

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
INDIANA MICHIGAN POWER COMPANY)	
for approval of its integrated resource plan)	Case No. U-21189
under MCL 460.6t, avoided costs)	
and for other relief.)	
_____)	

At the October 10, 2024 meeting of the Michigan Public Service Commission in Escanaba, Michigan.

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

ORDER

Background

On July 12, 2024, Indiana Michigan Power Company (I&M) filed an application in this case (July 12 application), with supporting testimony and exhibits, requesting *ex parte* approval of its amended Elkhart County Solar Power Purchase Agreement (PPA), the Hoosier Line Solar Project PPA, the Meadow Lake Wind Project PPA, and the Lawrenceburg Capacity Only Purchase Agreement (CPA) (collectively referred to as the projects).

On February 28, 2022, the company filed its multistate 2021 integrated resource plan (IRP) in Michigan under MCL 460.6t in this case. On March 23, 2022, a protective order was approved for use in this case. Subsequently, on November 14, 2022, I&M, the Commission Staff (Staff), and the Association of Businesses Advocating Tariff Equity filed a settlement agreement with Energy

Michigan indicating its non-objection to the settlement. This settlement agreement was contested by several intervening parties. On February 2, 2023, the Commission issued an order in this case (February 2 order) approving the contested settlement agreement for I&M's IRP. *See*, February 2 order, p. 103.

The contested settlement agreement, as approved by the February 2 order, provides that I&M will submit *ex parte* applications in this docket seeking approval of costs associated with specific resources for all projects less than 225 megawatts (MW). *See*, February 2 order, Exhibit A, p. 6. The contested settlement agreement also allows for the recovery of reasonable and prudent costs for resources approved in such *ex parte* proceedings, in accordance with MCL 460.6t for cost recovery of resources smaller than 225 MW, for which construction commences within three years of the date of the February 2 order, and that result from a competitive solicitation that complies with the Commission's Competitive Procurement Guidelines. *Id.*

Application

In the July 12 application, I&M states that, in accordance with the contested settlement agreement approved in the February 2 order, it implemented a competitive solicitation in the form of an open, non-discriminatory, all source request for proposals (RFP) in 2023 utilizing an Independent Monitor (IM), Charles Rivers Associates, Inc. (CRA). July 12 application, pp. 3-4. The company states that the RFP was issued on March 31, 2023, which targeted approximately 800 MW of nameplate-rated wind energy resources, 850 MW of nameplate-rated solar resources, 315 MW of nameplate-rated energy storage resources, and 540 MW of gas generation resources. *Id.*, pp. 4-5. The RFP was open to PPA and purchase and sale agreement (PSA) proposals located in Indiana or Michigan, with bids for wind from Ohio and Illinois also accepted.

I&M received 90 proposals from 20 unique bidders. July 12 application, Exhibit IM-1, p. 17. The company and the IM assessed proposals based on economic and non-price criteria, with the former accounting for 60% and the latter accounting for 40% of the overall score. *Id.*, pp. 20-21. Bidders were given the opportunity to cure non-conforming proposals by providing additional requested information. *Id.*, p. 21. I&M conducted a detailed analysis of the proposals and furnished points based on several dozen criteria and updated the non-price evaluation where necessary based on the IM's recommendations to ensure consistency in the evaluation. The IM also evaluated the financial model underpinning the economic evaluation and found the scoring reasonable. *Id.*, pp. 20-21.

I&M explains in the July 12 application that it has entered into four transactions that are before the Commission in this case: an amended PPA for the Elkhart County Solar Project,¹ which is a 30-year amended PPA; a new PPA for the Hoosier Line Solar Project, which is a 30-year PPA; a new PPA for the Meadow Lake Wind Project, which is a 20-year PPA; and a new CPA for the existing Lawrenceburg Generation Station, which has a 6-year term. July 12 application, p. 5. The Elkhart County Solar Project is a 100 MW solar generation project, the Hoosier Line Solar Project is a 180 MW solar generation project, the Meadow Lake Wind Project is a 100 MW wind facility project, and the Lawrenceburg Capacity Only Contract is a Michigan-specific capacity only contract for 143 MW of fixed accredited Unforced Capacity. July 12 application, pp. 5-7. I&M asserts that the PPA and CPA terms are based on the company's Commission-approved IRP, including the type and amount of resource, operational characteristics, and cost. *Id.* The July 12 application seeks Commission approval of the PPAs and the CPA and

¹ The Elkhart County Solar Project PPA was previously approved by the Commission in the August 30, 2023 order in this case.

“approval to establish a regulatory asset and authority to recover the Project development costs through the Company’s PSCR [power supply cost recovery] Clause and Factors over a period of two years.” *Id.*, p. 9.

Discussion

The Commission has reviewed I&M’s application, supporting testimony, and exhibits. The Commission also notes that the Commission Staff conducted an in-person audit of the RFP materials on August 22, 2024. The Commission finds that it is reasonable to conclude that the amended Elkhart County Solar Power PPA, the Hoosier Line Solar PPA, the Meadow Lake Wind PPA, and the Lawrenceburg CPA should be approved as filed. The Commission further finds that *ex parte* review and approval are appropriate as approval will not affect rates or rate schedules and will not increase the cost of service to customers. *See*, MCL 460.6a(3).

THEREFORE, IT IS ORDERED that:

A. Indiana Michigan Power Company’s request for approval of the amended Elkhart County Solar power purchase agreement, the Hoosier Line Solar power purchase agreement, the Meadow Lake Wind power purchase agreement, and the Lawrenceburg capacity only purchase agreement are approved, as specifically described in this order.

B. Indiana Michigan Power Company’s request to establish a regulatory asset is approved. The Commission grants Indiana Michigan Power Company the authority to recover the development costs for the projects through its power supply cost recovery clause and factors over a period of two years.

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

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheac1@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

By its action of October 10, 2024.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

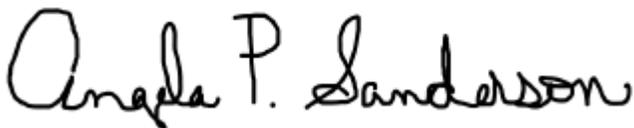
Case No. U-21189

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on October 10, 2024 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 10th day of October 2024.



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

Service List for Case: U-21189

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