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June 27, 2024

Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
3rd Floor
Lansing, MI 48917

Re: Case No. U-21551

Dear Ms. Felice:

Attached for electronic filing are Indiana Michigan Power Company's Application with Testimony and Exhibits in this matter.

Please contact me if you have any questions. Thank you.

Sincerely,

Dykema Gossett PLLC

Richard J. Aaron

Enclosure

4890-0798-3820.1

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter on the application of **INDIANA)**
MICHIGAN POWER COMPANY to commence a)
renewable energy cost reconciliation proceeding for) Case No. U-21551
the 12-month period ended December 31, 2023.)
_____)

APPLICATION

Indiana Michigan Power Company (“I&M”), in accordance with the requirements of Public Act 295 of 2008, MCL 460.1001 *et seq.*, as amended by Public Act 342 of 2016, submits this Application requesting that the Michigan Public Service Commission (“Commission”) commence a Renewable Energy Cost Reconciliation proceeding for the period ended December 31, 2023. In support of this Application, I&M respectfully represents to the Commission as follows:

1. I&M is a corporation organized and existing under the laws of the State of Indiana and is authorized to do business in the state of Michigan. I&M's principal executive offices are located in the City of Fort Wayne, Indiana. I&M has corporate power and authority, among other things, to engage in generating, transmitting, distributing, and selling electric energy within the state of Michigan and within the state of Indiana. I&M is a wholly-owned subsidiary of American Electric Power Company, Inc.

2. I&M's electric business in the state of Michigan 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.*;

1939 PA 3, as amended, MCL 460.1 *et seq.*

3. I&M provides electric service to approximately 132,000 retail electric customers in the state of Michigan. I&M's service area is located in southwestern Michigan and northern and eastern Indiana.

4. I&M requests that the Commission commence a Renewable Energy Cost Reconciliation proceeding pursuant to MCL 460.1049 and the Commission's Order dated March 1, 2024, in this case to reconcile renewable energy costs and revenues and review I&M's Renewable Energy Plan ("REP") compliance.

5. The Commission approved I&M's REP on August 28, 2018, in Case No. U-18233. The approved REP reflects the power supply provided by I&M's hydro generation, wind renewable energy purchase agreements, I&M's universal solar generation, and the transfer of Renewable Energy Credits ("RECs") from I&M's Indiana jurisdiction to I&M's Michigan jurisdiction. The costs of I&M's REP are recovered through the Power Supply Cost Recovery ("PSCR") factor and through the Renewable Energy Surcharge ("RE Surcharge").

6. The reconciliation of I&M's incremental REP costs and surcharge revenues through December 31, 2023, results in a regulatory liability of \$26,515,675, including carrying charges.

7. I&M is requesting that the Commission approve the reconciliation of its REP surcharge revenues and actual cost of compliance through December 31, 2023; find that the REP costs as presented in this reconciliation filing are reasonable and prudent; and find that I&M is in compliance with the renewable energy standard requirements set forth in

2008 PA 295, as amended by Public Act 342 of 2016 for the 2023 compliance period.

9. I&M seeks approval to continue the Company's RE Surcharge rates approved by the Commission in its March 1, 2024 Order in Case No. U-21354.

10. I&M seeks approval of the 2023 REC requirement as calculated and based upon I&M's 2022 weather normalized sales of 2,576,204 MWh (net of Choice Customer sales), multiplied by the Renewable Energy Credit Portfolio standard of at least 15%, for a total 2023 REC compliance of 394,584.

11. I&M is contemporaneously filing its testimony and exhibits to support the reasonableness and prudence of its actions taken. I&M's testimony and exhibits explain the 2023 REP costs and also provide the information required by MCL 460.1049 and MCL 460.1051.

WHEREFORE, I&M respectfully requests that this Commission:

- A. Accept for filing this Application, which requests that the Commission commence a Renewable Energy Cost Reconciliation proceeding for the period ended December 31, 2023.
- B. Upon acceptance of the filing of this Application, fix an early time and place for hearing and give notice thereof in accordance with the law and rules of practice established by this Commission.
- C. Promptly make such investigation as it may deem necessary or advisable in the circumstances.
- D. Approve 394,584 RECs as the Company's 2022 Renewable Energy Credit Portfolio Standard requirement set forth in 2008 PA 295, as amended by

Public Act 342 of 2016.

- E. Find that I&M is in compliance with the renewable energy standard requirements set forth in 2008 PA 295, as amended by Public Act 342 of 2016, for the 2023 compliance period.
- F. Approve as reasonable and prudent I&M's reconciliation of RE Surcharge revenues and total actual cost of compliance through December 31, 2023, resulting in a regulatory liability, including carrying charges, of \$26,515,675.
- G. Grant I&M such other and additional relief as the Commission may deem reasonable and appropriate.

