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June 30, 2025

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

Re: U-21831 – *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, 2024.*

Dear Ms. Felice:

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

This is a paperless filing and is therefore being filed only in pdf.

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

Sincerely,

Dykema Gossett PLLC

Theresa A. G. Staley

Enclosure

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) Case No. U-21831
reconciliation proceeding for the 12-month)
period ended December 31, 2024.)

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 and Public Act 235 of 2023, submits this Application requesting that the Michigan Public Service Commission (“Commission”) commence a Renewable Energy Cost Reconciliation proceeding for the period ended December 31, 2024. 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 134,000 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 January 23, 2025, 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, 2024, results in a regulatory liability of \$24,254,316, 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, 2024; 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, for the 2024 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 2024 REC requirement as calculated and based upon I&M's 2023 weather normalized sales of 2,687,342 MWh (net of Choice Customer sales), multiplied by the Renewable Energy Credit Portfolio standard of at least 15%, for a total 2024 retail REC compliance of 403,101.

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 2024 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 Plan Cost Reconciliation proceeding for the period ended December 31, 2024.
- 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 403,101 RECs as the Company's 2023 Renewable Energy Credit Portfolio Standard requirement set forth in 2008 PA 295, as amended.

- E. Find that I&M is in compliance with the renewable energy standard requirements set forth in 2008 PA 295, as amended, for the 2024 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, 2024, resulting in a regulatory liability, including carrying charges, of \$24,254,316.
- 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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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, 2024.

Case No. U-21831

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-21831

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
10 in 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
15 of KPMG, LLP. I was employed at KPMG from August 1998 to July 2001, as
16 senior auditor and senior tax specialist performing financial statement audits and
17 preparing federal and state tax returns for individuals and corporations.
18 From July 2001 to June 2004, I was employed by Overland Consulting, Inc.,
19 in Overland Park, Kansas, as a senior consultant performing audits of utility
20 Federal Energy Regulatory Commission financial statements as part of general
21 rate case reviews before the California Public Utilities Commission. From June

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

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

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

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

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

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

20 A. Yes. I have submitted testimony on behalf of I&M before the Michigan Public
21 Service Commission (“MPSC” or the “Commission”). Appendix A provides a
22 complete list of regulatory proceedings I have participated in as a witness before

1 the Commission.

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

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

7 A. I support the Company's request to reconcile I&M's 2024 Renewable Energy
8 Plan ("REP") revenues in accordance with the renewable energy standards set
9 forth in 2008 PA 295 ("PA 295"), as amended, and discuss I&M's compliance
10 with the renewable energy standards in 2024. In support of I&M's reconciliation
11 filing, I calculated the cumulative over/under balance as of December 31, 2024,
12 and associated monthly carrying costs resulting from the net differences
13 between cumulative revenue and costs. I also discuss the Company's request
14 to maintain its current Renewable Energy Surcharge ("RE Surcharge") rates.

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

16 A. I sponsor the following exhibits:

- 17 • Exhibit IM-1 (BSO-1): I&M's 2024 Renewable Compliance Calculation;
- 18 • Exhibit IM-2 (BSO-2): 2024 REP Reconciliation (Confidential and
19 Public);
- 20 • Exhibit IM-3 (BSO-3): 2024 Michigan Retail Allocation of Actual CESPP
21 Costs;
- 22 • Exhibit IM-4 (BSO-4): 2024 Michigan Retail Allocation of Actual St.
23 Joseph Solar Farm ("SJSF") Costs; and
- 24 • Exhibit IM-5 (BSO-5): I&M's Renewable Energy Annual Report.

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

2 A. Yes.

3 **Q. Please summarize the renewable generation resources on which I&M**
4 **relied to comply with the renewable energy standards in 2024.**

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

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

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

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

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

2 A. The Company's Incremental Cost of Compliance ("ICC") is the actual cost
3 incurred to comply with I&M's Commission-approved REP that are not
4 recovered through I&M's Power Supply Cost Recovery factors or base rates,
5 consistent with MCL § 460.1047 . During the REP Reconciliation period ended
6 December 31, 2024, I&M recovered ICC associated with the Michigan retail
7 allocation of the CESPP, SJSF, Wildcat I REPA, and the Wildcat RECs
8 transferred from I&M's Indiana retail jurisdiction through relief of the cumulative
9 regulatory liability balance.

