

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)
AMERICAN RURAL COOPERATIVE POWER, INC.,)
for a license as an alternative electric supplier.) Case No. U-21650
_____)

In the matter, on the Commission’s own motion,)
regarding the regulatory reviews, determinations,)
and/or approvals necessary for) Case No. U-21776
AMERICAN RURAL COOPERATIVE POWER, INC.,)
to fully comply with Public Act 295 of 2008.)
_____)

At the August 22, 2024 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER

On April 29, 2024, American Rural Cooperative Power, Inc. (ARC Power) submitted an application pursuant to the Customer Choice and Electricity Reliability Act, Public Act 141 of 2000 (Act 141), MCL 460.10 *et seq.*, for a license as an alternative electric supplier (AES). An AES is a person selling electric generation service to retail customers in the state of Michigan, other than a person who physically delivers electricity directly to retail customers.¹

¹ See, MCL 460.10g(1)(a).

With its application, ARC Power submitted information intended to show its compliance with Act 141 mandates for an AES and the AES license requirements set forth in the April 18, 2018 order in Case No. U-11915 (April 18 order). Requirements include the AES having the necessary financial capability to meet its financial obligations, the technical competence to engage in energy transactions, the ability to meet safety requirements for electric operations, and being in compliance with all other lawful obligations. *See*, April 18 order, pp. 3-4.

On October 6, 2008, Public Act 295 of 2008, the Clean, Renewable, and Efficient Energy Act, was signed into law (Act 295).² Among other things, Act 295 requires that all providers of electric service in the state of Michigan, including AESs, establish renewable energy plans (REPs). The December 4, 2008 order in Case No U-15800 provides requirements for AES's implementation of the REP provision of Act 295.

Act 295 also requires the Commission to establish a statewide net metering program. Pursuant to Section 173(1) of Act 295, the Commission promulgated administrative rules entitled Interconnection and Distributed Generation Standards³ that became effective on April 25, 2023. Both Act 295 and the Commission's administrative rules require AESs to comply with the net metering requirements set forth therein.

In accordance with the April 18 order, the Commission Staff (Staff) is responsible for review of the AES application and for making a recommendation regarding a license. The Staff has

² *See*, MCL 460.1001 *et seq.*

³ *See*, Mich Admin Code, R 460.901a *et al.*; <https://www.michigan.gov/mpsc/-/media/Project/Websites/mpsc/consumer/electric/Distributed-Generation/Interconnection-and-Distributed-Generation-Standards.pdf?rev=aa04297fff0b419ba6d032cd9f271da7&hash=D39389F16339E9876CC6E55C8D0B8D41>(accessed August 21, 2024). *See also*, the April 24, 2023 order in Case No. U-20890.

reviewed the information submitted by ARC Power and recommends that the Commission grant the company a license to operate as an AES in Michigan.

The application shows that ARC Power is a Michigan non-profit corporation, organized in 2021. The company was registered with the Michigan Department of Licensing and Regulatory Affairs' Corporations Division on November 9, 2021, ID number 802763043. ARC Power is member-owned and member-operated. Current members include Cloverland Electric Co-Operative (Cloverland), the Sault Tribe of Chippewa Indians, and Acumen Engineering Services, Inc. (Acumen Engineering).

Upon review of ARC Power's personnel descriptions and histories, the Staff observed that ARC Power's key personnel have extensive experience in the energy industry, including risk management, load forecasting, nominations and scheduling, commodity procurement, and marketing. The Staff also found that ARC Power is able to respond to customer inquiries and complaints in a timely manner through its current 24/7 customer call center operated by Cloverland and Acumen Engineering. Based on its review, the Staff has determined that ARC Power has sufficient experience and expertise to serve customers in Michigan's Electric Customer Choice Program.

The Staff reviewed ARC Power's most recent financials, from January 2022 to December 2022. ARC Power also provided the Staff with a bond in the amount of \$100,000. Based on its review of the audited consolidated financial statements and the satisfied bond requirement, the Staff determined that ARC Power's financial capabilities and availability meet Act 141 requirements. The Commission agrees.

Finally, the June 19, 2000 order in Case No. U-11915 (June 19 order) requires AESs to maintain an office within Michigan. *See*, June 19 order, p. 17. ARC Power's Michigan office is located at 2916 West M-28, Drafter, MI 49724. *See*, application, p. 1.

Based on ARC Power's submissions and the Staff's review, the Commission finds that ARC Power's request to be licensed as an AES is reasonable and in the public interest. On numerous occasions, the Commission has found that competition can be advantageous to the residents of the state. Approval of the request for a license as an AES will expand the opportunities for competition. Accordingly, the Commission finds that the application should be approved. The grant of an AES license is conditioned upon compliance with all applicable provisions of the statute and the Commission's orders. Failure to comply with any of these provisions may result in revocation of the license or other penalties. Further, the grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in a revocation of the license.

The Commission also finds that, as a licensed AES in Michigan, ARC Power is required by Act 295 to file a REP with the Commission. In consideration of the fact that ARC Power's AES license is granted, a separate docket, Case No. U-21776, has been opened, in which ARC Power shall file its REP within 90 days of this order.

THEREFORE, IT IS ORDERED that:

A. American Rural Cooperative Power, Inc., is granted a license as an alternative electric supplier.

B. American Rural Cooperative Power, Inc., shall operate as an alternative electric supplier in compliance with the regulatory requirements specified in the Customer Choice and Electricity Reliability Act, MCL 460.10 *et seq.*, and the Commission's orders.

C. American Rural Cooperative Power, Inc., is required to comply with the net metering requirements of Act 295 of 2008 and the Commission's administrative rules, including the Interconnection and Distributed Generation Standards.

D. American Rural Cooperative Power, Inc., shall file its initial renewable energy plan in Case No. U-21776 within 90 days of the issuance of this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheac1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Alessandra R. Carreon, Commissioner

By its action of August 22, 2024.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

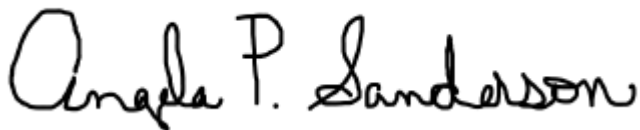
Case No. U-21650 *et al.*

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on August 22, 2024 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 22nd day of August 2024.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case:

U-21650

Name	On Behalf Of	Email Address
American Rural Cooperative Power, Inc. Jason T. Hanselman	American Rural Cooperative Power, Inc. American Rural Cooperative Power, Inc.	pat.frazier@arcpowerusa.com jhanselman@dykema.com

Service List for Case:

U-21776

Name	On Behalf Of	Email Address
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Realgy Energy Services

Santana Energy

Santana Energy

Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)

Stephenson Utilities Department

Superior Energy Company

Texas Retail Energy, LLC

Thumb Electric Cooperative

Upper Michigan Energy Resources Corporation

Upper Michigan Energy Resources Corporation

Upper Peninsula Power Company

Upper Peninsula Power Company

Village of Baraga

Village of Clinton

Volunteer Energy Services

Wabash Valley Power

Wolverine Power

Wood, Amanda

Xcel Energy

Xcel Energy