Respectfully submitted,

INDIANA MICHIGAN POWER COMPANY

By 

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111253.000091 4892-6731-6939.2

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

**In the matter of the application of
INDIANA MICHIGAN POWER COMPANY
to commence a renewable energy cost
reconciliation proceeding for the 12-
month period ended December 31, 2023.**

Case No. U-21551

INDIANA MICHIGAN POWER COMPANY

PRE-FILED DIRECT TESTIMONY

OF

BRYAN S. OWENS

PRE-FILED DIRECT TESTIMONY OF BRYAN S. OWENS
ON BEHALF OF
INDIANA MICHIGAN POWER COMPANY
CASE NO. U-21551

1 **Q. Please state your name and business address.**

2 A. My name is Bryan S. Owens and my business address is Indiana Michigan
3 Power Center, P.O. Box 60, Fort Wayne, Indiana 46801.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am employed by Indiana Michigan Power Company (“I&M” or the “Company”)
6 as a Regulatory Consultant Staff in the Regulatory Services Department.

7 **Q. Please briefly describe your educational and business experience.**

8 A. I graduated from the University of Missouri, Kansas City in 1996 with a Bachelor
9 of Liberal Arts degree and, in 1998, with a Bachelor of Science degree in
10 Accounting. In May 2003, I earned a Certified Public Accountant (CPA)
11 certificate in Missouri. In July 2010, I obtained a Colorado CPA license
12 (0028436 – Inactive), and in May 2018, I obtained an Indiana CPA license
13 (CP11800151).

14 I began my professional career in 1998, when I joined the accounting firm of
15 KPMG, LLP. I was employed at KPMG from August 1998 to July 2001, as senior
16 auditor and senior tax specialist performing financial statement audits and
17 preparing federal and state tax returns for individuals and corporations. From
18 July 2001 to June 2004, I was employed by Overland Consulting, Inc., in
19 Overland Park, Kansas, as a senior consultant performing audits of utility
20 Federal Energy Regulatory Commission financial statements as part of general

1 rate case reviews before the California Public Utilities Commission. From June
2 2004 to July 2008, I was employed by Aquila, Inc., in Kansas City, Missouri, as
3 a senior regulatory analyst preparing rate case filings and managing compliance
4 filings for several state jurisdictions including Missouri, Kansas, and Colorado.
5 In July 2008, Aquila, Inc. was acquired by Black Hills Corporation and Great
6 Plains Energy, Inc. I joined Kansas City Power and Light (a wholly owned
7 subsidiary of Great Plains Energy, Inc.) before joining Black Hills Corporation in
8 December 2008. At Black Hills Corporation, I was Manager, Colorado Electric
9 Regulatory Affairs. In that role, I had responsibility for providing various financial
10 analyses in support of utility operations and managing regulatory filings for the
11 electric utility operations of Black Hills/Colorado Electric utility Company, LP.

12 In November 2014, I joined Empire District Electric Company ("Empire")
13 as Assistant Director of Planning and Regulatory where I had responsibility for
14 providing various financial analyses in support of utility operations and
15 managing regulatory filings for the electric utility operations of Empire.

16 In May 2017, I joined I&M. My current position is Regulatory Consultant
17 Staff.

18 **Q. What are your responsibilities as Regulatory Consultant Staff?**

19 A. I am responsible for the preparation of regulatory filings and analyses.

20 **Q. Have you previously testified in any regulatory proceedings?**

21 A. Yes. I have submitted testimony on behalf of I&M before the Michigan Public
22 Service Commission ("MPSC" or the "Commission"). Appendix A provides a

1 complete list of regulatory proceedings I have participated in as a witness before
2 the Commission.

3 I have also testified before the Arkansas Public Service Commission, the
4 Colorado Public Utilities Commission, the Indiana Utility Regulatory
5 Commission, the Kansas Corporation Commission, the Missouri Public Service
6 Commission, and the Oklahoma Corporation Commission.

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

8 A. I support the Company's request to reconcile I&M's 2023 Renewable Energy
9 Plan ("REP") revenues in accordance with the renewable energy standards set
10 forth in 2008 PA 295 ("PA 295"), as amended, and discuss I&M's compliance
11 with the renewable energy standards in 2023. In support of I&M's reconciliation
12 filing, I calculated the cumulative over/under balance as of December 31, 2023,
13 and associated monthly carrying costs resulting from the net differences
14 between cumulative revenue and costs. I also discuss the Company's request
15 to maintain its current Renewable Energy Surcharge ("RE Surcharge") rates.

