S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of **UPPER MICHIGAN ENERGY RESOURCES CORPORATION** requesting approval of an amended renewable energy plan to comply with Public Act 235 of 2023.	)	Case No. U-21813

At the April 17, 2026 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

History of Proceedings

On February 27, 2025, Upper Michigan Energy Resources Corporation (UMERC) filed an application in this case, with supporting testimony and exhibits, pursuant to Section 22(3) of Public Act 295 of 2008, as amended by Public Act 235 of 2023 (Act 235), MCL 460.1022(3), requesting approval of an amendment to the company's renewable energy plan (REP).

A prehearing conference was held on April 10, 2025, before Administrative Law Judge Jonathan F. Thoits (ALJ) at which the ALJ recognized the intervention of the Michigan Department of Attorney General (Attorney General) and granted intervention to the Citizens Utility Board of Michigan (CUB) and Tilden Mining Company L.C. (Tilden). UMERC and the Commission Staff (Staff) also participated in the proceeding.

The ALJ issued a Proposal for Decision (PFD) on October 27, 2025. On November 6, 2025, the Attorney General and CUB (jointly), UMERC, and Tilden filed exceptions to the PFD. On November 18, 2025, UMERC and Tilden filed replies to exceptions.

On December 18, 2025, the Commission issued an order in this docket (December 18 order) rejecting UMERC's proposed amended REP.

On January 16, 2026, UMERC filed a petition for rehearing (petition) pursuant to Mich Admin Code, R 792.10437 (Rule 437) seeking rehearing on the December 18 order. On February 6, 2026, Tilden filed an answer opposing UMERC's petition.

Petition and Answer

In the December 18 order, the Commission rejected UMERC's amended REP and recognized that its rejection of the amended REP may cause some uncertainty regarding the recovery of costs for UMERC's 100-megawatt Renegade Solar project (Renegade Solar). December 18 order, p. 14. The Commission, however, observed that Renegade Solar had not gone into service as of the date of the December 18 order and that UMERC could "seek approval from the Commission for deferred accounting for the resource prior to the February 2026 in-service date." *Id*.

In its petition, UMERC states that it seeks rehearing of the December 18 order to avoid unintended consequences that may arise from the Commission's statement that the company could seek deferred accounting for Renegade Solar costs prior to the resource's in-service date. Petition, p. 2. Specifically, UMERC argues that the December 18 order could be interpreted as creating "the unintended consequence of precluding UMERC from recovering any costs of Renegade Solar until August 2027 [the company's estimated date for the Commission's issuance of an order in its next amended REP case] even though the project is expected to begin providing benefits to UMERC's customers in February 2026." Petition, p. 3. The company goes on to contend that it:

> does not believe that the Commission intended to prohibit UMERC from recovering the non-incremental costs of the project before August 2027 via other lawful mechanisms. The Renegade Solar project was approved as part of the Company's last Integrated Resource Plan in Case No. U-21081 and the contracts that resulted in the construction of the project were also approved by the Commission in that same docket. *See* Case No. U-21081, 5/12/2022 Order Approving Settlement Agreement; Case No. U-21081, 4/11/2024 Order. UMERC has proposed in its current power supply cost recovery [PSCR] plan case for the 12-month period ending December 31, 2026 (Case No. U-21881) to recover the transfer price for the amount of renewable energy from Renegade Solar planned to be provided to UMERC's customers during the 2026 PSCR period. The recovery sought by UMERC in the 2026 PSCR plan case is separate from the incremental cost recovery that the Company sought through the renewable energy surcharge in Case No. U-21813. Section 47 of 2008 P.A. 295, as amended; MCL 460.1047(2)(b)(iv) expressly excludes revenue derived from selling renewable energy under a PSCR clause from being recovered through a renewable energy surcharge.

Petition, pp. 3-4.

UMERC further asserts that MCL 460.6j and the Commission's December 9, 2016 order in Case No. U-18061 authorize the recovery of the company's power supply costs through a PSCR clause and that the Commission has previously found that recovery of a PSCR transfer price through the PSCR mechanism is appropriate. Petition, pp. 3-4 (citing the December 4, 2008 order in Case No. U-15800, p. 25). UMERC also contends that preventing it from recovering its booked power supply costs in its 2026 PSCR plan proceeding would prejudice the company by blocking it from recovering, in real time, the power supply costs associated with a generating resource that will supply electricity to its customers in 2026. Petition, p. 5. Accordingly, UMERC urges the Commission to grant rehearing and to clarify that the statement made in the December 18 order "relates to deferring the incremental cost of compliance as defined in MCL 460.1047 and is not intended to prohibit UMERC from recovering Renegade Solar costs that are recoverable as a booked cost of purchased and net interchanged power transactions under MCL 460.6j". *Id*.

