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by Sidney Davy Miller

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September 18, 2024

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

Re: Upper Michigan Energy Resources Corporation
Case No. U-21790

Dear Ms. Felice:

Attached for electronic filing in the above-referenced case is Upper Michigan Energy Resources Corporation's Application for *ex parte* approval of distributed generation tariff provisions.

Should you have any questions or concerns, please advise.

Very truly yours,

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

By: _____
Sherri A. Wellman

SAW:ehk
Enclosures
cc w/enc

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
UPPER MICHIGAN ENERGY RESOURCES)	
CORPORATION for ex parte approval of)	
distributed generation tariff provisions.)	Case No. U-21790
_____)	

APPLICATION

Upper Michigan Energy Resources Corporation (“UMERC” or the “Company”) files this *ex parte* application and respectfully requests that the Michigan Public Service Commission (“MPSC” or the “Commission”) approve its distribution generation (“DG”) tariff pursuant to the Commission’s July 23, 2024 Order in Case No. U-21569 (“July 23 Order”).¹ In support of this application, the Company states as follows:

1. UMERC is a wholly owned subsidiary of WEC Energy Group, Inc., and a public service corporation organized under the laws of Michigan with service centers located at 800 Industrial Park Drive, Iron Mountain, Michigan, and 1717 Tenth Avenue, Menominee, Michigan. UMERC is authorized to do business in the State of Michigan. UMERC provides retail electric service in the counties of Alger, Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee, and Ontonagon counties, and retail natural gas service in Menomone County, Michigan.

¹ The Commission also issued its July 23 Order in the U-21767 docket granting waivers from certain Interconnection and Distributed Generation Standards, Mich Admin Code, R 460.901a et seq., (the MIXDG rules) to all rate regulated electric utilities in Michigan.

2. In the July 23 Order, the Commission required all rate regulated electric utilities in the state file an *ex parte* application for approval of a DG tariff that is compliant with the provisions of Public Act 235 of 2023 (“Act 235”) and the July 23 Order.

3. The Commission determined that pursuant to Section 177(1) of Act 235: (1) a generation meter is no longer required (although not prohibited); (2) the utility must provide an electric meter that measures inflow and outflow in the pricing period; (3) customers who are eligible to participate in the DG program must pay the incremental cost for that meter, if any, above the cost paid by a similarly situated, non-generating customer; and (4) if the type of electric meter provided by the utility for non-generating customers (such as an AMI meter) can perform the inflow and outflow measurement for the pricing period, then there is no incremental cost to the DG customer, no matter the size of the system. (July 23 Order, p 8.)

4. The Commission also determined that: (1) Section 177(2) of Act 235 requires that DG customers be credited for outflow on their entire monthly bill, except for securitization charges, (*id.* at 14); (2) the size of a renewable energy system eligible for the DG program is limited to 110% of the customer’s electricity consumption for the previous 12 months, (*id.* at 19); (3) the aggregate eligible generator capacity at a single site is limited to no more than 550 kilowatts (“kW”), (*id.*); and (4) generators with 20kW or less output may be allocated more than 50% of a utility’s DG program and generators with more than 20kW up to 550kW output may not be allocated more than 50% of the program. (*Id.* at 20.)

5. Prior to the July 23 Order, UMERC filed a DG tariff in its electric rate case, U-21541, to comply with the Commission’s April 18, 2018, Order in Case No. U-18383. Pursuant to a Settlement Agreement reached in Case No. U-21541, UMERC, Staff and the parties agreed on the Company’s DG tariff which is included in Attachment B to the Settlement Agreement,

and it was understood that the agreed upon DG tariff would be filed with this ex parte application in compliance with the Commission's July 23 Order. As such, those tariff sheets are attached hereto as Attachment A and UMERB requests consistent treatment and approval as given by the Commission in Case No. U-21541.

6. Approval of this proposal will not increase the cost of service to any UMERB customer. Accordingly, UMERB requests *ex parte* approval as permitted by MCL 460.6a(1).

WHEREFORE, Upper Michigan Energy Resources Corporation respectfully requests that this Honorable Commission issue an *ex parte* order approving the DG tariff attached hereto as Attachment A and grant all necessary and appropriate relief.

