

Founded in 1852
by Sidney Davy Miller

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March 21, 2025

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

Re: Upper Michigan Energy Resources Corporation
2024 RE Reconciliation
Case No. U-21834

Dear Ms. Felice:

Enclosed for electronic filing in the above captioned case please find Upper Michigan Energy Resources Corporation's Application and the supporting Direct Testimony and Exhibits of James M. Beyer. Also included for filing is my Appearance.

Should you have any questions, please contact me.

Very truly yours,

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

By: _____
Sherri A. Wellman

SAW/ehk
Enclosures

cc w/enc: Diane J. Mier (Diane.Mier@wecenergygroup.com)
James Beyer (James.beyer@wecenergygroup.com)
Richard Stasik (richard.stasik@wecenergygroup.com)
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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 to commence a renewable energy)	
cost reconciliation proceeding for the 12-month period)	Case No. U-21834
<u>ended December 31, 2024.</u>)	

APPLICATION

Upper Michigan Energy Resources Corporation (“UMERC” or the “Company”) hereby requests the Michigan Public Service Commission (“Commission”) approve its 2024 Renewable Energy Annual Reports (“Reports”) and its Renewable Energy (“RE”) reconciliation pursuant to MCL 460.1049 for the 2024 calendar year. In support thereof, the Company respectfully represents as follows:

1. UMERC is 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. By Order dated December 9, 2016, in Case No. U-18061, UMERC was granted authority by the Commission to, among other things, provide retail electric service to the former Michigan electric customers of Wisconsin Electric Power Company, except initially the Tilden Mining Company (“Tilden”), in service areas located in Alger, Baraga, Delta, Dickinson, Gogebic, Houghton, Iron, Marquette, Menominee, and Ontonagon Counties and to the former Michigan electric and natural gas customers of Wisconsin Public Service Corporation in a service area located in Menominee County, Michigan. As of

April 1, 2019, ensuing with the onset of operations of the RICE generation units, Tilden was transferred to UMERC to be its customer.

2. The Commission's January 23, 2025 Order in Case No. U-21834 requires the Company to file its RE reconciliation for 2024 in this docket on or before May 30, 2025.

3. By Order Approving Settlement Agreement, dated January 23, 2018, in Case No. U-18236, the Commission approved UMERC's renewable energy plan and, as of the date of this application, the approved plan has not been amended and therefore relates to this 2024 reconciled period.

4. The actions regarding renewable energy for 2024 were consistent with the renewable energy plan, as approved by the Commission.

5. The Renewable Energy Annual Reports for UMERC's WEPCo and WPS Rate Zones are filed herewith as Exhibit A-2 (JMB-2) to the pre-filed direct testimony of James M. Beyer, which is filed contemporaneously herewith and supports the reconciliation for 2024.

6. Consistent with the terms of the settlement agreement approved in Case No. U-21014, UMERC has included data regarding the 2024 RE surcharge revenues collected from Tilden.

WHEREFORE, UMERC requests that this Commission:

- A. Find and determine that the 2024 Renewable Energy Annual Reports satisfy all applicable requirements;
- B. Find and determine that the reconciliation for 2024 is correct; and
- D. Grant such other relief as is just and reasonable.

Respectfully submitted,

UPPER MICHIGAN ENERGY RESOURCES
CORPORATION

Dated: May 21, 2025

By: _____

Its Attorney

Sherri A. Wellman (P38989)

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

123 West Allegan Street, Suite 200

Lansing, MI 48933

(517) 483-4954

Attorney for Upper Michigan Energy Resources Corporation

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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<u>ended December 31, 2024.</u>)	

DIRECT TESTIMONY AND EXHIBITS OF
JAMES M. BEYER
ON BEHALF OF
UPPER MICHIGAN ENERGY RESOURCES CORPORATION

May 2025

DIRECT TESTIMONY AND EXHIBITS OF
JAMES M. BEYER

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

2 A. My name is James M. Beyer. My business address is WEC Energy Group (“WEC”), 2830
3 South Ashland Avenue, Green Bay, WI 54304. I am a Project Specialist in the State
4 Regulatory Affairs Department of WEC. Upper Michigan Energy Resources Corporation
5 (“UMERC” or the “Company”) is a wholly-owned subsidiary of WEC.

