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March 21, 2023

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

Via E-Filing

RE: Alpena Power Company
2022 Renewable Energy Cost Reconciliation Application
MPSC Case No. U-21351

Dear Ms. Felice:

Alpena Power Company's application to commence a renewable energy cost reconciliation proceeding for the twelve months ending December 31, 2022, along with the written direct testimony of the Company's witness, Mr. Kenneth Dragiewicz, and accompanying exhibits, is being submitted to you for electronic filing with the Michigan Public Service Commission pursuant to the Commission's directive. No paper filing is being made.

I will forward a draft notice of hearing by email to Ms. Angela Sanderson at sandersona2@michigan.gov.

Please contact me at tmgulden@gillardlaw.com if you have questions, and thank you for your assistance.

Sincerely,

Timothy M. Gulden
Attorney for Alpena Power Company

TMG/tsm
Enclosures

STATE OF MICHIGAN
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of the application of)
ALPENA POWER COMPANY)
to commence a renewable energy cost)
reconciliation proceeding for the 12-month)
period ending December 31, 2022.)
_____)

Case No. U-21351

ALPENA POWER COMPANY'S
APPLICATION FOR
2022 RENEWABLE ENERGY COST RECONCILIATION

Alpena Power Company ("Applicant" or "Alpena") respectfully requests that the Michigan Public Service Commission ("MPSC" or "Commission") commence this proceeding as a renewable energy cost reconciliation proceeding for the 12-month period ending December 31, 2022, pursuant to the provisions of 2008 PA 295; MCL 460.1001 *et seq.* ("PA 295"), as amended by Public Act 342 of 2016, MCL 460.1001 *et seq.* ("PA 342"), specifically in accordance with the provisions of Section 49 of PA 295. In support of its request, Alpena respectfully represents as follows:

1. Applicant is a private investor-owned Michigan utility corporation with its principal office located in the City of Alpena, Michigan, supplying electric service to its customers (approximately 16,650) within its service area, which includes: the City of Alpena; the Townships of Alpena, Green, Long Rapids, Maple Ridge, Ossineke, Sanborn, Wellington and Wilson in the County of Alpena; the Township of Presque Isle in Presque Isle County; the Township of Caledonia in Alcona County; and the Village of Hillman and Township of Hillman in Montmorency County, all in the State of Michigan.

2. Jurisdiction is pursuant to Sections 1, 2, 6, 7 and 8 of 1909 PA 106, as amended, MCLA 460.551 *et seq.*; 1909 PA 300, as amended, MCLA 462.2 *et seq.*; Sections 3 and 4 of 1919 PA 419, as amended, MCLA 460.51 *et seq.*; Sections 4, 6 and 6a of 1939 PA 3 as amended, MCLA 460.1 *et seq.*; 1982 PA 304, as amended, MCLA 460.6a, 460.6b, 460.6j, 460.6k, 460.6l and 460.6m; 2008 PA 295, MCLA 460.1001 *et seq.*; 1969 PA 306, as amended, MCLA 24.201 *et seq.*; and the Commission's Rules of Practice and Procedure, 1979 Administrative Code, R 460.17101 *et seq.*

3. Alpena's initial renewable energy plan was approved by the Commission in its order of May 12, 2009 in Case No. U-15804; was revised in 2011, 2013, 2015, and 2018 in Case Nos. U-16580, U-17300,

U-17791, and U-18230, respectively; and was most-recently reviewed, amended, and approved by the Commission in its January 20, 2022 Order in Case No. U-21140.

4. Alpena's renewable energy plan called for it to meet its PA 295 portfolio standard requirements by purchasing renewable energy credits (RECs), the bulk of which will be purchased from Consumers Energy (Consumers) and Eagle Creek Development Holdings, LLC (ECDH), through the year 2024, the termination date of Alpena's wholesale power purchase agreement with Consumers and REC purchase agreement with ECDH. Thereafter, Alpena will seek a continued supply of RECs on the open market.