Respectfully submitted,

UPPER MICHIGAN ENERGY RESOURCES
CORPORATION

Dated: September 18, 2024

By: _____
Its Attorney
Sherri A. Wellman (P38989)
Benjamin J. Holwerda (P82110)
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Lansing, MI 48933
(517) 483-4954

Attorneys for Upper Michigan Energy Resources Corporation

Attachment A
to Application
(MPSC Case No. U-21790)

DISTRIBUTED GENERATION PROGRAM - DG-1

EFFECTIVE IN

All territory served.

AVAILABILITY

This Rider can be attached to any metered tariff, excluding riders, unless otherwise noted on the applicable metered tariff. The Distributed Generation Program is offered as authorized by 2008 PA 295, as amended by 2016 PA 342 and 2023 PA 235, 1939 PA 3, as amended by 2016 PA 341, Section (6)(a)(14).

The Distributed Generation Program is available for eligible Distributed Generation customers with applications filed beginning January 1, 2025.

A customer participating in a net metering program approved by the Commission before receipt of a Commission order in MPSC Case No. U-21541 shall have the option to take service under this tariff at the time service under the terms and conditions of the previous net metering program terminates in accordance with MCL 463.0183(1).

The Distributed Generation Program is voluntary and available on a first come, first served basis for new customer participants or existing customer participants increasing their aggregate generation. The combined Net Metering Program (CGS-1 and PG-1M), Modified Net Metering Program (CGS-2 and PG-1AM) and Distributed Generation Program size is equal to 10.0% of the Company's previous year's peak demand measured in kW for the Company's retail load, allocated as follows:

- (a) Not less than 50% for customers with an eligible electric generator capable of generating 20 kilowatts or less.**
- (b) Not more than 50% for customers with an eligible electric generator capable of generating more than 20 kilowatts but not more than 550 kilowatts.**

If an existing customer who participates on CGS-1, CGS-2, CGS Large, CGS Biogas, PG-1M, PG-1AM or PG-1BM increases their aggregate generation following the effective date of this rider, then all generation on site will be subject to the terms and conditions of this tariff.

As specified under the applicable Base Rate. The term Base Rate refers to the Rate Schedules under which the Customer takes service and that this Rider is associated with.

DISTRIBUTED GENERATION DEFINITIONS

(1) A Level 1 distributed generation customer has one or more Eligible Electric Generators with an aggregate nameplate capacity of 20 kWac or less that use equipment certified by a nationally recognized testing laboratory to IEEE 1547.1 testing standards and is in compliance with UL 1741-SA and located on the customer's premises and metered at a single point of contact.

(2) Level 2 distributed generation customer has one or more Eligible Electric Generators with an aggregate nameplate capacity greater than 20 kWac but not more than 150 kWac located on the customer's premises and metered at a single point of contact.

(3) A Level 3 distributed generation customer has one or more Eligible Electric Generators with an aggregate nameplate capacity greater than 150 kWac but not more than 550 kWac located on the customer's premises and metered at a single point of contact.

(4) Eligible Electric Generator- a renewable energy system or a methane digester with a generation capacity limited to no more than 110% of the customer's electricity consumption for the previous 12 months and does not exceed 550 kW at a single point of contact.

(Continued on Sheet No. D-62.20)

Issued xxxxxxxx
T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin

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after January 1, xxxxx
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in Case No. U-21541

DISTRIBUTED GENERATION PROGRAM - DG-1
(Continued from Sheet No. D-62.10)