16 **Q. What exhibits are you sponsoring in this proceeding?**

17 A. I sponsor the following exhibits:

- 18 • Exhibit IM-1 (BSO-1): I&M's 2023 Renewable Compliance
19 Calculation;
- 20 • Exhibit IM-2 (BSO-2): 2023 REP Reconciliation (Confidential and
21 Public);
- 22 • Exhibit IM-3 (BSO-3): Michigan Retail Allocation of Actual CESPP
23 Costs;
- 24 • Exhibit IM-4 (BSO-4): Michigan Retail Allocation of Actual St.
25 Joseph Solar Farm ("SJSF") Costs; and

1 • Exhibit IM-5 (BSO-5): I&M's Renewable Energy Annual Report

2 **Q. Were these exhibits prepared by you or at your direction?**

3 A. Yes.

4 **Q. Please summarize the renewable generation resources on which I&M**
5 **relied to comply with the renewable energy standards in 2023.**

6 A. Consistent with I&M's Commission-approved REP , I&M utilized the following
7 renewable generation resources to achieve compliance with requirements set
8 forth in PA 295:

- 9 • Existing hydro generation from six I&M-owned hydro-electric facilities;
- 10 • Fowler Ridge I and II Wind Renewable Energy Purchase Agreements
11 ("REPA");
- 12 • Wildcat Wind I REPA;
- 13 • Headwaters Wind Farm, LLC REPA;
- 14 • Transferred Wildcat Renewable Energy Credits ("REC") from the Indiana
15 retail jurisdiction;
- 16 • Clean Energy Solar Pilot Project ("CESPP");
- 17 • SJSF; and
- 18 • REC Market Purchases.

19 **Q. Please describe I&M's current revenue recovery mechanism implemented**
20 **pursuant to MCL 460.1049(2).**

21 A. Pursuant to the Commission's December 6, 2021 Order in Case No. U-16584,
22 I&M first implemented an RE Surcharge in May 2012. I&M's current RE
23 Surcharge factors are set at \$0.00 for all rate classes, which were approved by
24 the Commission's February 2, 2023 Order in Case No. U-21199 (I&M's 2021
25 REP Reconciliation proceeding), to be effective with the March 2023 billing

1 cycle.

2 **Q. Please describe I&M's costs as it relates to this REP Reconciliation.**

3 A. The Company's Incremental Cost of Compliance ("ICC") is the actual cost
4 incurred to comply with I&M's Commission-approved REP that are not
5 recovered through I&M's Power Supply Cost Recovery ("PSCR") factors or base
6 rates, consistent with MCL 460.1047 . During the REP Reconciliation period
7 ended December 31, 2023, I&M recovered ICC associated with the Michigan
8 retail allocation of the CESPP, SJSF, Wildcat I REPA, and the Wildcat RECs
9 transferred from I&M's Indiana retail jurisdiction through the RE Surcharge.

10 **Q. Does I&M recover its ICC from all the Company's renewable generation**
11 **resources identified in the approved REP?**

12 A. No. The ICC associated with I&M's existing hydro generation facilities are
13 included in the Company's base rates. The bundled renewable product costs
14 from the Headwaters Wind Farm REPA and Fowler Ridge I and II Wind REPAs
15 are recovered and reconciled through I&M's PSCR factors. These costs are not
16 part of this reconciliation filing.

17 **Q. Did I&M comply with the Renewable Energy Credit Portfolio requirement**
18 **in 2023?**

19 A. Yes. PA 295, as amended, requires a 15.0% compliance level for 2023 through
20 2029. As shown in Exhibits IM-1 (BSO-1) and IM-5 (BSO-5), I&M obtained over
21 386,431 RECs, which is 15.0% of I&M's weather normalized retail sales for 2022

1 of 2,576,204 MWh (Net of Choice Customer Sales).¹

2 **Q. Did I&M provide for the 2023 compliance requirements for its wholesale**
3 **customers?**

4 A. Yes. As shown on Exhibit IM-5 (BSO-5), I&M transferred a total of 8,153 RECs
5 to the respective account of its wholesale customer, namely the City of
6 Dowagiac. As shown in Exhibit IM-5 (BSO-5), I&M calculated the total
7 wholesale customer REC requirement to be 8,153 RECs for the 2023
8 compliance period based on information provided by the City of Dowagiac to
9 I&M. The City of Dowagiac will confirm the appropriate number of RECs
10 transferred to its REC compliance account based on its chosen method of
11 calculating compliance.