5. Alpena entered a purchase agreement for RECs from Consumers on August 4, 2009. This contract was approved by the Commission in Case No. U-15804 in its Opinion and Order of September 15, 2009. The Commission found that the contract was reasonable and prudent and satisfied the factors of Section 37 of PA 295.

6. Alpena entered a purchase agreement for RECS from ECDH on December 9, 2021. This contract was approved by the Commission in Case No. U-21140 in its Opinion and Order of January 20, 2022. The Commission found that the contract was reasonable and prudent and satisfied the factors of Public Act 291 of 2008, as amended by Public Act 342 of 2016.

7. In its renewable energy plan, Alpena incurred \$112,119.49 in expenses and collected no surcharge revenue in 2022. Alpena is not requesting any revenue adjustment.

8. The retail rate impact under Alpena's renewable cost revenue recovery mechanism does not exceed the maximum retail rate impacts under Section 45 of PA 295.

WHEREFORE, Applicant respectfully requests that this Commission:

1. Accept for filing, this Application for the reconciliation of its renewable energy plan for the 12-month period ending December 31, 2022, in accordance with Section 49 of 2008 PA 295.

2. Upon acceptance of the filing of this Application, fix an early time and place for hearing giving notice thereof in accordance with the law and rules of practice established by the Commission.

3. Promptly make such investigations as it may deem necessary or advisable in the circumstances.

4. Determine that Alpena's 2022 Renewable Energy Plan Cost Reconciliation is reasonable and prudent and meets all relevant requirements of PA 295.

5. Grant such other relief as may be lawful and necessary.

Dated: March 21, 2023

Respectfully submitted,

ALPENA POWER COMPANY

By: Timothy M. Gulden (P41232)
Gillard, Bauer, Mazrum, Florip, Smigelski,
and Gulden
109 E. Chisholm Street
Alpena, Michigan 49707
(989) 356-3444

TESTIMONY OF KENNETH A. DRAGIEWICZ
ON BEHALF OF
ALPENA POWER COMPANY

1 **Q. State your name and business address.**

2 A. Kenneth A. Dragiewicz, Alpena Power Company, 401 N. Ninth Avenue, Alpena, Michigan 49707.

3 **Q. What is your educational background?**

4 A. I graduated in 1998 from Michigan State University with a Bachelor of Science Degree in Electrical
5 Engineering. In 2003, I received an MBA from Saginaw Valley State University.

6 **Q. What is your position with Alpena Power Company?**

7 A. I am President, and Chief Operating Officer.

8 **Q. Please state your past work experience with Alpena including your present duties and
9 responsibilities.**

10 A. I was employed by Alpena in March 2014 as an Electrical Engineer. I was promoted to Assistant Vice
11 President in April 2016, promoted to Vice President in June 2017, promoted to Executive Vice President
12 and became a Director of Alpena Power Company in April 2020, and promoted to President and Chief
13 Operating Officer on June 1, 2021. My responsibilities include general management of Alpena Power
14 Company. This involves providing direction in daily and long-term planning, developing policies and
15 structure, directing, and coordinating employee activities, and managing a competent and knowledgeable
16 workforce, all with the goal of maintaining low cost and reliable service to our customers and providing a
17 fair return to our shareholders.

18 **Q. Have you previously testified in any proceedings before this Commission?**

19 A. Yes, I testified on behalf of Alpena in Case Nos. U-18324 and U-21045 (both of Alpena's last general rate
20 cases), in Case No. U-20874 (Alpena's Energy Waste Reduction Biennial Plan), Case No. U-21204 (Alpena
21 Energy Waste Reduction Reconciliation), Case No. U-21140 (Alpena's Renewable Energy Plan), Case No.
22 U-21196 (Alpena's Renewable Portfolio Standard Reconciliation), Case No. U-18089 (Alpena's PURPA
23 Biennial Review), and Case U-18350 (Alpena's Voluntary Green Pricing Program).

