

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,	)	
regarding the regulatory review, revisions,	)	
determinations, and/or approvals necessary for	)	Case No. U-21846
ALPENA POWER COMPANY to fully comply with	)	
Public Act 295 of 2008, as amended.	)	
_____	)	

At the August 7, 2025 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

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

ORDER APPROVING SETTLEMENT AGREEMENT

On January 17, 2025, Alpena Power Company (Alpena) filed an application in this docket, with supporting testimony and exhibits, requesting approval of Alpena's amended renewable energy plan (REP), pursuant to Public Act 295 of 2008, as amended by Public Act 235 of 2023, MCL 460.1001 *et seq.*, and the Commission's February 8, 2024 order in Case No. U-21568.

A prehearing conference was held on March 12, 2025, before Administrative Law Judge Christopher S. Saunders (ALJ), at which the ALJ recognized the intervention of the Michigan Department of Attorney General and granted intervention to the Citizens Utility Board of Michigan. Alpena and the Commission Staff also participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission

further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that the settlement agreement, attached to this order as Exhibit A, is approved.

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 sheacl@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

I abstain.

Shaquila Myers, Commissioner

By its action of August 7, 2025.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary	)	Case No. U-21846
for ALPENA POWER COMPANY to fully comply	)	
with Public Act 295 of 2008, as amended.	)	(e-file paperless)
_____	)	

SETTLEMENT AGREEMENT

Alpena Power Company ("Alpena"), by and through its attorney, Timothy M. Gulden; the Michigan Public Service Commission Staff ("Staff"), by and through its attorneys, Assistant Attorney General Michael J. Orris and Assistant Attorney General Alena Clark; Michigan Attorney General Dana Nessel ("Michigan Attorney General"), by and through Assistant Attorney General Michael Moody and attorney Christopher M. Bzdok; and Citizens Utility Board of Michigan ("CUB"), by and through its attorney, Holly L. Hillyer, hereby present the following settlement agreement in resolution of the above matter.

1. On January 17, 2025, Alpena filed an application pursuant to 2008 PA 295 ("Act 295"), as amended by 2023 PA 235 ("Act 235"), with supporting testimony and exhibits, for approval of an amendment to Alpena's Renewable Energy Plan ("REP"). MCL 460.1022(3) requires electric providers to file with the Commission their respective amended REP within one year of the effective date of Act 235. On February 8, 2024, the Commission issued an order in

Case No. U-21568, directing Alpena to file its amended REP no later than January 17, 2025. MCL 460.1022(3) requires the Commission to issue a final order in amended REP proceedings within 300 days after the date of filing with the Commission.

2. Alpena noted in its Application that it has developed an Amended REP that runs through 2045 and is consistent with Act 295, as amended by Act 235. Alpena's REP includes the following: (1) How Alpena will address Renewable Energy Credit Portfolio Standard ("RPS") targets consistent with MCL 460.1028; (2) How the Amended REP aligns with Alpena's 2024 Integrated Resource Plan ("IRP") amendment approved by the Commission in Case No. U-20300; (3) How the REC portfolio will be calculated pursuant to MCL 460.1028; (4) The expected incremental cost of compliance for a 20-year period consistent with MCL 460.1045; (5) The including of a financial compensation mechanism on contracted renewable energy resource in accordance with MCL 460.1047; (6) The bidding process to be used by Alpena pursuant to MCL 460.1028(6); and (7) Considerations regarding the inclusion of a revenue recovery mechanism for the recovery of incremental costs of compliance provided for in MCL 460.1045.

3. Alpena also noted in its Application that, to meet the requirements of Act 295, as amended by Act 235, Alpena is seeking approval of certain modifications to its REP previously approved by the Commission in Case No. U-21140, as follows: (1) Additional REC purchases, with associated energy and capacity, procured through a competitive bidding process, to maintain 15% RPS through 2029, 50% REC compliance through 2034, and 60% REC compliance in 2035 and beyond; (2) Updated sales forecast and customer count projections through 2045 for compliance with the renewable energy standard in Act 235, Section 28; (3) Adoption of megawatt hours of

electricity used in the calculation is based on the average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to full-service retail customers in the state; (4) Forecasted megawatt hour outflow from distributed generation customers through 2045; (5) Adoption that RECs from distributed generation outflow are not utilized towards compliance with the standard; and (6) Forecasted megawatt hours attributable to the voluntary green pricing program through 2045.

4. On February 7, 2025, the Commission issued its notice of hearing setting this matter for a prehearing conference on March 12, 2025. Pursuant to the Commission's directive, Alpena mailed a copy of the notice of hearing to all cities, incorporated villages, townships, and counties in its service area, and published the substance of the notice in a daily newspaper of general circulation within its service area.