12 **Q. Please describe Exhibit IM-2 (BSO-2).**

13 A. Exhibit IM-2 (BSO-2) is an annual summary of actual RE Surcharge and
14 Voluntary Green Pricing (“VGP”) program revenues received and total actual
15 cost of compliance during the period January 2023 through December 2023. As
16 shown on Exhibit IM-2 (BSO-2), the ICC subject to recovery and reconciliation
17 through the RE Surcharge includes:

- 18 • Michigan retail allocation of the actual Wildcat Wind REPA cost;
- 19 • Michigan retail allocation of the actual CESPP costs;
- 20 • Michigan retail allocation of the actual SJSF costs;
- 21 • Actual cost of Wildcat RECs transferred from I&M’s Indiana retail

¹ See e.g. MCL 460.1028(2)(b)(i), where the 15.0% standard for years 2021 and thereafter, is applied to the “number of weather normalized megawatt hours of electricity sold by the electric provider during the previous year to retail customers in this state.” (emphasis added).

1 jurisdiction;

2 • Less the Wildcat, CESPP, and SJSF transfer price revenue recovered
3 and reconciled through the PSCR; and

4 • Monthly carrying costs.

5 **Q. How is the Michigan retail allocation of the actual CESPP costs**
6 **determined?**

7 A. The total Company monthly costs included on Exhibit IM-3 (BSO-3) are
8 allocated by applying the Commission-authorized Michigan jurisdictional
9 allocation factor approved in I&M's last base rate case, Case U-20359. For the
10 2023 reconciliation period, the monthly cost includes the Michigan allocation of
11 the CESPP's pre-tax return on investment, depreciation expense, property tax
12 expense, investment tax credit amortization expense, operation and
13 maintenance expense, and 100% of the Michigan RECs registry fees.

14 **Q How is the Michigan retail allocation of the actual SJSF costs determined?**

15 A. The total Company monthly costs included on Exhibit IM-4 (BSO-4) are
16 allocated by applying the Commission-authorized Michigan jurisdictional
17 allocation factor approved in I&M's last base rate case, Case U-20359. For the
18 2023 reconciliation period, the monthly cost includes the Michigan allocation of
19 the SJSF's pre-tax return on investment, depreciation expense, property tax
20 expense, investment tax credit amortization expense, and operation and
21 maintenance expense.

22 **Q. How are monthly carrying costs calculated?**

23 A. The average short-term debt rate was applied to the monthly cumulative over-

1 recovered balances (regulatory liability) that occurred during the reconciliation
2 period. There were no monthly cumulative under-recovered balances during
3 the reconciliation period.

4 **Q. What is I&M's total cumulative over/under recovery position as of**
5 **December 31, 2023?**

6 A. As shown in Exhibit IM-2 (BSO-2), the total cumulative balance as of December
7 31, 2023, is a regulatory liability of \$26,515,675, including carrying costs.

8 **Q. Please explain I&M's over-recovery balance as of December 31, 2023.**

9 A. The over-recovery balance is a function of I&M's beginning balance, 2023 RE
10 Surcharge and VGP revenues in excess of ICC, and associated over-recovery
11 carrying charges.

12 **Q. Please describe Exhibit IM-5 (BSO-5).**

13 A. Exhibit IM-5 (BSO-5) is the Renewable Energy Annual Report ("Report"),
14 consistent with MCL 460.1051. The report demonstrates I&M's 2023 Renewable
15 Energy Credit Portfolio compliance at 15.0% of total I&M 2022 weather normal
16 retail sales (net of Customer Choice), as applicable. The Report sets forth the
17 actions taken by I&M in 2023 to comply with the renewable energy standards
18 prescribed in PA 295, as amended, and details RECs generated and used for
19 compliance from designated wind Purchase Power Agreements (PPAs),
20 CESPP, SJSF, Market Purchased RECs, and existing hydro generation
21 resources. I&M used vintage RECs (e.g. pre-compliance year RECs) for 2023
22 compliance, which originated from both renewable energy generated and

1 allocated to I&M's Michigan jurisdiction in prior years, consistent with terms
2 prescribed in PA 295 for REC shelf-life. I&M also transferred vintage RECs to
3 I&M's Michigan jurisdiction from the Indiana Jurisdictional share of the Wildcat
4 Wind I REPA RECs according to the same shelf-life provision for compliance.

