2022 Renewable Energy Annual
3 Report.

4
5 **Q. Was this exhibit prepared by you or under your direction and supervision?**

6 A. Yes.

7
8 **Q. Does UPPCO continue to take a reasonable and prudent approach to implementing the
9 2018 renewable energy plan that was approved by the Commission?**

10 A. Yes. The actions and decisions made by UPPCO have been reasonable and prudent, and
11 consistent with the plan approved by the Commission on its July 24, 2018 Order in Case No.
12 U-18235.

13
14 **Q. Did UPPCO recover any renewable energy cost through a renewable energy
15 surcharge?**

16 A. No. All costs associated with UPPCO's renewable energy are included in the Company's
17 base rates or in rates that are adjusted as part of the Power Supply Cost Recovery process.
18 As such, the Company does not have any Renewable Energy surcharge revenues to reconcile
19 against costs in this proceeding.

20
21 **Q. Does UPPCO plan to change its method for recovering any of its renewable energy
22 costs?**

23 A. No, not at this time.

DIRECT TESTIMONY AND EXHIBIT OF
NICOLE E. BELL

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Q. Is UPPCO banking any renewable energy credits for future use in Michigan?

A. Yes.

Q. At the end of 2022, how many renewable energy credits, including incentive credits, does UPPCO have banked for future compliance?

A. The Company had a 2022 year-end balance of 307,979 renewable energy credits.

Q. Does this conclude your direct testimony at this time?

A. Yes, it does.

STATE OF MICHIGAN
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_____)	

EXHIBIT A-1 (NEB-1)
2022 RENEWABLE ENERGY
ANNUAL REPORT

Renewable Energy Annual Report

Revised February 2023

Electric Provider:

Reporting Period: Calendar Year 2022

- The purpose of this annual report is to provide information regarding activities that occurred within calendar year 2022.
- Many of the requested figures are available from MIRECS reports; names of which are noted within this template. If your figures agree with those within MIRECS, you may submit the MIRECS report as an attachment to this annual report. If your figures differ from those within MIRECS, please explain any discrepancies. Staff from the MPSC and MIRECS Administrator, APX, Inc., are available to help reconcile.

Section 51(1)(a).

Within this section, list each renewable energy system (RES) owned, operated or controlled by the electric provider. List the capacity of each system, the amount of electricity generated by each system and the percentage of electricity which was generated from renewable energy (RE).

System Name¹	System Type (RES)	Nameplate Capacity (MW)	Electricity Generated (MWh)	% of Electricity generated by RE/ACE
Victoria	RES	12.0	57,751	100%
Prickett	RES	2.2	8,949	100%
McClure	RES	8.0	39,888	100%
Hoist	RES	3.4	13,428	100%
Escanaba 1	RES	1.6	4,488	100%
Escanaba 3	RES	2.5	9,669	100%
Boney Falls	RES	4.1	13,929	100%

¹System name should agree with the project name listed within MIRECS. This data may be found in the Project Management module within MIRECS.

Within this section, list the renewable energy system (RES) the electric provider is purchasing energy credits from. These include purchase power agreements. However, unbundled (credit only) purchases do not need to be listed here. Projects (generators) serving multijurisdictional electric providers should be listed here.

System Name	System Type (RES)	Electricity Purchased (MWh)	Energy Credits Purchased¹	Allocation Factor and Method
Cataract	Hydroelectric	6,177	6,767	100%

1Distinguish between different types of credits (REC).

Allocation Factor and Method: For use if 100% of system output is not purchased. For instance, a system selling to multiple parties: list how the energy and credits are allocated – if by percentage, list the percentage as well.

Allocation Factor and Method: If used by multijurisdictional electric providers please include which percentage of energy and credits are to be distributed to Michigan (list allocation method as well, for example: system load).

Section 51(1)(b).

Within this section, list the method and the retail sales in MWh for the reporting period.

List the Method: either average of 2019-2021 retail sales or the 2021 weather normalized retail sales.

Average of 2019 – 2021 Retail Sales

The method chosen should be consistent with the method approved in the initial plan case from 2017. All sales are retail (net of wholesale).

(A) List the sales in MWh based on the method selected above. Please show the calculation of this figure (including listing the sales of each year if the three-year average method is used).

Average(753,209; 775,788; 743,221) * 0.15 = 113,611

(B) 15% RPS Portfolio: List the energy credits used for the 15% RPS portfolio for the 2022 compliance year. This number should agree with the compliance requirement listed in the 2022 compliance subaccount in MIRECS. Take into account any energy waste reduction substitutions and limits on their use.

MIRECS has not generated the amount of energy credits used for the 2022 compliance year. Retail sales for the 2022 compliance year were entered into MIRECS on February 20, 2023.

Calculate the renewable energy percentage. Figure above divided by sales in MWh above (B divided by A).

N/A

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION

ENTRY OF APPEARANCE IN AN ADMINISTRATIVE HEARING

This form is issued as provided for by 1939 PA 3, as amended, and by 1933 PA 254, as amended. The filing of this form, or an acceptable alternative, is necessary to ensure subsequent service of any hearing notices, Commission orders, and related hearing documents.

General Instructions:

Type or print legibly in ink. For assistance or clarification, please contact the Public Service Commission at 517-284-8090.

*Please Note: The Commission will provide **electronic** service of documents to all parties in this proceeding.*

THIS APPEARANCE TO BE ENTERED IN ASSOCIATION WITH THE ADMINISTRATIVE HEARING:

Case / Company Name: Upper Peninsula Power Company Docket No. U- 21356

Please enter my appearance in the above-entitled matter on behalf of:

1. (Name) Upper Peninsula Power Company
2. (Name)
3. (Name)
4. (Name)
5. (Name)
6. (Name)
7. (Name)

Name Sherri A. Wellman
Address Miller Canfield
One Michigan Avenue, Suite 900
City Lansing State MI
Zip 48933 Phone 517-483-4954
Email wellmans@millercanfield.com
Date 02/28/2023

<input type="radio"/> I am not an attorney
<input checked="" type="radio"/> I am an attorney whose:
Michigan Bar # is P- <u>38989</u>
_____ Bar # is: _____
(state)

Signature: _____