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 2024?**

19 A. Yes. PA 295, as amended, requires a 15.0% compliance level for 2024 through
20 2029. As shown in Exhibits IM-1 (BSO-1) and IM-5 (BSO-5), I&M obtained over
21 403,101 RECs, which is 15.0% of I&M's weather normalized retail sales for 2023

1 of 2,687,342 MWh (Net of Choice Customer Sales).¹

2 **Q. Did I&M provide for the 2024 compliance requirements for its**
3 **wholesale customers?**

4 A. Yes. As shown on Exhibit IM-5 (BSO-5), I&M transferred a total of 8,155 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 8,155 RECs for the 2024
8 compliance period based on information provided by the City of Dowagiac
9 to 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, Net REC
14 Revenue, and Voluntary Green Pricing (VGP) program revenues received and
15 total actual cost of compliance during the period January 2024 through
16 December 2024. As shown on Exhibit IM-2 (BSO-2), the ICC subject to recovery
17 and reconciliation through the RE Surcharge includes:

- 18
- 19 • Michigan retail allocation of the actual Wildcat Wind REPA cost;
 - 20 • Michigan retail allocation of the actual CESPP costs;
 - Michigan retail allocation of the actual SJSF costs;

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 • Actual cost of Wildcat RECs transferred from I&M's Indiana retail
2 jurisdiction;
- 3 • Less the Wildcat, CESPP, and SJSF transfer price revenue recovered
4 and reconciled through the PSCR; and
- 5 • Monthly carrying costs.

6 **Q. Why is there only one month of VGP revenue reported on Exhibit IM-2**
7 **(BSO-2)?**

8 A. In its December 21, 2023, Order in Case No. U-18353, the Commission
9 approved the Company's proposal to pass all VGP revenue through the PSCR
10 mechanism. The new implemented VGP rates from Case No. U-18353 took
11 effect in the first billing cycle of February 2024. As a result, beginning in
12 February 2024 VGP revenue was no longer a component of the REP ICC.

13 **Q. How is the Michigan retail allocation of the actual CESPP**
14 **costs determined?**

15 A. The total Company monthly costs included on Exhibit IM-3 (BSO-3) are
16 allocated by applying the Commission-authorized Michigan jurisdictional
17 allocation factor approved in I&M's last two base rate cases, Case U-20359
18 (prior to July 15, 2024) and Case U-21461 (on and after July 15, 2024). For the
19 2024 reconciliation period, the monthly cost includes the Michigan allocation of
20 the CESPP's pre-tax return on investment, depreciation expense, property tax
21 expense, investment tax credit amortization expense, operation and
22 maintenance expense, and 100% of the Michigan RECs registry fees.

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

24 A. The total Company monthly costs included on Exhibit IM-4 (BSO-4) are

1 allocated by applying the Commission-authorized Michigan jurisdictional
2 allocation factor approved in I&M's last two base rate cases, Case U-20359
3 (prior to July 15, 2024) and Case U-21461 (on and after July 15, 2024). For the
4 2024 reconciliation period, the monthly cost includes the Michigan allocation of
5 the SJSF's pre-tax return on investment, depreciation expense, property tax
6 expense, investment tax credit amortization expense, and operation and
7 maintenance expense.

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

9 A. The average short-term debt rate was applied to the monthly cumulative
10 over-recovered balances (regulatory liability) that occurred during the
11 reconciliation period. There were no monthly cumulative under-recovered
12 balances during the reconciliation period.

13 **Q. What is I&M's total cumulative over/under recovery position as of**
14 **December 31, 2024?**

15 A. As shown in Exhibit IM-2 (BSO-2), the total cumulative balance as of
16 December 31, 2024, is a regulatory liability of \$24,254,316, including
17 carrying costs.