5 **Q. Did I&M retire any voluntary Michigan RECs, Advanced Clean Energy**
6 **Credits, or Energy Optimization credits during 2023?**

7 A. Yes, I&M retired a commensurate number of RECs associated with its VGP
8 program.

9 **Q. Is I&M requesting a change to its RE Surcharge?**

10 A. No. I&M recommends continuing the current effective surcharge factors set at
11 \$0.00 for all rate classes, as approved by the Commission in Case No. U-21199
12 Order.

13 **Q. Does this conclude your pre-filed direct testimony?**

14 A. Yes, it does.

Appendix A

I have submitted testimony on behalf of I&M before the Michigan Public Service Commission in the following proceedings:

- Case No. U-18243 (Renewable Energy and Cost Reconciliation)
- Case No. U-18263 (Energy Waste Reduction Plan)
- Case No. U-18353 (Voluntary Green Pricing Program)
- Case No. U-20107 (Federal Tax Cuts and Jobs Act of 2017, Determination of Credit A)
- Case No. U-20316 (Federal Tax Cuts and Jobs Act of 2017, Determination of Credit B)
- Case No. U-20317 (Federal Tax Cuts and Jobs Act of 2017, Determination of Calculation C)
- Case No. U-20367 (Energy Waste Reduction Reconciliation)
- Case No. U-20374 (Energy Waste Reduction Plan)
- Case No. U-20485 (Renewable Energy and Cost Reconciliation)
- Case No. U-20539 (2020 Purchase Supply Cost Recovery Plan)
- Case No. U-18353 (Voluntary Green Pricing Program Update)
- Case No. U-20704 (Energy Waste Reduction Reconciliation)
- Case No. U-20724 (Renewable Energy and Cost Reconciliation)
- Case No. U-20867 (Energy Waste Reduction Reconciliation)
- Case No. U-20877 (Energy Waste Reduction Plan)
- Case No. U-21011 (Renewable Energy and Cost Reconciliation)
- Case No. U-21207 (Energy Waste Reduction Reconciliation)
- Case No. U-21199 (Renewable Energy and Cost Reconciliation)
- Case No. U-21314 (Energy Waste Reduction Reconciliation)
- Case No. U-21354 (Renewable Energy and Cost Reconciliation)
- Case No. U-21323 (Energy Waste Reduction Plan)

Appendix A

- Case No. U-18353 (2023 – 2024 Voluntary Green Pricing Program)
- Case No. U-21457 (2022 Load Management Reconciliation)
- Case No. U-21559 (Energy Waste Reduction Reconciliation)

**Indiana Michigan Power Company
2023 REP Reconciliation
2023 Renewable Compliance Calculation**

<u>Description</u>	[A]	[B]	[C] = [A] - [B]	[D]	[E] = [C] + [D]
	Retail	Less: Choice Sales	Net Retail	Wholesale	Total
Michigan Jurisdictional MWh Sales	2,860,254	284,050	2,576,204	54,353	2,630,557
2023 Renewable Energy Credit Portfolio Standard	15.0%		15.0%	15.0%	15.0%
2023 Compliance Requirement	<u>429,038</u>		<u>386,431</u>	<u>8,153</u>	<u>394,584</u>
Method	Note 1	Note 1	Note 1	Note 2	

