

STATE OF MICHIGAN?bnvc0078

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)	Case No. U-17799
CLOVERLAND ELECTRIC COOPERATIVE)	
to fully comply with Public Act 295 of 2008.)	
_____)	

At the September 10, 2015 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman
Hon. Sally A. Talberg, Commissioner
Hon. Norman J. Saari, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On May 12, 2015, Cloverland Electric Cooperative (Cloverland) filed an application, with supporting testimony, seeking biennial review and approval of its renewable energy plan (REP).

On July 30, 2015, a prehearing conference was held before Administrative Law Judge Martin D. Snider. The Commission Staff and Cloverland participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that Cloverland's REP is based upon the average number of megawatt-hours of electricity sold by the cooperative annually during the previous three years to retail customers in the state. The parties further agree that Cloverland plans to comply with the renewable energy standards under 2008 PA 295, MCL 460.1001 *et seq.* (Act 295) through its hydroelectric generation and renewable

energy credits received from its wholesale providers. The parties agree that Cloverland does not expect to incur any incremental compliance costs; thus, there are no renewable energy surcharges included. Finally, the parties agree that Cloverland's REP is reasonable and in compliance with Act 295 and should, therefore, be approved.

The Commission finds the settlement agreement reasonable and in the public interest, and that it should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. The renewable energy plan filed by Cloverland Electric Cooperative is approved.
- C. Absent an earlier application filed by Cloverland Electric Cooperative for authority to amend its plan, the Commission will review the plan again during the next biennial review period described in section 21(8) of 2008 PA 295, MCL 460.1021(8).

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 mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungpl@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

John D. Quackenbush, Chairman

Sally A. Talberg, Commissioner

Norman J. Saari, Commissioner

By its action of September 10, 2015.

Mary Jo Kunkle, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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<p>In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for CLOVERLAND ELECTRIC COOPERATIVE to fully comply with Public Act 295 of 2008.</p>	<p>)))))))</p>	<p>Case No. U-17799</p>
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**SETTLEMENT AGREEMENT APPROVING
RENEWABLE ENERGY PLAN**

Public Act 295 of 2008, MCL 460.1001 *et seq.* ("Act 295") requires all providers of electric service in this state to establish renewable energy programs by biennially filing a renewable energy plan ("REP") with the Michigan Public Service Commission ("Commission").

The Commission first ordered Cloverland Electric Cooperative ("Applicant") to file a REP on December 4, 2008 in Case No. U-15800. The Commission approved Applicant's initial REP in Case No. U-15816 on May 12, 2009, and has subsequently approved Applicant's REP on July 12, 2011 in Case No. U-16592, and on November 14, 2013 in Case No. U-17308.

On January 27, 2015, the Commission issued an order in Case No. U-17791 *et al.* directing Applicant to file its next REP by May 12, 2015.

On April 8, 2015, Applicant filed its Notice of Intent to File Application for REP on or before May 12, 2015. On May 12, 2015, Applicant filed its application, with supporting testimony and exhibits, seeking approval of its REP in this docket.

On July 30, 2015, the prehearing conference was held pursuant to the Commission's Notice of Hearing issued on June 3, 2015. The Commission Staff ("Staff") and Applicant participated in the proceedings. At the prehearing conference,

Applicant presented proof of service of the Notice of Hearing on all cities, incorporated villages, townships and counties in Applicant's service area and also presented an affidavit evidencing the requisite publication of notice. The prehearing conference was conducted as a contested case matter pursuant to the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.201 *et seq.*

The parties have agreed to enter into this Settlement Agreement recommending approval of Applicant's REP. In view of the foregoing, and pursuant to Section 78 of the Administrative Procedures Act of 1969, MCL 24.278, Applicant and Staff hereby agree as follows:

A. Section 21(2)(a) of Act 295, MCL 460.1021(2)(a), requires that the REP describe how the Applicant plans to meet the renewable energy standards. Applicant plans to comply with the renewable energy standards of Act 295 through its hydro generation and renewable energy credits received from its wholesale providers.

B. Section 21(2)(b) of Act 295, MCL 460.1021(2)(b), requires that the REP specify whether the number of megawatt hours used in the calculation of the renewable energy credit portfolio will be weather-normalized or based on the average number of megawatt hours of electricity sold by the electric provider annually during the previous 3 years to retail customers in this state. Applicant has elected to use the average number of megawatt hours of electricity sold annually during the previous 3 years to retail customers in this state in the calculation of their renewable energy credit portfolios.

C. Section 21(2)(c) of Act 295, MCL 460.1021(2)(c), requires that the REP include the expected incremental cost of compliance with the renewable energy standards for a 20-year period beginning when the plan is approved by the Commission. Applicant does not expect to incur incremental costs of compliance, as

defined in Section 47 of Act 295, MCL 460.1047. If and when Applicant believes it will incur such costs, it will file an updated and amended REP.

D. Applicant will file an annual report with the Commission no later than August 31 of each year.

E. Applicant will file an amended REP advising of any changes, if necessary.

F. Applicant's REP is reasonable, prudent, in the public interest, and consistent with Act 295 of 2008, and the Commission's Temporary Order issued in Case No. U-15800.

G. Section 21(6)(b) of Act 295, MCL 460.1021(6)(b), requires that the Commission determine that a provider's REP meet the following:

That the life-cycle cost of renewable energy acquired or generated under the plan less the projected life-cycle net savings associated with the provider's energy optimization plan does not exceed the expected life-cycle cost of electricity generated by a new conventional coal-fired facility.

This calculation is not necessary at this time since Applicant is not proposing to collect a renewable energy surcharge. At such time as Applicant requests authorization to implement a surcharge, Applicant will provide the calculation requested in Section 21(6)(b) of Act 295, MCL 460.1021(6)(b).

H. No party will appeal, challenge or contest the REP approved by the Commission in this case if it is the result of a Commission order accepting and approving this Settlement Agreement without modification. If the Commission does not accept this Settlement Agreement without modification, this Settlement Agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

I. Section 81 of the Administrative Procedures Act of 1969, MCL 24.281, is waived.

Dated: August 24, 2015

Michael J. Orris

MICHIGAN PUBLIC SERVICE COMMISSION
STAFF

Michael J. Orris (P51232)
Assistant Attorney General
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Lansing, MI 48917
Telephone: (517) 284-8140

Shaun
M.

Johnson

Digitally signed by: Shaun M.
Johnson

DN: CN = Shaun M. Johnson C =

AD O = Dykema Gossett PLLC

Date: 2015.08.24 11:23:38 -05'00'

Dated: August 24, 2015

CLOVERLAND ELECTRIC COOPERATIVE

By: Shaun M. Johnson (P69036)
DYKEMA GOSSETT PLLC
201 Townsend, Suite 900
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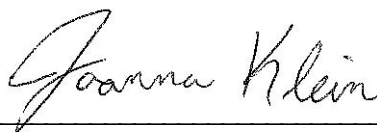
P R O O F O F S E R V I C E

STATE OF MICHIGAN)

Case No. U-17799

County of Ingham)

Joanna Klein being duly sworn, deposes and says that on September 10, 2015 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.

A handwritten signature in cursive script that reads "Joanna Klein". The signature is written in black ink and is positioned above a horizontal line.

Joanna Klein

Subscribed and sworn to before me
This 10th day of September 2015

Steven J. Cook
Notary Public, Ingham County, Michigan
As acting in Eaton County
My Commission Expires: April 30, 2018

Service List U-17799

Cloverland Electric Cooperative
Edison Sault Electric Company
725 E. Portage Avenue
Sault Ste. Marie MI 49783

Mr. Shaun M. Johnson
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