18 **Q. Please explain I&M's over-recovery balance as of December 31, 2024.**

19 A. The over-recovery balance is a function of I&M's beginning balance, 2024 RE
20 Surcharge, REC revenues, and VGP revenues in excess of ICC, and associated
21 over-recovery carrying charges.

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

2 A. Exhibit IM-5 (BSO-5) is the Renewable Energy Annual Report (“Report”),
3 consistent with MCL § 460.1051. The report demonstrates I&M’s 2024
4 Renewable Energy Credit Portfolio compliance at 15.0% of total I&M 2023
5 weather normal retail sales (net of Customer Choice), as applicable. The Report
6 sets forth the actions taken by I&M in 2024 to comply with the renewable energy
7 standards prescribed in PA 295, as amended, and details RECs generated and
8 used for compliance from designated wind Purchase Power Agreements
9 (PPAs), CESPP, SJSF, Market Purchased RECs, and existing hydro generation
10 resources. I&M used vintage RECs (e.g., pre-compliance year RECs) for 2024
11 compliance, which originated from both renewable energy generated and
12 allocated to I&M’s Michigan jurisdiction in prior years, consistent with terms
13 prescribed in PA 295 for REC shelf-life. I&M also transferred vintage RECs to
14 I&M’s Michigan jurisdiction from the Indiana Jurisdictional share of the Wildcat
15 Wind I REPA RECs according to the same shelf-life provision for compliance.

16 **Q. Did I&M retire any voluntary Michigan RECs, Advanced Clean Energy**
17 **Credits, or Energy Optimization credits during 2024?**

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

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

21 A. No. I&M recommends continuing the current effective surcharge factors set at
22 \$0.00 for all rate classes, as approved by the Commission in Case No. U-21199

1 Order.

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

3 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)
- 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)
- Case No. U-21551 (Renewable Energy and Cost Reconciliation)
- Case No. U-21843 (Amended Renewable Energy Plan)
- Case No. U-21841 (2023 – 2024 Load Management Reconciliation)
- Case No. U-21673 (Energy Waste Reduction Reconciliation)

**Indiana Michigan Power Company
2024 REP Reconciliation
2024 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	2,967,634	280,292	2,687,342	54,367	2,741,709
2024 Renewable Energy Credit Portfolio Standard	15.0%		15.0%	15.0%	15.0%
2024 Compliance Requirement	<u>445,145</u>		<u>403,101</u>	<u>8,155</u>	<u>411,256</u>
Method	Note 1	Note 1	Note 1	Note 2	

Note 1: 2023 Weather Normalized Sales

Note 2: Three-year average sales

Indiana Michigan Power Company
2024 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 (\$)
2023 Ending Over/(Under) Balance																			\$ 26,515,675
Jan-24	\$ 18,153	\$ (0)	\$ 307,500	\$ 325,653										\$ 401,956	\$ (76,303)	0.4802%	0.6201%	\$ 127,132	26,566,504
Feb-24	-	-	(350,000)	(350,000)										704,256	(1,054,256)	0.4756%	0.6201%	123,854	25,636,102
Mar-24	-	-	57,420	57,420										846,961	(789,541)	0.4738%	0.6201%	119,604	24,966,164
Apr-24	-	-	-	-										666,137	(666,137)	0.4738%	0.6201%	116,714	24,416,742
May-24	-	-	-	-										365,892	(365,892)	0.4617%	0.6201%	111,877	24,162,726
Jun-24	-	-	-	-										403,613	(403,613)	0.4647%	0.6201%	111,356	23,870,470
Jul-24	-	-	(130,000)	(130,000)										175,592	(305,592)	0.4671%	0.6201%	110,793	23,675,671
Aug-24	-	-	2,205,000	2,205,000										201,931	2,003,069	0.4456%	0.6201%	109,966	25,788,706
Sep-24	-	-	-	-										285,654	(285,654)	0.4550%	0.6201%	116,691	25,619,743
Oct-24	-	-	-	-										438,896	(438,896)	0.4257%	0.6201%	108,129	25,288,976
Nov-24	-	-	-	-										653,778	(653,778)	0.4096%	0.6201%	102,253	24,737,452
Dec-24	-	-	-	-										580,726	(580,726)	0.3992%	0.6201%	97,591	24,254,316
	\$ 18,153	\$ (0)	\$ 2,089,920	\$ 2,108,073										\$ 5,725,391	\$ (3,617,318)			\$ 1,355,960	