Note 1: 2022 Weather Normalized Sales

Note 2: Three-year average sales

Indiana Michigan Power Company
2023 REP Reconciliation

[A]	[B]	[C]	[D]	[E] = [B + C + D]	[F]	[G]	[H] = [F] X [G] X Michigan Allocation	[I] = [F] X Michigan Allocation X Transfer Price X -1	[J]	[K]	[L]	[M]	[N]	[O] = Sum of [H thru N]	[P] = [E] - [O]	[Q]	[R] = Authorized Rate of Return / 12	[S]	[T]
Month & Year	Michigan VGP Revenue (\$)	RES Revenue (\$)	Net REC Revenue (\$)	Total Net Revenue	Wildcat Generation (MWh)	Wildcat REPA Cost (\$ / MWh)	MI REPA Cost (\$)	REPA Transfer Cost to PSCR (\$)	Wildcat REC Transfer Cost (\$)	CESPP - Michigan Jurisdictional Revenue Requirement (\$)	CESPP Transfer Cost to PSCR (\$)	SJSF - Michigan Jurisdictional Revenue Requirement (\$)	SJSF Transfer Cost to PSCR (\$)	Total REP Compliance Cost (\$)	Monthly Over/(Under) Recovery (\$)	Monthly STD Rate	Monthly WACC Rate	Monthly Over/(Under) Carrying Charge (\$)	Cumulative Over/(Under) Balance w/ Carrying Charges (\$)
2022 Ending Over/(Under) Balance																			
Jan-23	\$ 17,540	\$ 354,910	\$ -	\$ 372,450										\$ 485,461	\$ (113,011)	0.4152%	0.6201%	\$ 95,991	\$ 23,175,312
Feb-23	19,923	351,714	-	371,637										643,607	(271,970)	0.4273%	0.6201%	98,369	23,158,293
Mar-23	18,831	475	-	19,306										664,704	(645,398)	0.4387%	0.6201%	99,422	22,984,691
Apr-23	19,738	(6)	-	19,732										452,852	(433,120)	0.4548%	0.6201%	101,066	22,438,715
May-23	20,719	19	-	20,738										438,317	(417,579)	0.4658%	0.6201%	101,991	22,106,662
Jun-23	23,572	22	(124,566)	(100,972)										340,986	(441,958)	0.4730%	0.6201%	102,023	21,791,073
Jul-23	22,253	(27)	(350,626)	(328,400)										142,803	(471,203)	0.4759%	0.6201%	100,967	21,451,138
Aug-23	23,360	11	4,701,000	4,724,372										270,500	4,453,872	0.4779%	0.6201%	111,386	21,080,902
Sep-23	23,338	-	-	23,338										219,376	(196,037)	0.4739%	0.6201%	121,079	25,646,160
Oct-23	17,927	13	2,114,550	2,132,491										433,332	1,699,159	0.4761%	0.6201%	125,783	25,571,202
Nov-23	19,483	1	-	19,484										608,164	(588,680)	0.4775%	0.6201%	129,422	27,396,143
Dec-23	18,648	(62)	-	18,585										567,869	(549,283)	0.4804%	0.6201%	128,072	26,936,886
	\$ 245,333	\$ 707,070	\$ 6,340,359	\$ 7,292,761										\$ 5,267,970	\$ 2,024,791			\$ 1,315,571	26,515,675

Indiana Michigan Power Company
2023 REP Reconciliation
Michigan Retail Allocation of Actual CESPP Costs

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
I&M Total Company CESPP Rate Base														
Electric Plant-In-Service	37,495,340	37,495,340	37,495,340	37,495,340	37,495,340	37,495,340	37,495,340	37,517,665	37,517,665	37,517,665	37,521,769	37,521,769	37,521,769	
Accumulated Depreciation	(10,256,191)	(12,404,987)	(12,570,279)	(12,735,571)	(12,900,863)	(13,066,155)	(13,231,447)	(13,396,739)	(13,562,129)	(13,727,519)	(13,892,910)	(14,058,318)	(14,223,727)	
Net I&M Total Company CESPP Rate Base	27,239,149	25,090,353	24,925,062	24,759,770	24,594,478	24,429,186	24,263,894	24,120,927	23,955,536	23,790,146	23,628,859	23,463,451	23,298,042	-
Michigan Monthly Auth ROR per Case No. U-20359		0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	
Michigan Pre-Tax Return on CESPP Rate Base	-	155,584	154,559	153,534	152,509	151,484	150,459	149,572	148,547	147,521	146,521	145,495	144,470	1,800,254
Michigan CESPP Revenue Requirement														
Michigan Pre-Tax Return on CESPP Rate Base		155,584	154,559	153,534	152,509	151,484	150,459	149,572	148,547	147,521	146,521	145,495	144,470	1,800,254
I&M Total Company Depreciation Expense (Composite Rate per U-20359)		165,292	165,292	165,292	165,292	165,292	165,292	165,292	165,390	165,390	165,390	165,408	165,408	1,984,032
Property Taxes		12,175	12,175	12,175	12,175	12,175	12,175	12,175	12,175	12,175	12,175	12,175	12,175	146,103
Investment Tax Credit - Amort Expense		(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(910,350)
Total Company O&M Expense		8,096	29,862	39,772	23,963	17,346	42,574	16,791	26,823	86,759	52,276	26,489	32,520	403,270
Total Return on Rate Base and Authorized Expenses Before Registry Fees		265,284	286,025	294,910	278,077	270,434	294,638	267,968	277,073	335,983	300,500	273,706	278,711	3,423,308
Michigan Jurisdictional Factor per Case U-20359		0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	
Total Michigan Jurisdictional CESPP Revenue Requirement Before Registry Fees		39,106	42,163	43,473	40,991	39,865	43,433	39,501	40,843	49,527	44,297	40,347	41,085	504,629
Plus 100% of MI RECs Registry Fees and Broker Fees		9,654	550	29,350	660	60,768	14,679	6,098	19,500	-	-	43,232	17,770	202,261
Total Michigan Jurisdictional - CESPP Revenue Requirement		48,759	42,713	72,823	41,651	100,633	58,111	45,599	60,343	49,527	44,297	83,579	58,855	706,891
2023 Transfer Price Schedule Case No. U-15800 (\$/MWh)	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50	\$ 83.50
2023 Solar Output for Total Plant (MWh)	415	1,338	1,730	2,221	2,735	2,545	2,700	2,537	2,030	1,350	1,405	647	21,653	
Total Company PSCR Cost Recover Transfer	\$ 34,693	\$ 111,685	\$ 144,423	\$ 185,439	\$ 228,397	\$ 212,493	\$ 225,424	\$ 211,867	\$ 169,515	\$ 112,743	\$ 117,295	\$ 54,051	\$ 1,808,024	
Michigan Jurisdictional Factor per Case U-20359	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	
Michigan Jurisdictional PSCR Transfer Cost	\$ 5,114	\$ 16,463	\$ 21,289	\$ 27,336	\$ 33,668	\$ 31,324	\$ 33,230	\$ 31,231	\$ 24,988	\$ 16,619	\$ 17,290	\$ 7,968	\$ 266,521	