24 **Q. Please briefly describe Alpena's business and operations.**

1 A. Alpena is a private investor-owned Michigan utility corporation with its office located in the City of Alpena,
2 Michigan, supplying electric service to approximately 16,650 customers in the Northeastern Lower
3 Peninsula of Michigan. Alpena purchases approximately 85% of its electric power requirements from
4 Consumers Energy Company (“Consumers”) under wholesale rates subject to the jurisdiction of the Federal
5 Energy Regulatory Commission (“FERC”) and approved by the Commission in Case Nos. U-10705 and
6 U-11029. The balance of power requirements are purchased through contracts with Thunder Bay Power,
7 Wolverine Electric Power Cooperative and when available, from certain large industrial customers under
8 rates established under special contracts.

9 **Q. Are Alpena’s present rate schedules on file with this Commission?**

10 A. Yes, they are. Alpena presently serves its electric customers under rates and charges as ordered by the
11 Commission in its Opinion and Order in Case No. U-21045 dated December 22, 2021, Alpena’s 2022 PSCR
12 Plan order in Case U-21046 dated May 12, 2022, Alpena’s 2021 Energy Waste Reduction Biennial Plan as
13 approved by the Commission’s March 17, 2022 order in Case U-20874, and Alpena’s Renewable Energy
14 Plan as approved by the Commission’s January 20, 2022 order in case U-21140.

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

16 A. My Testimony will address the following:

17 (a) A review of Alpena’s Renewable Energy Program.

18 (b) A discussion of the various exhibits that detail the reconciliation of Renewable Energy Surcharges
19 collected from Alpena’s customers.

20 In support of my testimony, I have prepared Exhibits A-1 through A-13.

21 **Renewable Energy Plan Summary**

22 **Q. Please provide an analysis of Alpena’s Renewable Energy Plan (“REP”) and its ability to meet REC
23 portfolio standard requirements.**

24 A. Alpena’s REP, as amended in Case U-21140, continues to be reasonable and prudent, and to be consistent
25 with all applicable provisions of Act 295 as amended, for essentially three reasons:

26 First, it is important to note that Alpena does not own any facilities that produce electric power. Alpena

1 purchases approximately 85% of its electric power requirements from Consumers under wholesale rates
2 subject to the jurisdiction of the Federal Energy Regulatory Commission (“FERC”) and approved by the
3 Commission in Case Nos. U-10705 and U-11029. The balance of power requirements are purchased
4 through contracts with Thunder Bay Power, Wolverine Electric Power Cooperative and, when available,
5 from certain large industrial customers under rates established under special contracts. Alpena does not
6 intend at this time to construct any facilities that would produce and qualify for RECs.

7 Second, Alpena’s REP calls for it to obtain its required RECs from Consumers and Eagle Creek
8 Development Holdings (“ECDH”) through purchase agreements, which supply stable sources of RECs,
9 enabling Alpena to meet its Renewable Energy Portfolio Standards through the end of Alpena’s wholesale
10 purchase agreement with Consumers, which terminates on December 31, 2024. Alpena anticipates that it
11 will procure RECS for the period of 2025 to 2029 through an ongoing RFP process.

12 Third, Alpena’s REP represents the most economical way for Alpena to comply with the Renewable Energy
13 Portfolio Standards, given Alpena’s size, its relative inability to construct power producing facilities that
14 would qualify for REC certification, and MCL 460.1035(2)’s provisions that allow for transfer of ownership
15 of RECs to Alpena from Consumers and ECDH pursuant to agreements. Alpena would be paying only the
16 incremental cost to Consumers related to the construction of the RPS facilities, which will be commensurate
17 with charges Consumers’ jurisdictional customers will pay, and which is subject to the review of the
18 Commission. The cost for RECs purchased from ECDH was determined through an open and competitive
19 bidding process providing the lowest-cost alternative to Alpena’s customers.