Indiana Michigan Power Company
2024 REP Reconciliation
Michigan Retail Allocation of Actual CESPP Costs

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
I&M Total Company CESPP Rate Base													
Electric Plant-In-Service	37,521,769	37,532,401	37,533,568	37,533,568	37,537,688	37,539,960	37,638,135	37,654,284	37,678,328	37,680,295	37,680,948	37,682,153	37,683,416
Accumulated Depreciation	(14,223,727)	(14,389,135)	(14,554,590)	(14,720,051)	(14,885,511)	(15,050,990)	(15,216,479)	(15,445,788)	(15,666,151)	(15,834,489)	(16,002,837)	(16,171,187)	(16,339,543)
Net I&M Total Company CESPP Rate Base	23,298,042	23,143,266	22,978,978	22,813,517	22,652,177	22,488,970	22,421,656	22,208,496	22,012,178	21,845,806	21,678,111	21,510,966	21,343,873
Michigan Monthly Auth ROR per Case Nos. U-20359 and U-21461		0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6161%	0.6128%	0.6128%	0.6128%	0.6128%	0.6128%
Michigan Pre-Tax Return on CESPP Rate Base		143,510	142,491	141,465	140,465	139,453	139,035	136,822	134,886	133,866	132,838	131,814	130,790
Michigan CESPP Revenue Requirement													
Michigan Pre-Tax Return on CESPP Rate Base		143,510	142,491	141,465	140,465	139,453	139,035	136,822	134,886	133,866	132,838	131,814	130,790
I&M Total Company Depreciation Expense (Composite Rate per Case Nos. U-20359 and U-21461)		165,408	165,455	165,460	165,460	165,479	165,489	167,824	168,793	168,339	168,347	168,350	168,356
Property Taxes		11,809	11,809	11,809	11,809	11,809	11,809	11,809	11,809	11,809	11,809	11,809	11,809
Investment Tax Credit - Amort Expense		(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(75,863)	(76,169)	(76,423)	(76,423)	(76,423)	(76,423)	(76,423)
Total Company O&M Expense		(16,427)	57,370	23,540	48,661	42,910	32,535	65,009	34,009	35,028	38,198	26,395	23,996
Total Return on Rate Base and Authorized Expenses Before Registry Fees		228,438	301,262	266,412	290,533	283,788	273,005	305,295	273,072	272,618	274,769	261,944	258,528
Michigan Jurisdictional Factor per Case Nos. U-20359 and U-21461		0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1468167	0.1463281	0.1463281	0.1463281	0.1463281	0.1463281
Total Michigan Jurisdictional CESPP Revenue Requirement Before Registry Fees		33,674	44,409	39,272	42,827	41,833	40,244	44,822	39,958	39,892	40,206	38,330	37,830
Plus 100% of MI RECs Registry Fees and Broker Fees		52,130	-	-	-	23,550	-	1,110	-	-	-	-	-
Total Michigan Jurisdictional - CESPP Revenue Requirement		85,804	44,409	39,272	42,827	65,383	40,244	45,932	39,958	39,892	40,206	38,330	37,830
2024 Transfer Price Schedule Case No. U-15800 (\$/MWh)	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72	\$ 84.72
2024 Solar Output for Total Plant (MWh)	369	1,708	1,960	2,340	2,845	2,698	2,696	2,313	2,282	2,241	890	586	
Total Company PSCR Cost Recover Transfer	\$ 31,274	\$ 144,670	\$ 166,054	\$ 198,260	\$ 241,038	\$ 228,567	\$ 228,397	\$ 195,932	\$ 193,308	\$ 189,881	\$ 75,384	\$ 49,627	
Michigan Jurisdictional Factor per Case Nos. U-20359 and U-21461	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1468167	0.1463281	0.1463281	0.1463281	0.1463281	0.1463281	0.1463281
Michigan Jurisdictional PSCR Transfer Cost	\$ 4,610	\$ 21,326	\$ 24,478	\$ 29,226	\$ 35,531	\$ 33,693	\$ 33,532	\$ 28,670	\$ 28,286	\$ 27,785	\$ 11,031	\$ 7,262	

