

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 for	)	Case No. U-21675
UPPER PENINSULA POWER COMPANY to fully	)	
comply with Public Act 295 of 2008, as amended.	)	
_____	)	

At the August 21, 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 March 31, 2025, Upper Peninsula Power Company (UPPCo) filed an application, with supporting testimony and exhibits, requesting authority to reconcile its energy waste reduction plan revenues and costs for the 12-month period ended December 31, 2024.

A prehearing conference was held on May 6, 2025, before Administrative Law Judge Sally L. Wallace. UPPCo and the Commission Staff 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:

A. The settlement agreement, attached as Exhibit A, is approved and the revised energy waste reduction surcharges set forth in Attachment 1 to the settlement agreement will take effect with the first billing month immediately following the issuance of this order.

B. Within 30 days of the date of this order, Upper Peninsula Power Company shall file with the Commission a tariff sheet substantially similar to Attachment 1 to the settlement agreement. After the tariff sheet has been reviewed and accepted by the Commission Staff for inclusion in the company's tariff books, Upper Peninsula Power Company shall promptly file the final tariff sheet in this docket and serve all parties.

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

Shaquila Myers, Commissioner

By its action of August 21, 2025.

Lisa Felice, Executive Secretary

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BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary for	)	
UPPER PENINSULA POWER COMPANY	)	Case No. U-21675
to fully comply with Public Act 295 of 2008, as	)	
<u>amended.</u>	)	

SETTLEMENT AGREEMENT

As provided in § 78 of the Administrative Procedures Act of 1969 ("APA"), as amended, MCL 24.278, and Rule 431 of the Michigan Administrative Hearing System's Administrative Hearing Rules, 2015 AC, R 792.10431, Upper Peninsula Power Company ("UPPCO") and the Michigan Public Service Commission Staff ("Staff") hereby agree as follows:

1. On March 31, 2025, UPPCO filed with the Michigan Public Service Commission ("Commission") its application, along with the testimony and exhibits of its witnesses Andrea J. LaPin, Andrew McNeally, and Nicole E. Bell to reconcile its Energy Waste Reduction ("EWR") plan revenues and costs for the 12-month period ended December 31, 2024.

2. On April 4, 2025, the Commission's Executive Secretary issued a Notice of Hearing directing UPPCO to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its service area and to intervenors in Case Nos. U-21325 and U-21555. The Commission further directed UPPCO to publish the Notice of Hearing in newspapers of general circulation throughout its service area. UPPCO filed with the Commission the requisite affidavit of mailing and proofs of publication on April 24, 2025.

3. On May 6, 2025, Administrative Law Judge Sally L. Wallace presided over a prehearing conference in this matter. Staff entered its appearance. There were no intervenors.

4. Staff performed a financial audit of the Company's financial expenditures for program year 2024. Staff requested print screens of the Company's General Ledger screens for Surcharge Revenue Collected and Program Expenditures. All submissions were found to be accurate and matched the exhibits submitted with the filing. The Company was also asked to submit customer bill copies to ensure the appropriate surcharges were billed to the correct rate classes, and Staff found the surcharges in the sample bills to comply.

5. Subsequently, the parties engaged in settlement discussions and, as a result, have reached agreement on all of the issues in this case. The parties agree as follows:

- a. In 2024, UPPCO achieved 15,301 MWh or 214% of 1st Year energy savings, and the Company's EWR portfolio achieved a Utility System Resource Cost Test ("UCT") score of 1.92 including low-income and performance incentive, and a UCT score of 1.87 excluding low-income and including performance incentive.
- b. For 2024, UPPCO earned a financial incentive mechanism ("FIM") performance payment of \$686,715.
- c. The reconciliation of 2024 EWR revenues and payments results in a cumulative over-recovery of \$621,817 through December 31, 2024, inclusive of the rolled-in 2023 EWR reconciled over-recovery of \$1,412,821 and interest through December 2024.
- d. UPPCO should be authorized to true-up the cumulative over-recovery and recover the FIM performance payment identified herein by implementing

the revised EWR surcharges, which are set forth in Attachment 1 hereto to be effective October 1, 2025.

6. All of the signatories are of the opinion that this settlement agreement is reasonable, in the public interest and will aid the expeditious conclusion of this case.