- (5) Inflow - the metered inflow delivered by the Company to the customer during the billing month or time- based pricing period.
- (6) Outflow - the metered quantity of the customer's generation not used on site and exported to the utility during the billing month or time-based pricing period.
- (7) Renewable Energy Resource - a resource that naturally replenishes over a human, not a geological, timeframe and that is ultimately derived from solar power, waterpower or wind power. Renewable energy resource does not include petroleum, nuclear, natural gas, or coal. A renewable energy resource comes from the sun or from thermal inertia of the earth and minimizes the output of toxic material in the conversion of the energy and includes, but is not limited to, all of the following:
- i. Biomass
 - ii. Solar and solar thermal energy
 - iii. Wind energy
 - iv. Kinetic energy of moving water, including the following:
 - a. Waves, tides or currents
 - b. Water released through a dam
 - v. Geothermal energy
 - vi. Thermal energy produced from a geothermal heat pump
 - vii. Any of the following cleaner energy resources:
 - a. Municipal solid waste, including the biogenic and anthropogenic fractions
 - b. Landfill gas produced by municipal solid waste
 - c. Fuel that has been manufactured in whole or significant part from waste, including, but not limited to, municipal solid waste. Fuel that meets the requirements of this subparagraph includes, but is not limited to, material that is listed under 40 CFR 241.3(b) or 241.4(a) or for which a non-waste determination is made by the United States Environmental Protection Agency pursuant to 40 CFR 241.3(c). Pet coke, hazardous waste, coal waste, or scrap tires are not fuel that meets the requirements of this subparagraph.

CUSTOMER ELIGIBILITY

In order to be eligible to participate in the Distributed Generation Program, customers must generate a portion of all or up to 110% of their own retail electricity requirements with an Eligible Electric Generator which utilizes a Renewable Energy Resource, as defined above.

A customer's eligibility to participate in the Distributed Generation Program is conditioned on the full satisfaction of any payment term or condition imposed by the customer by pre-existing contracts or tariffs with the Company, including those imposed by participation in the Distributed Generation Program, or those required by the interconnection of the customer's Eligible Electric Generator to the Company's distribution system.

(Continued on Sheet No. D-62.30)

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DISTRIBUTED GENERATION PROGRAM - DG-1
(Continued from Sheet No. D-62.20)

CUSTOMER BILLING ON INFLOW – CATEGORY 1, 2 AND 3 CUSTOMERS

- (1) Full Service Customers - The customer will be billed according to their retail rate schedule, plus surcharges, and Power Supply Cost Recovery (PSCR) Factor on metered Inflow for the billing period.**
- (2) Retail Open Access Customer – The customer will be billed as stated on the customer's Retail Open Access Rate Schedule on metered Inflow for the billing period.**

CUSTOMER BILLING ON OUTFLOW – CATEGORY 1, 2 AND 3 CUSTOMERS

The customer will be credited on outflow for the billing period. The credit shall be applied to the current billing month. Any excess credit not used will be carried forward to subsequent billing periods. Unused Outflow Credit from previous months will be applied to the current billing month, if applicable. The Outflow Credit is nontransferable.

- (1) Full Service Customers Outflow Credit - Customers will be credited according to their underlying base rate schedule's Power Supply Energy Charges, including the Power Supply Cost Recovery (PSCR) Factor, on metered Outflow for the billing period.**
- (2) Retail Open Access Customer – Customers will be credited at rates determined by their Retail Service Supplier on metered Outflow for the billing period.**

Application for Service

In order to participate in the Distributed Generation Program, a customer shall submit completed Interconnection and Distributed Generation Program Applications, including the application fee of \$50 to the Company.

The Distributed Generation Program application fee is waived if the customer is transitioning from the Net Metering Programs (CGS-1, CGS-2, CGS Large, CGS Biogas, PG-1M, PG-1AM or PG-1BM).

If a customer does not act or correspond on an application for over 6 months, when some action is required by the customer, the application may be voided by the Company.

Generator Requirements

The Eligible Electric Generator(s) must be located on the customer's premises, serving only the customer's premises and must be intended primarily to offset a portion or up to 110% of the customer's requirement for electricity.

(Continued on Sheet No. D-62.40)

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DISTRIBUTED GENERATION PROGRAM - DG-1
(Continued from Sheet No. D-62.30)

Systems will be limited in size, not to exceed 110% of the Customer's self-service needs of the Rate Schedule to which this Rider is attached. The customer's requirement for electricity shall be determined by one of the following methods:

- (1) The customer's annual energy usage, measured in kWh, during the previous 12-month period**
- (2) In instances where complete and correct data is not available or where the customer is making changes on-site that will affect total usage, the Company and the customer shall mutually agree on a method to determine the customer's annual electric requirement. The aggregate capacity of Eligible Electric Generators shall be determined by the aggregate projected annual kWh output of the generator(s). The customer is required to provide the Company with a nameplate capacity rating in kW of the generating unit and a projected monthly and annual Kilowatt-hour output of the generating unit when completing the Company's Distributed Generation Program Application.**
- (3) The Company reserves the right to perform an on-site audit to ensure the size of the generation and associated outflow does not exceed the Customer's self-service needs of the Rate Schedule to which this rider is attached.**

The customer need not be the owner or operator of the eligible generation equipment but is ultimately responsible for ensuring compliance with all technical, engineering and operational requirements suitable for the Company's distribution system.