20 **Renewable Energy Plan Incurred Expense**

21 **Q. What expenditures were expected to be incurred in 2022 under Alpena’s renewable energy plan.**

22 A. The only expenses expected to be incurred for the plan are the quarterly Michigan Renewable Energy
23 Certification System fees and costs to purchase RECs from Consumers and ECDH.

24 **Q. What amount of annual revenues were planned to be billed to customers as the Renewable Energy
25 Surcharge in 2022 pursuant to the Company’s approved renewable energy plan.**

26 A. No planned surcharge per Alpena’s approved plan in Case No. U-21140 for 2022.

1 **Q. What amount of the surcharge was actually billed to customers?**

2 A. Alpena billed zero to its customers during 2022. Exhibit A-6 details the amounts billed by tariff class.

3 **Q. Did the Company's 2022 renewable energy plan expenditures require any modification to the**

4 **revenue recovery mechanism to ensure recovery of the incremental cost of compliance with the**

5 **renewable energy standards contained in PA 295?**

6 A. No, the monthly surcharge remained at zero for 2022.

7 **Q. Did Alpena bill or did Alpena's renewable energy plan tariffs exceed the maximum retail rate allowed**

8 **under Section 45 of PA 295?**

9 A. No.

10 **Q. Please review the exhibits you have submitted with your testimony?**

11 A. In accordance with MPSC staff requests issued, my testimony includes 13 exhibits.

12 Exhibit A-1 provides contact information requested by MPSC Staff to direct inquiries regarding the

13 accounting and operational aspects of Alpena's renewable energy plan.

14 Exhibit A-2 is not germane to Alpena's operation and renewable energy plan and have been submitted with

15 an explanatory note stating why the exhibit is not applicable.

16 Exhibit A-3 is a list of the Renewable Energy Credits purchased by Alpena, including the project name,

17 vintage year, project type and quantity received.

18 Exhibit A-4 is the compliance requirement calculation for 2022.

19 Exhibit A-5 is the total incremental cost of RECs purchased for compliance.

20 Exhibit A-6, details the 2022 renewable energy plan customer surcharges billed by class.

21 Exhibit A-7, details the monthly and cumulative over/(under) calculation in the aggregate for Alpena's

22 renewable energy plan.

23 Exhibit A-8, shows the monthly interest calculation for the cumulative over recovery for 2022.

24 Exhibit A-9 through A-10 are not germane to Alpena's operation and renewable energy plan and have been

25 submitted with an explanatory note stating why the exhibit is not applicable.

26 Exhibit A-11, details the expense accrued for Alpena's renewable energy plan that were recorded in

1 Alpena's renewable energy credit expense account.
2 Exhibit A-12 details the 2022 Regulatory Account.
3 Exhibit A-13 is Alpena's 2022 Renewable Energy Annual Report.
4 **Q Does this complete your testimony?**
5 **A Yes, it does.**

Case No.: U-21351
Exhibits: A-1 thru A-12
Witness: Dragiewicz

Alpena Power Company
Renewable Energy Portfolio Reconciliation 2022
Index to Exhibits

<u>Exhibit Reference</u>	<u>Description</u>
A-1	RPS Compliance Organizational Chart
A-2	Renewable Generation Reports - NOT APPLICABLE - NOT PROVIDED
A-3	Total Renewable Energy Credits for Compliance
A-4	Compliance Requirement Calculation
A-5	Incremental Cost of Compliance
A-6	RPS Customer Surcharges Billed/Received by Class
A-7	RPS Over/(Under) Calculation by Month
A-8	Interest Calculation by Month
A-9	Calculation of Transfer Prices - NOT APPLICABLE - NOT PROVIDED
A-10	Method Used to Compute Transfer Prices - NOT APPLICABLE - NOT PROVIDED
A-11	Renewable Energy Credit Expense
A-12	Regulatory Account Reconciliation

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022
RPS Compliance Organizational Chart

(a)	(b)	(c)			(d)
Name	Title	Contact Information			Email
		Direct Phone	Fax		
Kenneth A. Dragiewicz	President and COO	989-358-4945	989-358-4990	kd@alpenapower.com	
Danielle Green	Vice President	989-358-4931	989-358-4990	dgreen@alpenapower.com	

Case No.: U-21351
Exhibit: A-2
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022
Renewable Generation Reports

Not Provided - Alpena Power Company does not own or lease any electrical generation assets.