Indiana Michigan Power Company
2024 REP Reconciliation
Michigan Retail Allocation of Actual SJSF Costs

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
I&M Total Company SJSF Rate Base													
Electric Plant-In-Service	32,939,898	32,939,898	32,981,528	33,131,136	33,131,136	33,131,136	33,131,136	33,131,136	33,131,136	33,131,136	33,131,136	33,131,136	33,131,136
EPIS Accumulated Depreciation	(2,933,612)	(3,025,112)	(3,116,611)	(3,208,227)	(3,300,258)	(3,392,289)	(3,484,319)	(3,592,090)	(3,698,769)	(3,793,139)	(3,887,510)	(3,981,881)	(4,076,251)
IT Plant	354,506	354,506	354,506	354,506	354,506	354,506	354,506	354,506	354,506	354,506	354,506	354,506	354,506
IT Accumulated Amortization	(192,167)	(198,076)	(203,984)	(209,893)	(215,801)	(221,710)	(227,618)	(234,470)	(241,181)	(247,089)	(252,998)	(258,906)	(264,815)
Net I&M Total Company SJSF Rate Base	30,168,624	30,071,216	30,015,439	30,067,523	29,969,584	29,871,644	29,773,705	29,659,083	29,545,693	29,445,414	29,345,134	29,244,855	29,144,576
Michigan Monthly Auth ROR per Case Nos. U-20359 and U-21461		0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6201%	0.6161%	0.6128%	0.6128%	0.6128%	0.6128%	0.6128%
Michigan Pre-Tax Return on SJSF Rate Base		186,470	186,124	186,447	185,839	185,232	184,625	182,724	181,049	180,435	179,820	179,206	178,591
Michigan SJSF Revenue Requirement													
Michigan Pre-Tax Return on SJSF Rate Base		186,470	186,124	186,447	185,839	185,232	184,625	182,724	181,049	180,435	179,820	179,206	178,591
I&M Total Company EPIS Depreciation Expense (Composite Rate per Case Nos. U-20359 and U-21461)		91,500	91,500	91,615	92,031	92,031	92,031	93,691	94,686	94,371	94,371	94,371	94,371
I&M Total Company IT Amortization Expense		5,908	5,908	5,908	5,908	5,908	5,908	5,932	5,928	5,908	5,908	5,908	5,908
Property Taxes		13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866	13,866
Investment Tax Credit - Amort Expense		(28,196)	(28,196)	(28,196)	(28,196)	(28,196)	(28,196)	(28,310)	(28,404)	(28,404)	(28,404)	(28,404)	(28,404)
Total Company O&M Expense		-	-	-	-	-	-	-	-	-	-	-	-
Total Return on Rate Base and Authorized Expenses		269,547	269,202	269,640	269,448	268,841	268,234	267,903	267,124	266,175	265,560	264,946	264,331
Michigan Jurisdictional Factor per Case Nos. U-20359 and U-21461		0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1468167	0.1463281	0.1463281	0.1463281	0.1463281	0.1463281
Total Michigan Jurisdictional SJSF Revenue Requirement		39,734	39,683	39,748	39,719	39,630	39,540	39,333	39,088	38,949	38,859	38,769	38,679
2024 Transfer Price Schedule Case No. U-15800 (\$/MWh)	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64	\$ 63.64
2024 Solar Output for Total Plant (MWh)	838	2,523	2,415	3,603	5,146	4,858	4,867	4,774	3,837	3,307	1,089	739	
Total Company PSCR Cost Recover Transfer	\$ 53,358	\$ 160,581	\$ 153,677	\$ 229,316	\$ 327,489	\$ 309,136	\$ 309,714	\$ 303,826	\$ 244,175	\$ 210,428	\$ 69,330	\$ 46,999	
Michigan Jurisdictional Factor per Case Nos. U-20359 and U-21461	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1474099	0.1468167	0.1463281	0.1463281	0.1463281	0.1463281	0.1463281	0.1463281
Michigan Jurisdictional PSCR Transfer Cost	\$ 7,865	\$ 23,671	\$ 22,653	\$ 33,804	\$ 48,275	\$ 45,570	\$ 45,471	\$ 44,458	\$ 35,730	\$ 30,791	\$ 10,145	\$ 6,877	

