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March 31, 2025

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

[Via E-Filing](#)

RE: Alpena Power Company – 2024 Renewable Energy Cost Reconciliation Application
MPSC Case No. U-21828

Dear Ms. Felice:

The 2024 renewable energy cost reconciliation application of Alpena Power Company, along with the written direct testimony of the Company's witness, Mr. Kenneth A. Dragiewicz, 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@bfwlawfirm.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, 2024.)
_____)

Case No. U-21828

ALPENA POWER COMPANY’S
APPLICATION FOR
2024 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, 2024, 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”), and Public Act 235 of 2023, MCL 460.1001 *et seq.* (“PA 235”), 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 16,700) 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, MCLA460.551 *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 \$76,540.80 in expenses and collected no surcharge revenue in 2024. 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, 2024, 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 2024 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 31, 2025

Respectfully submitted,

ALPENA POWER COMPANY

By: Timothy M. Gulden (P41232)
Attorney for Alpena Power Company
Bauer, Florip & Wojda PLC
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Alpena, MI 49707
(989) 356-3444
tmgulden@bfwlawfirm.com

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 following cases:

- 20 • U-18324 – General Rate Case
- 21 • U-21045 – General Rate Case
- 22 • U-20874 – Energy Waste Reduction Plan
- 23 • U-21320 – Energy Waste Reduction Plan
- 24 • U-21204 – Energy Waste Reduction Reconciliation

- 1 • U-21311 – Energy Waste Reduction Reconciliation
- 2 • U-21140 – Renewable Energy Plan
- 3 • U-21196 – Renewable Portfolio Standard Reconciliation
- 4 • U-21351 – Renewable Portfolio Standard Reconciliation
- 5 • U-18089 – PURPA Biennial Review
- 6 • U-18350 – Voluntary Green Pricing Program
- 7 • U-21483 – Interconnection Procedures
- 8 • U-21488 – General Rate Case
- 9 • U-21548 - Renewable Portfolio Standard Reconciliation
- 10 • U-21556 - Energy Waste Reduction Reconciliation
- 11 • U-21794 – Distributed Generation Tariff Update
- 12 • U-21846 - Renewable Energy Plan

13 **Q. Please briefly describe Alpena’s business and operations.**

14 A. Alpena is a private investor-owned Michigan utility corporation with its office located in the City of Alpena,
15 Michigan, supplying electric service to approximately 16,700 customers in the Northeastern Lower
16 Peninsula of Michigan. Alpena purchases 100% of its electric power requirements through existing
17 contracts with CMS Energy Resource Management Company (“CMS ERM”) approved in Case No. U-
18 20300 Thunder Bay Power Company approved in Case No. U-21094, Wolverine Electric Power
19 Cooperative approved in Case No. U-20300, and when available, from certain large industrial customers
20 under rates established under special contracts.

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

22 A. Yes. Alpena presently serves its electric customers under rates and charges as ordered by the Commission
23 in its July 23, 2024 Order Approving Settlement Agreement in Case No. U-21488 (Alpena’s last completed
24 general rate case); February 11, 2025 Order Approving Settlement Agreement in Case No. U-21590
25 (Alpena’s 2025 PSCR Plan); December 1, 2023 Order Approving Settlement Agreement in Case No. U-
26 21320 (Alpena’s 2023 Energy Waste Reduction Plan); and January 20, 2022 Order Approving Settlement

1 Agreement in Case No. U-21140 (Alpena’s 2021 Renewable Energy Plan).

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

3 A My Testimony will address the following:

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

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

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

8 **Renewable Energy Plan Summary**

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

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

13 First, it is important to note that Alpena does not own any facilities that produce electric power. Alpena
14 purchases 100% of its electric power requirements through existing contracts with CMS Energy Resource
15 Management Company (“CMS ERM”) approved in Case No. U-20300 Thunder Bay Power Company
16 approved in Case No. U-21094, Wolverine Electric Power Cooperative approved in Case No. U-20300,
17 and when available, from certain large industrial customers under rates established under special contracts.

18 Alpena does not intend at this time to construct any facilities that would produce and qualify for RECs.

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

24 Third, Alpena’s REP represents the most economical way for Alpena to comply with the Renewable Energy
25 Portfolio Standards, given Alpena’s size, its relative inability to construct power producing facilities that
26 would qualify for REC certification, and MCL 460.1035(2)’s provisions that allow for transfer of ownership

1 of RECs to Alpena from Consumers and ECDH pursuant to agreements. Alpena would be paying only the
2 incremental cost to Consumers related to the construction of the RPS facilities, which will be commensurate
3 with charges Consumers' jurisdictional customers will pay, and which is subject to the review of the
4 Commission. The cost for RECs purchased from ECDH was determined through an open and competitive
5 bidding process providing the lowest-cost alternative to Alpena's customers.