7. This settlement agreement is intended to be a final disposition of this proceeding, and the parties join in respectfully requesting that the Commission grant prompt approval. The parties agree not to appeal, challenge, or contest the Commission's order accepting and approving this settlement agreement without modification. If the Commission does not accept the settlement agreement without modification, the agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

8. This settlement agreement has been made for the sole and express purpose of settling this case, and all discussions relating hereto are and shall be privileged and shall not be used in any manner or be admissible for any other purpose in connection with this proceeding or any other proceeding hereof. This settlement agreement does not constitute precedent in any other case or proceeding. Without limiting the generality of the foregoing, this settlement agreement shall not constitute *res judicata* or collateral estoppel as to any issue. Neither the parties to the settlement nor the Commission shall use this settlement agreement or the order approving it, as precedent in any case or proceeding; provided however, reference may be made to enforce or implement the provisions thereof in subsequent proceedings.

9. The parties agree to waive Section 81 of the APA of 1969, as amended, MCL 24.281, as it applies to this proceeding if the Commission approves this settlement agreement without modification.

UPPER PENINSULA POWER COMPANY

Dated: August 7, 2025

By: _____

Sherri A. Wellman
Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman email =
wellmans@millercanfield.com C = US O = Miller Canfield
Date: 2025.08.07 09:46:53 -04'00'
Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.
123 West Michigan Avenue, Suite 200
Lansing, Michigan 48933
(517) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: August 7, 2025

By: _____


One of Its Attorneys
Michael J. Orris (P51232)
Adam M. Cozort (P78363)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy, 3rd Floor
Lansing, Michigan 48917
(517) 284-8140

Attachment 1
to Settlement Agreement
(MPSC Case No. U-21675)

MPSC Vol No 8-ELECTRIC

Replaces ~~21st~~ ^{22nd} Rev. Sheet No. D-73.00
~~20th~~ ^{21st} Rev. Sheet No. D-73.00

D2. Energy Waste Reduction (EWR)**EWR****Energy Waste Reduction Surcharge**

This surcharge permits, pursuant to Section 91(4) of 2008 Pa 295, and as amended in 2016 PA 342, the adjustment of distribution rates, via the application of an Energy Waste Reduction Surcharge, to allow recovery of the energy waste reduction alternative compliance payment made by the Company in compliance with Section 91(1) of 2008 Pa 295 as amended in 2016 PA 342.

All customer bills subject to the provisions of this tariff, including any bills rendered under special contract, shall be adjusted by the Energy Waste Reduction Surcharge per kWh or per meter, per day as follows:

Rates per kWh

RATE SCHEDULE	EWR Rate	+	Distribution Charge	=	TOTAL Distribution Charge
A-1	\$0.006 42	+	0.13567	=	0.1 42074187
AH-1	\$0.006 42	+	0.13567	=	0.1 42074187
AH-1, 0-500 kWh, Oct-May	\$0.006 42	+	0.13567	=	0.1 42074187
AH-1, 500+ kWh, Oct-May	\$0.006 42	+	0.06783	=	0.0 74237403

Rates per meter, per day

	Customers without Self-Directed Plan		Customers with Self-Directed Plan				Customers without Self-Directed Plan		Customers with Self-Directed Plan
RATE SCHEDULE	EWR Rate	OR	EWR Rate	+	Service/ Customer Charge	=	TOTAL Service/ Customer Charge	OR	TOTAL Service/ Customer Charge
C-1	0.22640.1 782	OR		+	0.6247	=	0.85100.8 029	OR	
H-1	0.22640.1 782	OR		+	0.6247	=	0.85100.8 029	OR	
P-1	1.98691.7 945	OR		+	1.2164	=	3.20233.0 109	OR	
CP-U Secondary	19.461515 .7090	OR	3.82471.6 327	+	16.4383	=	35.899832 .1473	OR	20.263018 .0710
CP-U Primary	19.461515 .7090	OR	3.82471.6 327	+	21.3698	=	40.831337 .0788	OR	25.194523 .0025
CP-U Transmission	19.461515 .7090	OR	3.82471.6 327	+	49.3150	=	68.777656 5.0240	OR	53.139750 .9477
RTMP	492.22736 85.6757	OR	96.734881 .1716	+	32.8767	=	525.10407 18.5524	OR	129.61151 14.0483
RTMP-D	492.22736 85.6757	OR	96.734881 .1716	+	32.8767	=	525.10407 18.5524	OR	129.61151 14.0483
Special Contract	114.18908 3.0712	OR	22.44098 7640	+		=	114.18908 3.0712	OR	22.44098 7640
WP-3	122.00119 6.1880	OR	23.976210 .0749	+	49.3150	=	171.31611 45.5030	OR	73.291259 .3899
SL-3	0.08100.0 792	OR		+	0.6247	=	0.70570.7 039	OR	