6

7 **Q. Please describe briefly your education, professional, and utility background.**

8 A. I graduated from Northern Michigan University, Marquette, Michigan, with a Bachelor of
9 Science Degree in Accounting in 2002, and from Lakeland College, Sheboygan,
10 Wisconsin, with a Master of Business Administration (“MBA”) degree in 2006. I have
11 been employed by WEC and its predecessors, first as a Pricing Analyst and currently as a
12 Project Specialist since 2004. In that position, I perform and am otherwise involved in rate
13 related studies, service and tariff administration, financial analyses, and rate development
14 and administration.

15

16 **Q. Have you caused to have your testimony filed with and/or testified before a regulatory
17 agency?**

18 A. Yes. I have testified before the Public Service Commission of Wisconsin (“PSCW”) and
19 the Michigan Public Service Commission (“MPSC” or the “Commission”).

20

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

DIRECT TESTIMONY AND EXHIBITS OF
JAMES M. BEYER

1 A. The purpose of my testimony is to support the reconciliation of UMERC’s Renewable
2 Energy (“RE”) surcharge revenues and expenses for the 12-month period from January 1,
3 through December 31, 2024, and to sponsor UMERC’s 2024 RE Annual Reports.

4
5 **Q. Are you sponsoring any exhibits?**

6 A. Yes, I am sponsoring (i) Exhibit A-1 (JMB-1), which shows UMERC’s January through
7 December 2024 RE reconciliation, and (ii) Exhibit A-2 (JMB-2), which is the UMERC-
8 WEPCo Rate Zone and UMERC-WPSC Rate Zone 2024 RE Annual Reports.

9
10 **Q. Were these exhibits prepared by you or at your direction?**

11 A. Yes, they were.

12
13 **Q. Please describe Exhibit A-1 (JMB-1).**

14 A. Exhibit A-1 (JMB-1) shows the 2023 over-recovery regulatory liability ending balance of
15 \$288,879 as approved in the Commission’s September 5, 2024 Order Approving
16 Settlement Agreement in Case No. U-21554. Exhibit A-1 (JMB-1) also shows the January
17 through December 2024 RE surcharge revenues totaling \$2,250, and reflects renewable
18 energy purchases of \$0 made during this time period. Netting the 2023 year end over-
19 recovery balance of \$288,879, the surcharge revenue of \$2,250, the renewable energy
20 purchases of \$0 and adding the net over-recovery interest of \$14,837, results in the net total
21 RE over-recovery balance of \$305,966 as of December 31, 2023, as shown on Exhibit A-
22 1 (JMB-1).

23

DIRECT TESTIMONY AND EXHIBITS OF
JAMES M. BEYER

1 **Q. Does UMERC plan to change the method for recovering its renewable energy costs**
2 **from electric customers?**

3 A. No, not in this reconciliation.
4

5 **Q. How does UMERC propose to address any remaining regulatory liability balance**
6 **related to the over-recovery of RE costs?**

7 A. UMERC proposes to use the regulatory liability balance related to the over-recovery of RE
8 costs for future purchases of Renewable Energy Credits (“RECs”) needed to meet the
9 Michigan Renewable Portfolio Supply (“RPS”) requirements.
10

11 **Q. Is UMERC banking RECS for future use?**

12 A. Yes.
13

14 **Q. Including incentive credits, how many RECs did UMERC procure in 2024 for its**
15 **retail electric customers?**

16 A. UMERC did not procure any RECs in 2024. The Company had an adequate number of
17 RECs banked to cover the RPS requirements for 2024.
18

19 **Q. At the end of 2024, how many RECs, including incentive credits, does UMERC have**
20 **banked for future compliance?**

21 A. At the end of 2024, UMERC has banked a total of 60,192 RECS for future compliance.
22

23 **Q. Does the RE Annual Report reflect UMERC’s REC portfolio requirements in 2024?**

DIRECT TESTIMONY AND EXHIBITS OF
JAMES M. BEYER

1 A. Yes. The 2024 RE Annual Report, Exhibit A-2 (JMB-2), shows the UMERC-WEPCO
2 Rate Zone and the UMERC-WPS Rate Zone REC portfolio requirements.