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022
Total Renewable Energy Credits for compliance

Case No.: U-21351
Exhibit: A-3
Page: 1 of 1
Witness: Dragiewicz

ID	Project	Project		Credit Type	Credits Vintage	Quantity
		Begin Date	Fuel/Project Type			
GEN247	20.0 MW - 20.0 MW - DTE Garden Wind Farm	9/14/2012	Wind	RECS	Oct-20	2,444
GEN256	Beebe - Beebe 1	10/31/2012	Wind	RECS	Feb-21	7933
GEN256	Beebe - Beebe 1	10/31/2012	Wind	RECS	Sep-20	2773
GEN332	CWEP - Cross Winds Energy Park	12/12/2014	Wind	RECS	Mar-21	5,021
GEN292	LWEP - Lake Winds Energy Park	11/22/2012	Wind	RECS	Jan-21	5821
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Jan-20	5,889
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Jan-20	600
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Feb-20	5777
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Feb-20	524
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Mar-20	6,332
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Mar-20	600
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Apr-20	518
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Jun-19	557
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Jul-19	550
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Aug-19	436
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Sep-19	107
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Mar-19	568
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Apr-19	564
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	May-19	571
GEN120	Ludington Pumped Storage - Ludington Pump	9/18/1973	Incentive	IREC	Sep-20	307
GEN120	Ludington Pumped Storage - Ludington Pump	9/18/1973	Incentive	IREC	Oct-20	180
GEN206	Michigan Wind 2 - Michigan Wind 2	12/30/2011	Wind	RECS	Apr-21	3,368
GEN47	Cadillac Renewable Energy LLC - Unit 2	7/16/1993	Biomass	RECS	Aug-20	660

Total= 52,100

ALPENA POWER COMPANY
 Renewable Energy Portfolio Reconciliation 2022
 Compliance Requirement Calculation

	1				
	2				
	3				
REC prior to Act		0			
	4	33,993	(2015)		
	method				
	RE Portfolio	52,100			
Less: REC prior to Act		0			
2022 Compliance Requirement		52,100			

- 1 Number of REC, one year prior to Act (October 2007-September 2008) that would have been transferred under 35(1) PURPA Provision, if Act in effect at time
 - 2 Number of REC generated one year prior to Act (October 2007 - September 2008) (if recoverable in rates)
 - 3 Number of REC purchased one year prior to Act (October 2007 - September 2008) (if recoverable in rates)
- The amending law to 2008 PA 295, which was effective April 20, 2017, states that the 2008 PA 295 compliance language is to be used for compliance years 2016, 2017 and 2018. This language (2008 PA 295, Section 27(3)) states, "in 2016 and each year thereafter, maintain a renewable energy credit portfolio that consists of at least the same number of renewable energy credits as were required in 2015".

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Exhibit: A-5
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022
Total Incremental Cost of Compliance

<u>Month - 2022</u>	<u>Monthly Amount</u>	<u>Annual Amount</u>
January	\$ -	\$ -
February	-	-
March	-	-
April	574.90	574.90
May	-	574.90
June	199.90	774.80
July	-	774.80
August	-	774.80
September	111,144.79	111,919.59
October	-	111,919.59
November	-	111,919.59
December	199.90	112,119.49
YTD - 2021	<u>\$ 112,119.49</u>	<u>\$ 112,119.49</u>

ALPENA POWER COMPANY
 Renewable Energy Portfolio Reconciliation 2022
 RPS Over/(Under) Calculation by Month