Issued: ~~XX07-XX23-XXXX2024~~
 By G R Haehnel
 Chief Executive Officer
 Marquette, Michigan

Effective for Service
 On and After: ~~XX01-XX01-XXXX2025~~
 Issued Under Auth. of
 Mich Public Serv Comm
 Dated: ~~XX09-XX26-XXXX2024~~
 In Case No: U-~~2167521555~~

PROOF OF SERVICE

STATE OF MICHIGAN)

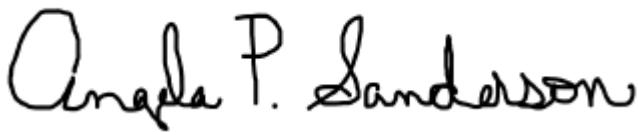
Case No. U-21675

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on August 21, 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 21st 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-21675

Name	On Behalf Of	Email Address
Adam M. Cozort	MPSC Staff	cozort1@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Sally L. Wallace	ALJs - MPSC	wallaces2@michigan.gov
Sherri A. Wellman	Upper Peninsula Power Company	wellmans@millercanfield.com
Upper Peninsula Power Company	Upper Peninsula Power Company	jlarsen@upppo.com

GEMOTION DISTRIBUTION SERVICE LIST

kabraham@mpower.org	Abraham,Katie - MMEA
mkuchera@AEPENERGY.COM	AEP Energy
mfurmanski@algerdelta.com	Alger Delta Cooperative
akellen@wppienergy.org	Alger Delta Cooperative
kd@alpenapower.com	Alpena Power
dgreen@alpenapower.com	Alpena Power
VSTRetailReg@VistraCorp.com	Ambit Midwest, LLC
kerdmann@atcllc.com	American Transmission Company
acotter@atcllc.com	American Transmission Company
john.calhoun@ardentnaturalgas.com	Ardent Natural Gas, LLC
awebster@baycitymi.gov	Bay City Electric Light & Power
sara.anderson@bayfieldelectric.com	Bayfield Electric
rbishop@BISHOPENERGY.COM	Bishop Energy
braukerL@MICHIGAN.GOV	Brauker, Linda
cherie.fuller@bp.com	BP Energy Retail Company, LLC
christine.hughey@bp.com	BP Energy Retail Company LLC
greg.bass@calpinesolutions.com	Calpine Energy Solutions
lachappelle@varnumlaw.com	Chappelle, Laura
manderson@wpsci.com	Cherryland Electric
mengels@wpsci.com	Cherryland Electric
cdrys@wpsci.com	Cherryland Electric
ljohnson@wpsci.com	Cherryland Electric
rjohnson@cherrylandelectric.coop	Cherryland Electric Cooperative
frucheyb@DTEENERGY.COM	Citizens Gas Fuel Company
crystalfallsmgr@HOTMAIL.COM	City of Crystal Falls
gpirkola@escanaba.org	City of Escanaba
jolson@gladstonemi.gov	City of Gladstone
kmaynard@cityofmarshall.com	City of Marshall
tdavlin@portland-michigan.org	City of Portland
cwilson@cloverland.com	Cloverland Electric
mheise@cloverland.com	Cloverland Electric
todd.mortimer@CMSENERGY.COM	CMS Energy
Kenneth.Johnston@cmsenergy.com	Consumers Energy
Yong.Keyes@cmsenergy.com	Consumers Energy
chibuzo.obikwelu@cmsenergy.com	Consumers Energy
sarah.jorgensen@cmsenergy.com	Consumers Energy Company
Michael.torrey@cmsenergy.com	Consumers Energy Company
CANDACE.GONZALES@cmsenergy.com	Consumers Energy Company
mpsc.filings@CMSENERGY.COM	Consumers Energy Company
mpsc.filings@CMSENERGY.COM	Consumers Energy Company
david.fein@CONSTELLATION.COM	Constellation Energy
kate.stanley@CONSTELLATION.COM	Constellation Energy
kate.fleche@CONSTELLATION.COM	Constellation New Energy