In its answer, Tilden opposes the petition and argues that UMERC has not met the standard required for rehearing. Specifically, Tilden asserts that the December 18 order was clear in its rejection of UMERC's amended REP, including the effect the decision would have on cost recovery for Renegade Solar. Tilden's answer, p. 6. Tilden rejects UMERC's claim that the December 18 order could potentially result in the unintended consequence of denying the company the ability to recover costs of Renegade Solar through a PSCR clause. According to Tilden, recovery through the PSCR transfer price mechanism is exclusively a component of the recovery of incremental costs to implement the amended REP. *Id*., p. 7. Tilden maintains that the renewable energy "transfer price is recoverable in the PSCR mechanism only when applied to renewable energy used to comply with the renewable energy standards in an approved amended [REP] under Act 235" and that "[r]enewable energy from Renegade Solar has not been approved to comply with Michigan's renewable energy standards because UMERC's [amended] REP was rejected." *Id*.

Additionally, Tilden argues that absent approval to recover the transfer price of Renegade Solar as part of an approved amended REP, UMERC is only permitted to recover the fuel costs of a utility-owned resource via a PSCR clause under MCL 460.6j. As solar resources have no fuel costs, Tilden asserts that the December 18 order cannot have the unintended consequence of denying recovery of Renegade Solar costs through a PSCR clause. *Id*., pp. 7-8.

Finally, Tilden contends that nothing in the December 18 order could be reasonably interpreted to preclude UMERC from recovering costs through other lawful means, including recovery through a base rate case under MCL 460.6a. *Id*., pp. 8-9. Accordingly, and in summation, Tilden asserts that:

> UMERC wants to proceed with its planned Renegade Solar PSCR cost recovery via an Act 235 transfer price as though its [amended] REP was approved even though its [amended] REP was clearly rejected. The Commission explicitly recognized the consequence its decision would have on UMERC's recovery of Renegade Solar costs beginning in 2026 and suggested an accounting deferral. There is no

> unintended consequence stemming from the December 18 Order that warrants clarification. UMERC's petition should be denied.

Id., p. 9.

Discussion

Rule 437 provides that a petition for rehearing may be based on claims of error, newly discovered evidence, facts or circumstances arising after the hearing, or unintended consequences resulting from compliance with the order. A petition for rehearing is not merely another opportunity for a party to argue a position or to express disagreement with the Commission's decision. Unless a party can show the decision to be incorrect or improper because of errors, newly discovered evidence, or unintended consequences of the decision, the Commission will not grant a rehearing.

The Commission finds that UMERC's petition should be denied because the company has not demonstrated that the December 18 order is incorrect or improper due to any purported unintended consequences resulting from that decision. The Commission finds that the December 18 order was clear in its rejection of UMERC's proposed amended REP and that the order directed the company to file a new amended REP by October 15, 2026. December 18 order, p. 18. The Commission agrees with Tilden that the Commission's rejection of UMERC's amended REP necessarily precludes the recovery of costs for Renegade Solar through a PSCR clause. *See*, Tilden's response, p. 6. In support of this finding, the Commission notes that the statutory language of MCL 460.1047(1) only permits an electric provider to recover the incremental costs of compliance with renewable energy standards "beginning when the electric provider's amended renewable energy plan *is approved by the commission*." MCL 460.1047(1) (emphasis added). Moreover, the recovery of the transfer price of renewable energy as a booked cost of purchased and net interchanged power transactions under a PSCR clause pursuant to MCL 460.6j is only authorized within the limited context of calculating the incremental costs of compliance, which the statutory language dictates is contingent on approval of an electric provider's amended REP. *See*, MCL 460.1047(2)(b)(iv) and MCL 460.6j. Absent recovery of the transfer price of renewable energy as part of the calculation for an electric provider's incremental costs of recovery to meet renewable energy standards based on an approved amended REP, the Commission finds that UMERC has no independent authority to recover the costs of Renegade Solar through the PSCR mechanism.

Additionally, the Commission agrees with Tilden that nothing in the December 18 order, including the Commission's statement on deferred accounting, prohibits the company from recovering costs for Renegade Solar through other lawful means, including through a general rate case. Requiring UMERC to recover the costs of Renegade Solar in accordance with clear, unambiguous statutory requirements cannot be said to create an unintended consequence. Accordingly, the Commission finds that UMERC has not met the standard for rehearing outlined in Rule 437 and that the company's petition should therefore be denied.

THEREFORE, IT IS ORDERED that Upper Michigan Energy Resources Corporation's petition for rehearing is denied.

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

Shaquila Myers, Commissioner

By its action of April 17, 2026.

Lisa Felice, Executive Secretary

P R O O F   O F   S E R V I C E

STATE OF MICHIGAN)

Case No. U-21813

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on April 17, 2026 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 17th day of April 2026.

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

Service List for Case: U-21813

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