Description	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Expense Approved	0.00	0.00	0.00	574.90	0.00	199.90	0.00	0.00	199.90	0.00	0.00	199.90
Aggregate Amounts Billed to Customers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monthly Over/(Under) Collection	0.00	0.00	0.00	-574.90	0.00	-199.90	0.00	0.00	-199.90	0.00	0.00	-199.90
RECs Purchases Consumers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-61,964.09	0.00	0.00	0.00
RECs Purchases ECDH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-48,980.80	0.00	0.00	0.00
Beginning Balance of Excess Funds Collected From Customers	276,554.56	276,554.56	276,554.56	276,554.56	275,979.66	275,979.66	275,779.76	275,779.76	275,779.76	164,634.97	164,634.97	164,634.97
Cumulative Over/(Under) Collection	276,554.56	276,554.56	276,554.56	275,979.66	275,979.66	275,779.76	275,779.76	275,779.76	164,634.97	164,634.97	164,634.97	164,435.07

ALPENA POWER COMPANY
 Renewable Energy Portfolio Reconciliation 2022
 Interest Calculation by Month

Description	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Beginning Balance Over/(Under) Recover	276,554.56	276,554.56	276,554.56	276,554.56	275,979.66	275,979.66	275,779.76	275,779.76	275,779.76	164,634.97	164,634.97	164,634.97
Expense Approved (A-7)	0.00	0.00	0.00	-574.90	0.00	-199.90	0.00	0.00	-199.90	0.00	0.00	-199.90
RECs Purchased Consumers (A-7)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-61,964.09	0.00	0.00	0.00
RECS Purchased ECDH (A-7)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-48,980.80	0.00	0.00	0.00
Ending Balance Over/(Under) Recovery	276,554.56	276,554.56	276,554.56	275,979.66	275,979.66	275,779.76	275,779.76	275,779.76	164,634.97	164,634.97	164,634.97	164,435.07
Average Over/(Under) Recovery	276,554.56	276,554.56	276,554.56	276,267.11	275,979.66	275,879.71	275,779.76	275,779.76	220,207.37	164,634.97	164,634.97	164,535.02
Interest Rate - Annual	2.250%	2.250%	2.379%	2.500%	2.935%	3.400%	3.871%	4.500%	4.750%	5.250%	5.980%	6.000%
Monthly Interest	518.54	518.54	548.27	575.56	675.00	781.66	889.62	1,034.17	871.65	720.28	820.43	822.675
Beginning Balance Over/(Under) Recover	114,119.96	114,638.50	115,157.04	115,705.31	116,280.87	116,955.87	117,737.52	118,627.14	119,661.32	120,532.97	121,253.25	122,073.68
Cumulative Interest	114,638.50	115,157.04	115,705.31	116,280.87	116,955.87	117,737.52	118,627.14	119,661.32	120,532.97	121,253.25	122,073.682	122,896.36
	391,193.06	391,711.60	392,259.87	392,260.53	392,935.53	393,517.28	394,406.90	395,441.08	285,167.94	285,888.22	286,708.65	287,331.43

Case No.: U-21351
Exhibit: A-9
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022
Calculation of Transfer Prices

Not Provided - Alpena Power purchases its Renewable Energy Credits in accordance with our MPSC approved contract which terminates on 12/31/2024 .

Case No.: U-21351
Exhibit: A-10
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022
Method Used to Compute Transfer Prices

Not Provided - Alpena Power purchases its Renewable Energy Credits in accordance with our MPSC approved contracts which end on 12/31/2024 .