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Electric Provider: Indiana Michigan Power Company

Reporting Period: Calendar Year 2023

- Section 51(1) of 2008 PA 295 requires the filing of this document with the Michigan Public Service Commission.
- 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)

Fowler Ridge Wind Phase I PPA, Case U-15361
Fowler Ridge Wind Phase II PPA, Case U-15808
Wildcat Wind PPA, Case U-16584 ex-parte
Case U-16584 - Renewable Energy Plan
Case U-17303 - REP Plan
Case U-17323 - REP Reconciliation
Case U-17794 - REP Plan, revised rate factors.
Case U-17805 - REP Reconciliation; includes Clean Energy Solar Pilot Project beginning in 2016;
Case U-18803 - REP Reconciliation
Case U-18233 - REP Plan
Case U-18243 - REP Reconciliation
Case U-20173 - REP Reconciliation
Case U-20485 - REP Reconciliation
Case U-20724 - REP Reconciliation
Case U-21011 - REP Reconciliation
Case U-21199 – REP Reconciliation
Case U-21354 – REP Reconciliation

b. Summary of actions taken during reporting period

Transferred vintage RECs from PJM GATS to MIRECs for 2023 compliance. Transferred RECs from I&M MIRECs account to I&M Wholesale customer accounts for wholesale customer 2023 compliance for the City of Dowagiac.

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Section 51(2)(a).

Within this section, list the type of and number of energy credits (either renewable energy credits or incentive renewable energy credits) obtained and the MWh of electricity generated or otherwise acquired during the reporting period. Distinguish between different vintages (years) obtained.

Credits From	Renewable Energy Credits	Incentive Credits	MWh Electricity Generated/Acquired
Existing, Co. Owned, pre PA 295	12,361	0	12,361
Built, Co. Owned (post PA 295)	7,758	16,562	24,320
Contracted (credits only)	148,425	0	148,425
Contracted (energy and credits)	177,543	0	177,543
Market Purchases	575,820	0	575,820
Total Credits acquired	921,908	16,562	938,470

This data may be found in MIRECS reports titled: My Generation Report and My Credit Transfers.

Explain any differences between total credits acquired and the sum of the first five rows above.

Jurisdictional allocation percentage differences and rounding
--

Within this section, list the type of and number of energy credits (either renewable energy credits or incentive renewable energy credits) sold, traded or otherwise transferred during the reporting period.

Credit no longer owned	Renewable Energy Credits	Incentive Credits	List sub-account name (indicate compliance year)
Sold, traded or otherwise transferred	257,439	0	257,439 City of Dowagiac = 8,153 Market Sales = 249,286 2023 Compliance Year
Expired (not in compliance sub-account)	0	0	NA
Moved to compliance sub-account ¹	386,431	0	2023 I&M Michigan Compliance

¹Report separate compliance sub-accounts on different rows.

This data may be found in MIRECS reports titled: My Sub-Accounts (filtered by Michigan eligibility and its end date) and My Credit Transfers.

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Within this section, report the total inventory of energy credits at the end of the reporting period. Inventory shall be reported by vintage year and not include credits within the current reporting year compliance sub-account.

Section 51(2)(a) continued

Renewable Energy Credits	Incentive Credits	Advanced Cleaner Energy Credits
2023 = 471,217	2023 = 41,679	2023 = 0

This data may be found in the MIRECS report titled: My Credit Breakdown.

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Section 51(2)(b).