6 **Renewable Energy Plan Incurred Expense**

7 **Q. What expenditures were expected to be incurred in 2024 under Alpena's renewable energy plan.**

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

10 **Q. What amount of annual revenues were planned to be billed to customers as the Renewable Energy
11 Surcharge in 2024 pursuant to the Company's approved renewable energy plan.**

12 A. No planned surcharge per Alpena's approved plan in Case No. U-21140 for 2024.

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

14 A. Alpena billed zero to its customers during 2024. Exhibit A-6 details the amounts billed by tariff class.

15 **Q. Did the Company's 2024 renewable energy plan expenditures require any modification to the
16 revenue recovery mechanism to ensure recovery of the incremental cost of compliance with the
17 renewable energy standards contained in PA 295?**

18 A. No, the monthly surcharge remained at zero for 2024.

19 **Q. Did Alpena bill or did Alpena's renewable energy plan tariffs exceed the maximum retail rate allowed
20 under Section 45 of PA 295?**

21 A. No.

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

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

24 Exhibit A-1 provides contact information requested by MPSC Staff to direct inquiries regarding the
25 accounting and operational aspects of Alpena's renewable energy plan.

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

1 an explanatory note stating why the exhibit is not applicable.
2 Exhibit A-3 is a list of the Renewable Energy Credits purchased by Alpena, including the project name,
3 vintage year, project type and quantity received.
4 Exhibit A-4 is the compliance requirement calculation for 2024.
5 Exhibit A-5 is the total incremental cost of RECs purchased for compliance.
6 Exhibit A-6, details the 2024 renewable energy plan customer surcharges billed by class.
7 Exhibit A-7, details the monthly and cumulative over/(under) calculation in the aggregate for Alpena's
8 renewable energy plan.
9 Exhibit A-8, shows the monthly interest calculation for the cumulative over recovery for 2024.
10 Exhibit A-9 through A-10 are not germane to Alpena's operation and renewable energy plan and have been
11 submitted with an explanatory note stating why the exhibit is not applicable.
12 Exhibit A-11, details the expense accrued for Alpena's renewable energy plan that were recorded in
13 Alpena's renewable energy credit expense account.
14 Exhibit A-12 details the 2024 Regulatory Account.
15 Exhibit A-13 is Alpena's 2024 Renewable Energy Annual Report

16 **Q Does this complete your testimony?**

17 **A** Yes, it does.

Alpena Power Company
Renewable Energy Portfolio Reconciliation 2024
Index to Exhibits

Exhibit Reference	Description
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 2024
RPS Compliance Organizational Chart

(a) Name	(b) Title	(c) Contact Information			(d) 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-21828
Exhibit: A-2
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2024
Renewable Generation Reports

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

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2024
Total Renewable Energy Credits for compliance

Case No.: U-21828
Exhibit: A-3
Page: 1 of 1
Witness: Dragiewicz

ID	Project	Project		Credit Type	Credits Vintage	Quantity
		Begin Date	Fuel/Project Type			
	Apple Blossom Wind, LLC - Apple Blossom					
GEN354	Wind Farm	11/21/2017	Wind	RECS	Sep-22	5,922
GEN55	TES Filer City Station - CONS.FILERCITY	6/1/1990	Biomass	RECS	Jan-23	700
GEN55	TES Filer City Station - CONS.FILERCITY	6/1/1990	Incentive	IREC	Jan-23	100
GEN401	Crescent - Crescent Wind Park	10/22/2020	Incentive	IREC	Nov-22	1,349
GEN401	Crescent - Crescent Wind Park	10/22/2020	Wind	RECS	Nov-22	5,000
GEN332	CWEP - Cross Winds Energy Park	12/12/2014	Wind	RECS	Oct-22	8,000
GEN332	CWEP - Cross Winds Energy Park	12/12/2014	Wind	RECS	May-23	5,261
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Jun-22	5,320
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Jul-22	4,414
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Jul-22	450
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Jun-22	573
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Sep-22	3,823
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Sep-22	387
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Oct-22	1,662
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Aug-22	5,181
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Aug-22	542
	Ludington Pumped Storage - Ludington					
GEN120	Pumped Storage	9/18/1973	Incentive	IREC	Apr-23	1,400

Total= 50,084

ALPENA POWER COMPANY
 Renewable Energy Portfolio Reconciliation 2024
 Compliance Requirement Calculation

	1				
	2				
	3				
REC prior to Act		0			
	4	33,993	(2015)		
	method				
	RE Portfolio	50,084			
Less: REC prior to Act		0			
2023 Compliance Requirement		50,084			

- 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)
- 4** 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".