Generator Interconnection Requirements

The requirements for interconnecting a generator with the Company's facilities are contained in the Michigan Public Service Commission's Interconnection and Distributed Generation Standards Rules (R460.901a – 460.1026) and the Company's Michigan Utility Generator Interconnection Requirements, copies of which will be provided to customers upon request. All requirements must be met prior to commencing service. All such interconnection requirements must be met prior to the effective date of a customer's participation in the Distributed Generation Program. The customer must sign an Interconnection and Operating Agreement with the Company and fulfill all requirements as specified in the Agreement. The customer shall pay actual interconnection costs associated with participating in the Distributed Generation Program, subject to limits established by the Michigan Public Service Commission.

The Company must approve in writing any subsequent changes in the interconnection configuration before such changes are allowed. Operating in parallel with the Company's system without the Company's written approval of the interconnection and written approval of any subsequent changes to the interconnection will subject the Customer's equipment to disconnection.

Metering Requirements

Metering requirements shall be specified by the Company, as detailed below. All metering must be capable of recording inflow and outflow and all parameters metered on the customer's otherwise applicable retail rate schedule, for both Full Service and Retail Open Access customers.

(Continued on Sheet No. D-62.50)

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DISTRIBUTED GENERATION PROGRAM - DG-1
(Continued from Sheet No. D-62.40)

Distribution Line Extension and/or Extraordinary Facilities

The Company reserves the right to make special contractual arrangements with Distributed Generation Program customers whose utility service requires investment in electric facilities. The Company further reserves the right to condition a customer's participation in the Distributed Generation Program on a satisfactory completion of any such contractual requirements.

Customer Termination from the Distributed Generation Program

A participating customer may terminate participation in the Company's Distributed Generation Program at any time for any reason on thirty days' notice. If a customer who terminates participation in the Distributed Generation Program wishes to re-enroll, that customer must reapply as a new program participant, subject to program size limitations, application queue and application fees.

The Company may terminate a customer from the Distributed Generation Program if the customer fails to maintain the eligibility requirements, fails to comply with the terms of the interconnection and parallel operating agreement, or if the customer's facilities are determined not to be in compliance with technical, engineering, or operational requirements suitable for the Company's distribution system. The Company will provide sixty days' notice to the customer prior to termination from the Distributed Generation Program, except in situations the Company deems dangerous or hazardous. Such notice will include the reason(s) for termination.

Upon customer termination from the Distributed Generation Program, any existing credit on the customer's account will be applied to the customer's bill. Any other excess, not to exceed an amount equal to the customer's prior 6-months of Inflow shall be refunded to the customer. Distributed Generation Program credit is non-transferrable.

Company Termination of the Distributed Generation Program

Company termination of the Distributed Generation Program may occur upon receipt of Commission approval. Upon Company termination of the Distributed Generation Program, any existing credit on the customer's account will be applied to the customer's bill. Any other credit, not to exceed an amount equal to the customer's prior 6-months of Inflow, shall be refunded to the customer. Distributed Generation Program credit is non-transferrable.

Distributed Generation Program Status and Evaluation Reports

The Company will submit an annual status report to the Commission Staff by March 31 of each year including Distributed Generation Program data for the previous 12 months, ending December 31. The Company's status report shall maintain customer confidentiality.

Renewable Energy Credits

Renewable Energy Credits (RECs) are owned by the customer. The Company may purchase Renewable Energy Credits from participating Distributed Generation Program customers who are willing to sell RECs generated if the customer has a generation meter in place to accurately measure and verify generator output. REC certification costs are the responsibility of the customer. The Company will enter into a separate agreement with the customer for the purchase of any RECs.

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