



Gretchen Whitmer, Governor
Dan Scripps, Chair
Katherine Peretick, Commissioner
Alessandra Carreon, Commissioner

NEWS RELEASE

[X/Twitter: @MichiganPSC](#)
www.michigan.gov/mpsc

FOR IMMEDIATE RELEASE April 11, 2024
News media contact: [Matt Helms](#) 517-284-8300
Customer Assistance: 800-292-9555

MPSC approves Indiana Michigan Power Co.'s power supply cost recovery reconciliation, removes \$11.6M from customer costs

The Michigan Public Service Commission today approved Indiana Michigan Power Co.'s (I&M) application for approval of its power supply cost recovery (PSCR) reconciliation for the 12 months ending Dec. 31, 2021 ([Case No. U-20805](#)), disallowing the recovery of more than \$11.6 million in customer costs.

The Commission set the company's PSCR reconciliation beginning balance at \$4,386,719.

The Commission disallowed \$1,025,628 in costs I&M sought to recover for power generated by the Ohio Valley Electric Corp. (OVEC) through an intercompany power agreement, under MPSC Code of Conduct rules governing transactions between affiliated companies. The Commission previously [issued a warning](#) under Section 7 of Public Act 304 that it would be unlikely to approve full costs of power supply from uneconomic contracts for electricity generated by the coal-fired OVEC plants.

The Commission also disallowed \$10,149,232 in energy-only costs associated with the Rockport plant for generation that I&M receives through a unit power agreement with its affiliate, American Electric Power Generating Company Inc. The Commission found that the costs of energy generated by the Rockport plant were well above other long-term supply benchmarks, and given the affiliate nature of the facility, these costs should also be disallowed.

In addition, the MPSC disallowed \$496,716 in costs for the company's shortfall of nearly 10.4 million kilowatt hours of energy cost savings I&M would have avoided had the utility met its statutory 1% target in its energy waste reduction plan laid out in [Case No. U-20867](#).

Attorney General Dana Nessel's Office intervened in the case. MPSC Staff also participated.

COMMISSION SETS NEXT STEPS FOR COLLABORATIVE ON NATURAL GAS UTILITY MUTUAL AID AGREEMENTS AND CONTINGENCY PLANNING

The Commission summarized the most recent report of the MPSC's Mutual Aid Agreements and Transmission Contingency Planning Workgroup, a collaborative that's

working on the development of mutual aid agreements for Michigan's natural gas utilities and how to best facilitate development of natural gas transmission contingency planning ([Case No. U-20631](#)). The workgroup grew out of recommendations from the MPSC's [Statewide Energy Assessment](#), the significant effort to make Michigan's energy systems more secure, reliable and resilient after the 2019 statewide energy emergency in which a fire at a Macomb County compressor station threatened the state's ability to deliver natural gas during a bitter winter cold snap. Today's order continues to support the efforts and directs MPSC Staff to file an additional status report on the workgroup's efforts by Feb. 14, 2025.

MPSC APPROVES UTILITY CONTRACTS SUPPORTING MICHIGAN'S CLEAN ENERGY TRANSITION

The MPSC today approved three projects outlined in Michigan utilities' long-range integrated resource plans (IRPs) that further the state's clean energy transition:

- A purchase and sale agreement between Upper Michigan Energy Resources Corp. and Renegade Solar Energy LLC and a planned engineering, procurement and construction agreement between the utility and Invenergy Construction Services LLC ([Case No. U-21081](#)). The Renegade Solar Project is a 100-megawatt (MW) solar facility in Delta County selected from three submitted bids, with a lifetime cost of \$497.4 million and a levelized cost of energy of \$89.67 per megawatt hour (MWh).
- A power purchase agreement (PPA) between Consumers Energy Co. and Tibbits Energy Storage LLC for a 100-MW, 876,000-MWh energy storage facility in Branch County with a lifetime cost of \$387 million and a fixed energy payment of \$14.54 per MWh ([Case No. U-21090](#)).
- PPAs between DTE Electric Co. and Coldwater River Solar LLC and White Pine Grove Solar LLC ([Case No. U-21193](#)) for the output, respectively, of the 150-MW Coldwater River Solar Park facility in Branch County, a 30-year contract with a levelized cost of energy (LCOE) of \$75 per MWh, and the 100-MW White Pine Grove Solar Park facility in Calhoun County, a 25-year contract with a LCOE of \$79 per MWh. The Commission also authorized DTE Electric to earn a financial incentive associated with the PPAs as outlined in the company's IRP.

COMMISSION GIVES THUMBS UP TO SEMCO ENERGY TARIFF CHANGES

The Commission approved SEMCO Energy Gas Co.'s application to modify its natural gas transportation tariffs to permit pools comprised of a single shipper, and to change its tariff sheets to address a revision to the curtailment Unauthorized Use Charge and a related correction to its Gas Customer Choice Failure Fee ([Case No. U-21469](#)). The approval will not increase the cost of service to customers.

For information about the MPSC, visit www.michigan.gov/mpsc, sign up for its [monthly newsletter](#) or other [listservs](#). Follow the MPSC on [Facebook](#), [X/Twitter](#) or [LinkedIn](#).

To look up cases from today's meeting, access the [MPSC's E-Dockets filing system](#). Watch recordings of the MPSC's meetings on the [MPSC's YouTube channel](#).

DISCLAIMER: *This document was prepared to aid the public's understanding of certain matters before the Commission and is not intended to modify, supplement, or be a substitute for the Commission's orders. The Commission's orders are the official action of the Commission.*

#