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2024
Total Incremental Cost of Compliance

<u>Month - 2024</u>	<u>Monthly Amount</u>	<u>Annual Amount</u>
January	\$ -	\$ -
February	(1,422.96)	(1,422.96)
March	-	(1,422.96)
April		(1,422.96)
May	557.79	(865.17)
June		(865.17)
July	176.91	(688.26)
August	-	(688.26)
September	176.92	(511.34)
October	76,590.00	76,078.66
November	285.23	76,363.89
December	176.91	76,540.80
YTD - 2024	<u>\$ 76,540.80</u>	<u>\$ 76,540.80</u>

ALPENA POWER COMPANY
 Renewable Energy Portfolio Reconciliation 2024
 RPS Over/(Under) Calculation by Month

Description	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Expense Approved	0.00	0.00	0.00	0.00	551.91	0.00	176.91	0.00	176.92	0.00	0.00	176.91
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	0.00	-551.91	0.00	-176.91	0.00	-176.92	0.00	0.00	-176.91
RECs Purchases Consumers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-285.23	0.00	0.00
RECs Purchases ECDH	0.00	1,422.96	0.00	0.00	-5.88	0.00	0.00	0.00	0.00	-76,590.00	0.00	0.00
Beginning Balance of Excess Funds Collected From Customers	344,269.43	344,269.43	345,692.39	345,692.39	345,692.39	345,134.60	345,134.60	344,957.69	344,957.69	344,780.77	267,905.54	267,905.54
Cumulative Over/(Under) Collection	344,269.43	345,692.39	345,692.39	345,692.39	345,134.60	345,134.60	344,957.69	344,957.69	344,780.77	267,905.54	267,905.54	267,728.63

ALPENA POWER COMPANY
 Renewable Energy Portfolio Reconciliation 2024
 Interest Calculation by Month

Description	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Beginning Balance Over/(Under) Recover	344,269.43	344,269.43	345,692.39	345,692.39	345,692.39	345,134.60	345,134.60	344,957.69	344,957.69	344,780.77	268,190.77	267,905.54
Expense Approved (A-7)	0.00	0.00	0.00	0.00	-551.91	0.00	-176.91	0.00	-176.92	0.00	0.00	-176.91
RECs Purchased Consumers (A-7)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-285.23	0.00
RECS Purchased ECDH (A-7)	0.00	1,422.96	0.00	0.00	-5.88	0.00	0.00	0.00	0.00	-76,590.00	0.00	0.00
Ending Balance Over/(Under) Recovery	344,269.43	345,692.39	345,692.39	345,692.39	345,134.60	345,134.60	344,957.69	344,957.69	344,780.77	268,190.77	267,905.54	267,728.63
Average Over/(Under) Recovery	344,269.43	344,980.91	345,692.39	345,692.39	345,413.50	345,134.60	345,046.15	344,957.69	344,869.23	306,485.77	268,048.16	267,817.09
Interest Rate - Annual	6.933%	6.909%	6.911%	6.917%	6.915%	6.925%	6.945%	6.934%	6.825%	6.464%	6.287%	6.154%
Monthly Interest	1,989.02	1,986.23	1,990.90	1,992.63	1,991.95	1,991.71	1,996.95	1,993.28	1,961.44	1,650.94	1,404.35	1,373.46
Beginning Balance Over/(Under) Recover	133,075.17	135,064.19	137,050.42	139,041.32	141,033.95	143,025.90	145,017.61	147,014.56	149,007.84	150,969.28	152,620.22	154,024.57
Cumulative Interest	135,064.19	137,050.42	139,041.32	141,033.95	143,025.90	145,017.61	147,014.56	149,007.84	150,969.28	152,620.22	154,024.57	155,398.03
	479,333.62	482,742.81	484,733.71	486,726.34	488,160.50	490,152.21	491,972.25	493,965.53	495,750.05	420,810.99	421,930.11	423,126.66

22,322.86

Case No.: U-21828
Exhibit: A-9
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2024
Calculation of Transfer Prices

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

Case No.: U-21828
Exhibit: A-10
Page: 1 of 1
Witness: Dragiewicz

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2024
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 2024

Detail - Account 555.80 - Renewable Energy Credit Expense

(a) Month - 2024	(b) Monthly Amount	(c) Annual Amount
January	\$ -	\$ -
February	\$ -	-
March	\$ -	-
April	\$ -	-
May	\$ 555.91	555.91
June	\$ -	555.91
July	\$ 176.91	732.82
August	\$ -	732.82
September	\$ 176.92	909.74
October	\$ -	909.74
November	\$ -	909.74
December	\$ 176.91	1,086.65
YTD - 2024	\$ 1,086.65	\$ 1,086.65