3

4 **Q. For 2024 how is RPS compliance for the Mine determined?**

5 A. The RPS requirement associated with Tilden Mining Company (“Tilden” or the “Mine”)
6 is based on the amount of the RE surcharge that is billed to and collected from the Mine.
7 Specifically, UMERC acquires and retires as many RECs as those funds can purchase. In
8 2024, the amount collected from Tilden through the RE surcharge was \$2,250 and UMERC
9 was able to acquire RECs at \$2.00/REC. Therefore, UMERC acquired and retired 1,125
10 RECs to meet RPS compliance for the Mine load. See Exhibit A-1 (JMB-1).

11

12 **Q. What is UMERC requesting the Commission to approve in this RE reconciliation**
13 **filing?**

14 A. UMERC requests that the Commission to approve the reconciliation of its renewable
15 energy plan revenues and expenses.

16

17 **Q. Does this conclude your direct testimony at this time?**

18 A. Yes, it does.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION
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EXHIBIT A-2 (JMB-2)
UPPER MICHIGAN ENERGY RESOURCES
CORPORATION
2024 RENEWABLE ENERGY
ANNUAL REPORT

Renewable Energy Annual Report

Revised February 2025

Electric Provider: UMERC-WEPCO Rate Zone

Reporting Period: Calendar Year 2024

- 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(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 – 349,780

2022 – 346,430

2023 – 331,199

Average – 342,470

15.00% of Average = 51,370

Mines Requirement = 1,125

RECS Total = 52,495

NOTE: These MWh sales values do not include the mine because RPS compliance is accomplished by procuring an amount of RECS equal to the mines RE surcharge – Not the mines load. This approach was approved in Case U-18236.

(B) 15% RPS Portfolio: List the energy credits used for the 15% RPS portfolio voluntary retirement in calendar year 2024. This number should agree with the voluntary retirement listed in the 2024 voluntary retirement subaccount in MIRECS. Take into account any energy waste reduction substitutions and limits on their use.

Total 2024 Compliance Account has a value of 52,495 RECs for 2024 compliance.

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

100%

Renewable Energy Annual Report

Revised February 2025

Electric Provider: UMERC-WPS Rate Zone

Reporting Period: Calendar Year 2024

- 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.

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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 – 270,972
2022 – 232,258
2023 – 200,241
Average – 234,490
15.00% of Average = 35,174

(B) 15% RPS Portfolio: List the energy credits used for the 15% RPS portfolio voluntary retirement in calendar year 2024. This number should agree with the voluntary retirement listed in the 2024 voluntary retirement subaccount in MIRECS. Take into account any energy waste reduction substitutions and limits on their use.

Total 2024 Compliance Account has a value of 35,174 RECs for 2024 compliance.

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

100%

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
PUBLIC SERVICE COMMISSION

ENTRY OF APPEARANCE IN AN ADMINISTRATIVE HEARING

This form is issued as provided for by 1939 PA 3, as amended, and by 1933 PA 254, as amended. The filing of this form, or an acceptable alternative, is necessary to ensure subsequent service of any hearing notices, Commission orders, and related hearing documents.

General Instructions:

Type or print legibly in ink. For assistance or clarification, please contact the Public Service Commission at 517-284-8090.

*Please Note: The Commission will provide **electronic** service of documents to all parties in this proceeding.*

THIS APPEARANCE TO BE ENTERED IN ASSOCIATION WITH THE ADMINISTRATIVE HEARING:

Case / Company Name: _____ Docket No. U-_____

Please enter my appearance in the above-entitled matter on behalf of:

1. (Name)
2. (Name)
3. (Name)
4. (Name)
5. (Name)
6. (Name)
7. (Name)

Name _____

Address _____

City _____ State _____

Zip _____ Phone _____

Email _____

Date _____

Signature: _____

I am not an attorney

I am an attorney whose:

Michigan Bar # is P-_____

_____ Bar # is: _____
(state)