GEMOTION DISTRIBUTION SERVICE LIST

choicecompliance@constellation.com
lpage@dickinsonwright.com
shaundillon@dillonenergy.com
info@dillonpower.com
Neal.fitch@nrg.com
Kara.briggs@nrg.com
Ryan.harwell@nrg.com
bryce.mckenney@nrg.com
stephen.lindeman@dteenergy.com
karl.lievense@dteenergy.com
konstantin.korolyov@dteenergy.com
mpscfilings@DTEENERGY.COM
joyce.leslie@dteenergy.com
karen.vucinaj@dteenergy.com
customerservice@eligoenergy.com
regulatory@eligoenergy.com
frank.travaglione@vistracorp.com
rfawaz@energyintl.com
sejackinchuk@varnumlaw.com
michael.reiss@engie.com
customercare@plymouthenergy.com
VSTRetailReg@VistraCorp.com
felice@MICHIGAN.GOV
bgorman@FIRSTENERGYCORP.COM
phil@allendaleheating.com
dburks@glenergy.com
manderson@wp sci.com
mengels@wp sci.com
cdrys@wp sci.com
ljohnson@wp sci.com
slamp@glenergy.com
sculver@glenergy.com
johnm@gogreenlightenergy.com
lrgustafson@CMSENERGY.COM
jhammel@hillsdalebpu.com
coneill@homeworks.org
psimmer@HOMEWORKS.ORG
bmcbride@aep.com
mgobrien@aep.com
dan@megautilities.org
daustin@IGSENERGY.COM
michael.nugent@igs.com
general@itctransco.com
cmarshall@itctransco.com
apascaris@itctransco.com

Constellation New Energy Inc
Dickinson Wright
Dillon Energy Services
Dillon Power, LLC
Direct Energy
Direct Energy
Direct Energy
Direct Energy
DTE Energy
DTE Energy
DTE Energy
DTE Energy
DTE Energy
DTE Energy
Eligo Energy MI, LLC
Eligo Energy MI, LLC
Energy Harbor
Energy International Power Marketing d/b/a PowerOne
Energy Michigan
Engie Gas & Power LLC
ENGIE Gas & Power f/k/a Plymouth Energy
Everyday Energy, LLC d/b/a Energy Rewards
Felice, Lisa
First Energy
Forner, Phil
Great Lakes Energy
Great Lakes Energy
Great Lakes Energy
Great Lakes Energy
Great Lakes Energy
Great Lakes Energy Cooperative
Great Lakes Energy Cooperative
Greenlight Energy Inc.
Gustafson, Lisa
Hillsdale Board of Public Utilities
HomeWorks Tri-County Electric Cooperative
HomeWorks Tri-County Electric Cooperative
Indiana Michigan Power
Indiana Michigan Power Company
Integrays Group
Interstate Gas Supply Inc
Interstate Gas Supply d/b/a IGS Energy
ITC Holdings
ITC Holdings
ITC Holdings

GEMOTION DISTRIBUTION SERVICE LIST

vanesetti@justenergy.com	Just Energy of Michigan Corporation
igoodman@commerceenergy.com	Just Energy Solutions
krichel@DLIB.INFO	Krichel, Thomas
dbodine@LIBERTYPOWERCORP.COM	Liberty Power
ham557@GMAIL.COM	Lowell S.
tjlundgren@varnumlaw.com	Lundgren, Timothy
tcarpenter@mblp.org	Marquette Board of Light & Power
regulatory@medianenergy.com	Median Energy Corporation
suzy@megautilities.org	MEGA
dan@megautilities.org	MEGA
mmann@USGANDE.COM	Michigan Gas & Electric
VSTRetailReg@VistraCorp.com	Michigan Gas & Electric (US Gas & Electric)
shannon.burzycki@wecenergygroup.com	Michigan Gas Utilities Corporation
mrzwiwers@INTEGRYSGROUP.COM	Michigan Gas Utilities/Upper Penn Power/Wisconsin
kabraham@mpower.org	Michigan Public Power Agency
info@michigannaturalgasllc.com	Michigan Natural Gas, LLC
JHDillavou@midamericanenergyservices.com	MidAmerican Energy Services, LLC
JCAltmayer@midamericanenergyservices.com	MidAmerican Energy Services, LLC
LMLann@midamericanenergyservices.com	MidAmerican Energy Services, LLC
manderson@wpsci.com	Midwest Energy
mengels@wpsci.com	Midwest Energy
cdrys@wpsci.com	Midwest Energy
ljohnson@wpsci.com	Midwest Energy
dave.allen@TEAMMIDWEST.COM	Midwest Energy Cooperative
terry.rubenthaler@teammidwest.com	Midwest Energy Cooperative
kerri.wade@teammidwest.com	Midwest Energy Cooperative
Marie-Rose.Gatete@teammidwest.com	Midwest Energy Cooperative
meghan.tarver@teammidwest.com	Midwest Energy Cooperative
d.motley@COMCAST.NET	Motley, Doug
rarchiba@FOSTEROIL.COM	My Choice Energy
customerservice@nordicenergy-us.com	Nordic Energy Services, LLC
regulatory@nordicenergy-us.com	Nordic Energy Services, LLC
karl.j.hoesly@xcelenergy.com	Northern States Power
sarah.m.frazee@xcelenergy.com	Northern States Xcel
kbeattie@ntherm.com	nTherm, LLC
daho@ontorea.com	Ontonagon County Rural
esoumis@ontorea.com	Ontonagon County Rural Electric
regulatory@indraenergy.com	PALMco Energy MI, LLC d/b/a Indra Energy
mpauley@GRANGER.NET	Pauley, Marc
mmpeck@fischerfranklin.com	Peck, Matthew
bschlansker@PREMIERENERGYLLC.COM	Premier Energy Marketing LLC
manderson@wpsci.com	Presque Isle