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022

Detail - Account 555.80 - Renewable Energy Credit Expense

(a) Month - 2022	(b) Monthly Amount	(c) Annual Amount
January	\$ -	\$ -
February	\$ -	-
March	\$ -	-
April	\$ 574.90	574.90
May	\$ -	574.90
June	\$ 199.90	774.80
July	\$ -	774.80
August	\$ -	774.80
September	\$ 199.90	974.70
October	\$ -	974.70
November	\$ -	974.70
December	\$ 199.90	1,174.60
YTD - 2022	<u>\$ 1,174.60</u>	<u>\$ 1,174.60</u>

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Exhibit: A-12
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2022

2022 Regulatory Account Reconciliation

2022 Beginning Balance (Regulatory Account) (Case U-21196)	\$ (276,554.56)
2022 Beginning Balance (Interest) (Case U-21196)	\$ (114,119.96)
Surcharge Revenue (Exhibit A-6)	\$ -
Accrued Expense (Exhibit A-7)	\$ 1,174.60
Interest (Exhibit A-8)	\$ (8,776.40)
Payments :	
REC Purchases Consumers (Exhibit A-7)	\$ 61,964.09
REC Purchases ECDH (Exhibit A-7)	\$ 48,980.80
2022 Ending Balance (Regulatory Account)	\$ (164,435.07)
2022 Ending Balance (Interest)	\$ (122,896.36)
Total	\$ (287,331.43)

ALPENA POWER COMPANY
CASE NO. U-21351

EXHIBIT A-13

2022 Renewable Energy Annual Report

Renewable Energy Annual Report

Revised March 2023

Electric Provider:

Reporting Period: Calendar Year 2022

- Section 51(1) of 2008 PA 295, as amended by 2016 PA 342, requires the filing of this document with the Michigan Public Service Commission.
- 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).

Within this section, list and describe actions taken by the electric provider to comply with the renewable energy standards.

a. Filings to the Commission (case numbers)

U-15804, U-16345, U-16580, U-16654, U-17300, U-17320, U-17630, U-17791, U-17802, U-18080, U-18230, U-18240, U-20170, U-20482, U-20721, U-21008, U-21140, and U-21196.

b. Summary of actions taken during reporting period

Alpena Power Company filed its 2021 Renewable Energy Reconciliation Case No. U-21196.

Section 51(2)(a).

Within this section, list the combined total number of vintage 2022 renewable energy credits and incentive credits, generated or purchased during the reporting period, including those credits transferred from a wholesale electric supplier. This data may be found in the MIRECS report titled: My Credit Transfers using the transfer tabs indicated below and filtering the report by date (**only activity occurring in 2022**).

Credits From	Combined Renewable Energy Credits and Incentive Credits 2022 Vintage Only
Generated (Intra-Account Transfer, only "Issued" in the Action column)	None
Purchased (Inter-Account Transfer, only "Confirm" or "Forward Transfer" in the Action column)	None
Total Credits	

"Issued" within the Action column refers to an account holder accepting the generation data after which energy credits are created. "Confirm" within the Action column refers to both the transferee and transferor agreeing to the non-recurring transfer. "Forward Transfer" within the Action column indicates a recurring transfer of which subsequent transfers of credits do not need to be accepted by both parties.

Explain any differences between the data provided and MIRECS reports.

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Within this section, list the type of and number of vintage 2022 energy credits sold, traded or otherwise transferred during the reporting period.

	Combined Renewable Energy Credits and Incentive Credits 2022 Vintage Only
Sold, traded or otherwise transferred	

To get a count of energy credits that have been sold, traded or otherwise transferred data may be found in the MIRECS report titled: My credit transfers; inter-account transfer; filter by 1) year (2022) 2) transferor (the company) and 3) action (“confirm”).

Section 51(2)(c).

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 Name ¹	System Type (RES)	Nameplate Capacity (MW)	Electricity Generated (MWh)	% of Electricity generated by RE/ACE

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 Purchased ¹	Allocation Factor and Method

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(2)(d).

Within this section, list whether, during the reporting period, the electric provider entered into a contract for, began construction on, continued construction of, acquired, or placed into operation a renewable energy (RE) system.

System Name ¹	Resource (technology, RE)	Nameplate Capacity (MW)	Construction start date or acquisition date	Commercial operation date	Owned by electric provider?

