STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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| In the matter of the *ex parte* application of **ALPENA POWER COMPANY** for approval of a power purchase contract with Alpena Community College under PURPA. | ) ) ) ) ) | Case No. U-22141 |

At the July 16, 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**

On June 24, 2026, Alpena Power Company (Alpena) filed an application in this case, with a supporting exhibit, pursuant to Section 6j of Public Act 304 of 1982, MCL 460.6j, requesting *ex parte* approval of a power purchase agreement (PPA) between Alpena and Alpena Community College (ACC) for the purchase of energy, capacity, and renewable energy credits (RECs) from ACC's 1.5 megawatt (MW) solar array. On July 9, 2026, Alpena filed an amended exhibit to the application to correct an error in Exhibit A-1 to the application.

Per the application, Alpena entered into a PPA dated June 10, 2026, with ACC to purchase the output of the ACC solar array (1.5 MW nameplate capacity) located at 3301 Woodward Avenue, Alpena, Michigan 49707 (Project). The PPA indicates that the ACC solar facility will be certified by the Federal Energy Regulatory Commission (FERC) as a qualifying facility (QF) under the federal Public Utilities Regulatory Policies Act of 1978, PL 95–617; 92 Stat 3117 and regulations;

and that the PPA is expected to start on August 1, 2026, based on avoided cost at the time the obligation is incurred. Application, pp. 1-2.[1]

The company states that the PPA negotiated between Alpena and ACC calls for Alpena's purchase of the output from the Project at the avoided cost rates set forth in Alpena's Standard Offer Tariff (Cogeneration and Small Power Production Rate 2, starting at tariff sheet D-39.00). The rates cover the period through May 31, 2032, using avoided cost rates for energy and capacity and a fixed price for RECs. *Id.*, p. 2.

The contract is based on Alpena's standard form PPA, with certain changes specified in Part I to reflect the avoided cost determination, the starting date, the early termination security amount, the purchase of RECs, and a revised indemnity clause to accommodate the seller as a Michigan Community College. Alpena attached the contract to its application as Exhibit A-1, and as stated above, later submitted an amended Exhibit A-1 to correct an error. ACC and Alpena have also entered into an interconnection agreement using Alpena's standard form approved by the Commission. *Id.*

Alpena noted that in order to protect Alpena's customers, the PPA is contingent on receiving prior approval from the Commission; that the estimated August 1, 2026, start date is expressed in the contract; and that Alpena is requesting that the Commission conduct its review and issue an order as expeditiously as possible, considering the proposed start date. *Id.*, p. 3.

<u>Discussion</u>

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[1] Alpena's application was not paginated and therefore, the Commission applies pagination in natural order beginning with the first page of the application.

MCL 460.6j(13) provides, in relevant part, that in a power supply reconciliation, the Commission shall do all of the following:

> (b) Not disallow the capacity charges for any facilities for which the electric utility would otherwise have a purchase obligation if the commission has approved capacity charges in a contract with a qualifying facility, as that term is defined by the Federal Energy Regulatory Commission pursuant to the public utilities regulatory policies act of 1978, Public Law 95-617, 92 Stat 3117, unless the commission has ordered revised capacity charges upon reconsideration under this subsection. A contract is valid and binding in accordance with its terms, and capacity charges paid pursuant to that contract are recoverable costs of the utility for rate-making purposes notwithstanding that the order approving that contract is later vacated, modified, or otherwise held to be invalid in whole or in part if the order approving that contract has not been stayed or suspended by a competent court within 30 days after the date of the order, or by July 29, 1987 if the order was issued after September 1, 1986 and before June 29, 1987. The commission shall determine the scope and manner of the review of capacity charges for a qualifying facility. Except as to approvals for qualifying facilities granted by the commission before June 1, 1987, proceedings before the commission seeking those approvals shall be conducted as a contested case pursuant to chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287. The commission, upon its own motion or upon application of any person, may reconsider its approval of capacity charges for a qualifying facility in a contested case hearing after passage of a period necessary for financing the qualifying facility, if both of the following apply:
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> (i) The commission has first issued an order making a finding based on evidence presented in a contested case that there has been a substantial change in circumstances since the commission's initial approval.
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> (ii) The commission finding is set forth in a commission order subject to immediate judicial review.

The Commission has reviewed Alpena's application, the supporting amended exhibit, and the language in MCL 460.6j, and finds that the PPA should be approved. The PPA is based on approved avoided costs and the standard form PPA approved by the Commission. The Commission further finds that Alpena's application is reasonable, in the public interest, and should be approved. In addition, the Commission finds that approval of the application will not result in an increase in the total cost of service to customers and, therefore, approval may be granted without notice or hearing pursuant to MCL 460.6a(3).

THEREFORE, IT IS ORDERED that the power purchase agreement between Alpena Power Company and Alpena Community College 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 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

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Daniel C. Scripps, Chair

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Katherine L. Peretick, Commissioner

Shaquila Myers

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Shaquila Myers, Commissioner

By its action of July 16, 2026.

Lisa Felice

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Lisa Felice, Executive Secretary

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

STATE OF MICHIGAN )

Case No. U-22141

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on July 16, 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 J. Brown

Brianna Brown

Subscribed and sworn to before me
this 16th day of July 2026.

Angela P. Sanderson

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

## Service List for Case: U-22141

| Name | On Behalf Of | Email Address |
|---|---|---|
| Alpena Community College | Alpena Community College | macmastd@alpenacc.edu |
| Alpena Power Company | Alpena Power Company | kd@alpenapower.com |
| Donald C. MacMaster | Alpena Community College | macmastd@alpenacc.edu |
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