5. Assistant Attorney General Michael J. Orris and Assistant Attorney General Alena Clark (on behalf of Staff); attorney Christopher M. Bzdok (on behalf of the Michigan Attorney General); attorney Holly L. Hillyer (on behalf of CUB); and attorney Timothy M. Gulden (on behalf of Alpena), participated by video/teleconferencing in the March 12, 2025, prehearing conference conducted by Administrative Law Judge Christopher Saunders, who reviewed the status of the case and created a case schedule.

6. Subsequently, the parties participated in settlement discussions and agree as follows:

A. Alpena's Amended REP and the assumptions therein are reasonable and prudent, and they meet all applicable requirements of Act 295, as amended by Act 235, and the

Commission's orders in Case No. U-21568.

B. The Commission should approve Alpena's calculated incremental cost of compliance as consistent with Act 295, as amended by Act 235, the Commission's orders in Case No. U-21568, and all other applicable law.

C. The Commission should approve Alpena's plan for a revenue recovery mechanism under Section 22 of Act 235, MCL 460.1022(2), for inclusion in Alpena's tariffs to permit recovery of the incremental cost of compliance required to implement the Amended Renewable Energy Plan as consistent with Act 295, as amended by Act 235, the Commission's orders in Case No. U-21568, and all other applicable law.

D. The Commission should approve the necessary accounting and regulatory authority to effectuate Alpena's Amended REP.

E. The Commission should approve additional REC purchases by Alpena, with associated energy and capacity, procured through a competitive bidding process, to maintain 15% RPS through 2029, 50% REC compliance through 2034, and 60% REC compliance in 2035 and beyond.

F. The parties agree that approval of this settlement agreement by the Commission would be reasonable and in the public interest; this agreement is intended for final disposition of this proceeding; and the parties join in respectfully requesting the Commission to grant prompt approval of this agreement.

G. This settlement agreement will become binding upon the parties only if the Commission accepts and approves the same without modification. If the Commission does not

approve this agreement without modification, this agreement shall be withdrawn and shall not constitute any part of the record in the proceeding or be used for any purpose whatsoever.

H. This settlement agreement has been made for the sole and express purpose of reaching a compromise that prompts administrative efficiency and is without prejudice to the rights of the parties to take new or different positions in other proceedings. All offers of settlement and discussions relating to this agreement shall be considered privileged under MRE 408. If the Commission approves this agreement without modification, the parties shall make no reference to or use of this agreement or the order approving it as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceedings; provided, however, such references or use may be made to enforce this agreement and the order.

I. All parties waive Section 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281.

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

By:  2025.07.03 15:46:31 -04'00'
Michael J. Orris (P51232)
Assistant Attorney General

By:  2025.07.03 15:47:21 -04'00'
Alena Clark (P73252)
Assistant Attorney General

MICHIGAN ATTORNEY GENERAL

Michael E.
By: **Moody**
Michael Moody (P51985)
Assistant Attorney General

Digitally signed by Michael E. Moody
Date: 2025.07.03 16:39:21 -04'00'

Christopher M
By: **Bzdok**
Christopher M. Bzdok (P-53094)

Digitally signed by Christopher M Bzdok
Date: 2025.07.03 16:59:54 -04'00'

CITIZENS UTILITY BOARD OF MICHIGAN


By: _____
Holly L. Hillyer (P85318)
Its: Attorney

Digitally signed by Holly Hillyer
Date: 2025.07.09 10:42:07 -04'00'

ALPENA POWER COMPANY

Timothy
By: **M. Gulden**
Timothy M. Gulden (P41232)
Its: Attorney

Digitally signed by Timothy M. Gulden
DN: cn=Timothy M. Gulden, o=Bauer, Florip & Wojda PLC, ou, email=tmgulden@bfwlawfirm.com, c=US
Date: 2025.07.09 10:57:33 -04'00'

PROOF OF SERVICE

STATE OF MICHIGAN)

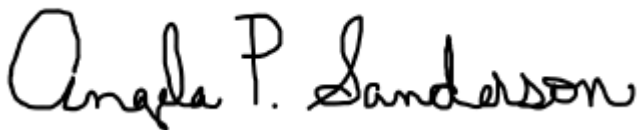
Case No. U-21846

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on August 7, 2025 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 7th day of August 2025.



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

Service List for Case: U-21846

Name	On Behalf Of	Email Address
Alena M. Clark	MPSC Staff	clarka55@michigan.gov
Alpena Power Company	Alpena Power Company	kd@alpenapower.com
Christopher M. Bzdok	Department of Attorney General	chris@tropospherelegal.com
Christopher M. Bzdok	Citizens Utility Board of Michigan	chris@tropospherelegal.com
Christopher S. Saunders	ALJs - MPSC	saundersc4@michigan.gov
Holly L. Hillyer	Citizens Utility Board of Michigan	holly@tropospherelegal.com
Michael E. Moody	Department of Attorney General	moodym2@michigan.gov
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Timothy M. Gulden	Alpena Power Company	tmgulden@bfwlawfirm.com