Indiana Michigan Power Company
Renewable Energy Annual Report
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Case No. U-21831

Electric Provider: Indiana Michigan Power Company

Reporting Period: Calendar Year 2024

- 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
Case U-21551 – REP Reconciliation

b. Summary of actions taken during reporting period

Transferred vintage RECs from PJM GATS to MIRECs for 2024 compliance. Transferred RECs from I&M MIRECs account to I&M Wholesale customer accounts for wholesale customer 2024 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	13,527	0	13,527
Built, Co. Owned (post PA 295)	8,720	18,648	27,368
Contracted (credits only)	155,104	0	155,104
Contracted (energy and credits)	230,832	0	230,832
Market Purchases	160,000	0	160,000
Total Credits acquired	568,182	18,648	586,830

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	93,467	0	93,467 City of Dowagiac = 8,155 Market Sales = 85,312 2023 Compliance Year
Expired (not in compliance sub-account)	0	0	NA
Moved to compliance sub-account ¹	403,101	0	2024 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
2024 = 302,727	2024 = 26,877	2024 = 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)	8,720 + 18,648 Incentive	8,720
Contracted (credits only)	0	0
Contracted (energy and credits)	0	0
Total Credits acquired	27,368	8,720

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

Indiana Michigan Power Company
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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	4,715	100
Buchanan – Buchanan 1	RES	4.1	2,181	100
Constantine – Constantine 1	RES	1.2	503	100
Elkhart – Elkhart - 1	RES	3.44	1,862	100
Mottville – Mottville 1	RES	1.68	984	100
Twin Branch – Twin Branch 1	RES	4.8	3,281	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	30,015	0	14.32%-System Load
Fowler Ridge Phase 2	RES	18,935	0	14.32%-System Load
Headwaters Wind Farm	RES	88,413	0	14.32% - System Load
Wildcat Wind	RES	199,621	0	14.32% - System Load
		336,985 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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 Renewable Energy Annual Report
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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 2024	Total ICC for 2024
\$3,191,015	\$5,725,391

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

Capital Expenditures for 2024
\$352,886

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 2025-2029	Forecast of the ICC for the remaining plan period (2025-2029)
\$50,839,303	\$18,111,497

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 2021-2023 retail sales or the 2023 weather normalized retail sales.

2023 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).

2,687,342 MWh (Net of Choice Customer Sales)

(B) Inventory: List the number of non-expired energy credits available after submittal of the 2024 MIRECS compliance report. These energy credits may have 2020, 2021, 2022, and 2023 vintages. Do not include credits within the 2024 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.

918,053

(C) 2024 Renewable Energy: List the number of energy credits with a 2024 vintage. Include 2024 vintage energy credits used for compliance in 2024 as well as those 2024 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 2024 vintage.

List credits from energy generated during 2024 (C)

426,890

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

Estimated Renewable Energy Percentage based on 2024 vintage energy credits (C divided by A)

15.86%

(D) 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 optimization or advanced cleaner energy credit substitutions and limits on their use.

403,101

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 2024 generation are included?

Not Applicable.

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).

I&M 2024 weather normalized sales = 2,687,342 MWh (Net of Choice Customer Sales)