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

ALPENA POWER COMPANY
Renewable Energy Portfolio Reconciliation 2024

2024 Regulatory Account Reconciliation

2024 Beginning Balance (Regulatory Account) (Case U-21548)	\$	(344,269.43)	
2024 Beginning Balance (Interest) (Case U-21548)	\$	(133,075.17)	
Surcharge Revenue (Exhibit A-6)	\$	-	
Accrued Expense (Exhibit A-7)	\$	1,082.65	
Interest (Exhibit A-8)	\$	(22,322.86)	
Payments :			
REC Purchases Consumers (Exhibit A-7)	\$	285.23	
REC Purchases ECDH (Exhibit A-7)	\$	75,172.92	76,540.80
2024 Ending Balance (Regulatory Account)	\$	(267,728.63)	
2024 Ending Balance (Interest)	\$	(155,398.03)	
Total	\$	(423,126.66)	

ALPENA POWER COMPANY
CASE NO. U-21828

EXHIBIT A-13

2024 Renewable Energy Annual Report

Renewable Energy Annual Report

Revised March 2025

Electric Provider:

Reporting Period: Calendar Year 2024

- 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 2024.
- 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, U-21196, U-21351, U-21548, U-21828, and U-21846.

b. Summary of actions taken during reporting period

Alpena Power Company filed its 2023 Renewable Energy Reconciliation Case No. U-21548.

Section 51(2)(a).

Within this section, list the combined total number of vintage 2024 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 2024**).

Credits From	Combined Renewable Energy Credits and Incentive Credits 2024 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.

Within this section, list the type of and number of vintage 2024 energy credits sold, traded or otherwise transferred during the reporting period.

	Combined Renewable Energy Credits and Incentive Credits 2024 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 (2024) 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 Name¹	System Type (RES)	Nameplate Capacity (MW)	Electricity Generated (MWh)	% of Electricity generated by RE/ACE

¹ System 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

¹ Distinguish 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 2024
\$ 76,540.80

Forecast of total expenditures for the remaining plan period of 2025-2029
\$778,828.34

Total Expenditures: ICC + Transfer Cost

Total Transfer Cost for 2024 (if any)
0

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

Total ICC for 2024
\$ 76,540.80

Forecast of the ICC for the remaining plan period (2025-2029)	Monthly residential surcharge (\$3 or less)
\$778,828.34	

Capital Expenditures for 2024 (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 2021-2023 retail sales or the 2023 weather normalized retail sales.

Average of 2021-2023 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).

2021 Actual Retail Sales: 347,649, 2022 Actual Retail Sales: 346,358, 2023 Actual Retail Sales: 307,677 $(347,649+346,358+307,677)/3 = 333,895$ MWh Sales x 15.0% = 50,084 REC's required for 2024

(B) Compliance: List the energy credits used for compliance for the 2024 compliance year. This number should agree with the compliance requirement listed in the 2024 compliance subaccount in MIRECS.

Take into account any energy waste reduction substitutions and limits on their use.

ID	Project	Project		Credit	Credits	Quantity
		Begin Date	Fuel/Project Type	Type	Vintage	
GEN354	Apple Blossom Wind, LLC - Apple Blossom Wind Farm	11/21/2017	Wind	RECS	Sep-22	5,922
GEN55	TES Filer City Station - CONS.FILERCITY	6/1/1990	Biomass	RECS	Jan-23	700
GEN55	TES Filer City Station - CONS.FILERCITY	6/1/1990	Incentive	IREC	Jan-23	100
GEN401	Crescent - Crescent Wind Park	10/22/2020	Incentive	IREC	Nov-22	1,349
GEN401	Crescent - Crescent Wind Park	10/22/2020	Wind	RECS	Nov-22	5,000
GEN332	CWEP - Cross Winds Energy Park	12/12/2014	Wind	RECS	Oct-22	8,000
GEN332	CWEP - Cross Winds Energy Park	12/12/2014	Wind	RECS	May-23	5,261
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Jun-22	5,320
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Jul-22	4,414
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Jul-22	450
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Jun-22	573
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Sep-22	3,823
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Sep-22	387
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Oct-22	1,662
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Hydroelectric Water	RECS	Aug-22	5,181
GEN395	Little Quinnesec - Little Quinnesec	1/1/1900	Incentive	IREC	Aug-22	542
GEN120	Ludington Pumped Storage - Ludington Pumped Storage	9/18/1973	Incentive	IREC	Apr-23	1,400
					Total=	50,084

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 2023 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 2023 generation are included?

To be used for 2025 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 2022-2024 retail sales or the 2024 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).

2022 Actual Retail Sales: 346,358, 2023 Actual Retail Sales: 307,677, 2024 Actual Retail Sales: 285,706
(346,358+307,677+285,706)/3 = 313,247 MWh Sales x 15.0% = 46,987 REC's required for 2025