Within this section, list the number of advanced cleaner energy credits obtained and the MWh of advanced cleaner energy generated or otherwise acquired during this reporting period.

Credits From	Advanced Cleaner Energy Credits	MWh Electricity Generated/Acquired
Existing, Co. Owned, pre PA 295	0	0
Built, Co. Owned (post PA 295)	7,758 + 16,562 Incentive	7,758
Contracted (credits only)	0	0
Contracted (energy and credits)	0	0
Total Credits acquired	24,320	7,758

This data may be found in MIRECS reports titled: My Generation Report and My Credit Transfers.

Did the percentage limits in Section 27(7) affect development of advanced cleaner energy by the electric provider? How so?

No

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Section 51(2)(c).

Within this section, list each renewable energy system (RES) and advanced cleaner energy system (ACES) 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) or advanced cleaner energy (ACE).

System Name ¹	System Type (RES or ACES)	Nameplate Capacity (MW)	Electricity Generated (MWh)	% of Electricity generated by RE/ACE
Berrien Springs – Berrien Springs 1A	RES	7.2	4,506	100
Buchanan – Buchanan 1	RES	4.1	2,202	100
Constantine – Constantine 1	RES	1.2	572	100
Elkhart – Elkhart - 1	RES	3.44	1,588	100
Mottville – Mottville 1	RES	1.68	875	100
Twin Branch – Twin Branch 1	RES	4.8	2,618	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) and advanced cleaner energy systems (ACES) 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 or ACES)	Electricity Purchased (MWh)	Energy Credits Purchased ¹	Allocation Factor and Method
Fowler Ridge Phase 1	RES	27,762	0	14.35%-System Load
Fowler Ridge Phase 2	RES	16,220	0	14.35%-System Load
Headwaters Wind Farm	RES	89,388	0	14.35% - System Load
Wildcat Wind	RES	192,599	0	14.35% - System Load
		325,968 Total		

¹Distinguish between different types of credits.

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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).

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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 or advanced cleaner energy (ACE) system.

System Name¹	Resource (technology, RE/ACE)	Nameplate Capacity (MW)	Construction start date or acquisition date	Commercial operation date	Owned by electric provider?
N/A					

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

Dates may be forecast.

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Section 51(2)(e).

Within this section, list the total expenditures incurred during the reporting period to comply with the renewable energy standards. 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 Transfer Cost for 2023	Total ICC for 2023
\$3,024,491	\$5,267,970

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

Capital Expenditures for 2023
\$890,556

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

List the forecasted total expenditures for the remaining plan period. Also, electric providers with an approved or planned renewable energy surcharge (as per Section 45), list the forecasted incremental cost of compliance (ICC) for the remaining plan period.

Forecast of total remaining expenditures for the residual plan period of 2024-2029	Forecast of the ICC for the remaining plan period (2024-2029)
\$56,071,236	\$19,652,441

Total Expenditures: ICC + Transfer Cost

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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 2020-2023 retail sales or the 2022 weather normalized retail sales.

2022 Weather Normal

The method chosen should be consistent with the method approved in the initial plan case from 2009. 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).

2,576,204 MWh (Net of Choice Customer Sales)

(B) Inventory: List the number of non-expired energy credits available after submittal of the 2023 MIRECS compliance report. These energy credits may have 2018, 2019, 2020, and 2022 vintages. Do not include credits within the 2023 compliance sub-account. This number may differ from the inventory figure given in **Section 51(2)(a)** above. List green pricing program, energy optimization and advanced cleaner energy credits separately and only if they are to be used for RPS compliance in a future year.

819,637

(C) 2023 Renewable Energy: List the number of energy credits with a 2023 vintage. Include 2023 vintage energy credits used for compliance in 2023 as well as those 2023 vintage energy credits not yet used for compliance. Again, take into account green pricing program credits and energy optimization or advanced cleaner energy credit substitutions with a 2023 vintage.

List credits from energy generated during 2023 (C)

360,293

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

Estimated Renewable Energy Percentage based on 2023 vintage energy credits (C divided by A)

13.99%

(D) Compliance: List the energy credits used for compliance for the 2023 compliance year. This number should agree with the compliance requirement listed in the 2023 compliance subaccount in MIRECS. Take into account any energy optimization or advanced cleaner energy credit substitutions and limits on their use.

386,431

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

15.0%

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Section 51(2)(f) continued

Does the “energy credits used for compliance in this reporting 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 2023 generation are included?

Not Applicable.

To be used for 2024 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 2021-2024 retail sales or the 2023 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).

I&M 2023 weather normalized sales = 2,687,342 MWh (Net of Choice Customer Sales)