GEMOTION DISTRIBUTION SERVICE LIST

mengels@wpsci.com
cdrys@wpsci.com
ljohnson@wpsci.com
MVanschoten@pieg.com
aberg@pieg.com
yesterdae@getprovision.com
johnbistranin@realgy.com
BusinessOffice@REALGY.COM
akeilson@genieretail.com
btrombino@rpaenergy.com
mvorabout@ses4energy.com
rabaey@SES4ENERGY.COM
ttynes@ses4energy.com
trish.mcfadin@southstarenergy.com
kejoseph@sparkenergy.com
cborr@WPSCI.COM

jbelec@stephenson-mi.org
kay8643990@YAHOO.COM
legal@symmetryenergy.com
regulatory@texasretailenergy.com
agilbert@cleanskyenergy.com
bessenmacher@tecmi.coop
president@tomorrowenergy.com
manderson@wpsci.com
mengels@wpsci.com
cdrys@wpsci.com
ljohnson@wpsci.com
mlindsay@uetllc.com
colleen.sipiorski@wecenergygroup.com
djmier@integrysgroup.com
James.Beyer@wecenergygroup.com
Richard.Stasik@wecenergygroup.com
nbell@upppo.com
jformol@upppo.com
ghaehnel@upppo.com
estocking@upppo.com
manager@villageofbaraga.org
Villagemanager@villageofclinton.org
VSTRetailReg@VistraCorp.com
jeinstein@volunteerenergy.com
leew@WVPA.COM
melissa.schauer@wecenergygroup.com
andrew.miller1@wecenergygroup.com
melissa.schauer@wecenergygroup.com

Presque Isle
Presque Isle
Presque Isle
Presque Isle Electric & Gas Cooperative, INC
Presque Isle Electric & Gas Cooperative, INC
Provision Power & Gas, LLC
Realgy Corp.
Realgy Energy Services
Residents Energy LLC
RPA Energy d/b/a Green Choice Energy
Santana Energy
Santana Energy
Santanna Natural Gas Corporation
SouthStar d/b/a Grand Rapids Energy
Spark Energy Gas, LP
Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)
Stephenson Utilities Department
Superior Energy Company
Symmetry Energy Solutions, LLC
Texas Retail Energy, LLC
Tital Gas, LLC d/b/a CleanSkyEnergy
Thumb Electric Cooperative
Tomorrow Energy Corporation
Tri-County Electric
Tri-County Electric
Tri-County Electric
Tri-County Electric
United Energy Trading d/b/a Kratos Gas & Power
Upper Michigan Energy Resources Corporation
Upper Michigan Energy Resources Corporation
Upper Michigan Energy Resources Corporation
Upper Michigan Energy Resources Corporation
Upper Peninsula Power Company
Upper Peninsula Power Company
Upper Peninsula Power Company
Upper Peninsula Power Company
Village of Baraga
Village of Clinton
Viridian Energy PA, LLC
Volunteer Energy Services
Wabash Valley Power
We Energies
We Energies
Wisconsin Public Service

GEMOTION DISTRIBUTION SERVICE LIST

andrew.miller1@wecenergygroup.com

tking@WPSCI.COM

jbaumann@wpsci.com

cborr@wpsci.com

ddecouer@wpsci.com

bvalice@wpsci.com

Amanda@misostates.org

Deborah.e.erwin@xcelenergy.com

Michelle.Schlosser@xcelenergy.com

bryce.mckenney@nrg.com

Wisconsin Public Service

Wolverine Power

Wolverine Power

Wolverine Power

Wolverine Power

Wolverine Power

Wood, Amanda

Xcel Energy

Xcel Energy

Xoom Energy Michigan, LLC d/b/a Xoom Energy