¹System name should agree with the project name listed within MIRECS.

Dates may be forecast.

Section 51(2)(e).

Within this section, list the expenditures incurred during the reporting period to comply with the renewable energy standards or the forecasted expenditures for the remaining plan period. Also, electric providers with an approved or planned renewable energy surcharge (as per Section 45), list the incremental cost of compliance (ICC) incurred during the reporting period.

Total Costs to Comply with Renewable Energy Standard in 2022
\$112,119.49

Forecast of total expenditures for the remaining plan period of 2023-2029
\$850,198.62

Total Expenditures: ICC + Transfer Cost

Total Transfer Cost for 2022 (if any)
0

Transfer Cost: The component of renewable energy and capacity revenue recovered from PSCR clause.

Total ICC for 2022
\$112,119.49

Forecast of the ICC for the remaining plan period (2023-2029)	Monthly residential surcharge (\$3 or less)
\$850,198.62	

Capital Expenditures for 2022 (if any)
0

Capital Expenditure: An investment in a renewable energy capital asset.

Section 51(2)(f).

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).

2019 Actual Retail Sales: 333,475, 2020 Actual Retail Sales: 360,874, 2021 Actual Retail Sales: 347,649
 $(333,475+360,874+347,649)/3 = 347,333$ MWh Sales x 15.0% = 52,100 REC's required for 2022

(B) Compliance: List the energy credits used for compliance 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.

ID	Project	Project Begin Date	Fuel/Project Type	Credit Type	Credits Vintage	Quantity
GEN247	20.0 MW - 20.0 MW - DTE Garden Wind Farm, LLC	9/14/2012	Wind	RECS	Oct-20	2,444
GEN256	Beebe - Beebe 1	10/31/2012	Wind	RECS	Feb-21	7933
GEN256	Beebe - Beebe 1	10/31/2012	Wind	RECS	Sep-20	2773
GEN332	CWEP - Cross Winds Energy Park	12/12/2014	Wind	RECS	Mar-21	5,021
GEN292	LWEP - Lake Winds Energy Park	11/22/2012	Wind	RECS	Jan-21	5821
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Jan-20	5,889
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Jan-20	600
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Feb-20	5777
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Feb-20	524
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Mar-20	6,332
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Mar-20	600
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Apr-20	518
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Jun-19	557
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Jul-19	550
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Aug-19	436
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Sep-19	107
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Mar-19	568
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	Apr-19	564
IMP342	Little Quinnesec Falls - Units 1-6	12/1/1916	Incentive	IREC	May-19	571
GEN120	Ludington Pumped Storage - Ludington Pumped Storage	9/18/1973	Incentive	IREC	Sep-20	307
GEN120	Ludington Pumped Storage - Ludington Pumped Storage	9/18/1973	Incentive	IREC	Oct-20	180
GEN206	Michigan Wind 2 - Michigan Wind 2	12/30/2011	Wind	RECS	Apr-21	3,368
GEN47	Cadillac Renewable Energy LLC - Unit 2	7/16/1993	Biomass	RECS	Aug-20	660
Total=						52,100

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

15.0%

Does the "energy credits used for compliance for the 2022 compliance year" figure above include any credits representing energy generated within 120 days after the start of the next calendar year? Yes/No.

No

If yes, how many credits from 2022 generation are included?

To be used for 2023 Compliance Year

Similar to (A) from Section 51(2)(f) above.

List the sales in MWh based upon the same method selected above. Sales should either be the average of 2020-2022 retail sales or the 2022 weather normalized retail sales. Please show the calculation of this figure (including listing the sales of each year if the three year average method is used).

2020 Actual Retail Sales: 360,874, 2021 Actual Retail Sales: 347,649, 2022 Actual Retail Sales:
346,358
 $(360,874+347,649+346,358)/3 = 351,627$ MWh Sales x 15.0% = 52,744 REC's required for 2023