Renewable Energy Annual Report

*Revised February 2020*

Electric Provider:
Reporting Period: Calendar Year 2019

- Section 51(1) of 2008 PA 295, as amended by 2016 PA 342, requires the filing of this document with the Michigan Public Service Commission.
- The purpose of this annual report is to provide information regarding activities that occurred within calendar year 2019, not simply activity regarding energy credits with the vintage of 2019.
- Many of the requested figures are available from MIRECS reports; names of which are noted within this template. If your figures agree with those within MIRECS, you may submit the MIRECS report as an attachment to this annual report. If your figures differ from those within MIRECS, please explain any discrepancies. Staff from the MPSC and MIRECS Administrator, APX, Inc., are available to help reconcile.

**Section 51(1).**
Within this section, list and describe actions taken by the electric provider to comply with the renewable energy standards.

a. Filings to the Commission (case numbers)

| |
|---|
| U-16619 |

b. Summary of actions taken during reporting period

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|---|
| -Continued construction of NextEra wind project (Pegasus) at a reduced size of 68 MW (COD 2020)<br>-Signed PPA agreement for an additional 70 MW Solar with contractor Ranger Power (COD 2022). This is in addition to 10 MW, the contract for which was signed in 2018.<br>-Signed PPA agreement for 25 MW Solar with contractor NextEra Energy for two separate solar projects in BWL's service territory, part of which will be a brownfield project on a former Type III landfill used for disposal of coal ash (COD 2021).<br>-Continued to evaluate more options for future renewable expansion.<br>-Finalized plans to hit BWL's 30% clean energy by 12/31/20 internal goal. |

**Section 51(2)(a).**

Within this section, list the number of energy credits obtained and, if bundled credits, the MWh of electricity generated or otherwise acquired during the reporting period, including those credits transferred from ones wholesale electric supplier. This data may be found in the MIRECS report titled: My Credit Transfers using the transfer tabs indicated below and filtering the report by date (only activity occurring in 2019).

| Credits From | Renewable Energy Credits | Incentive Credits | MWh Electricity Generated/Acquired |
|---|---|---|---|
| **Generated (Intra-Account Transfer, only "Issued" in the Action column)** | 2019 Vintage: 169<br>2018 Vintage:<br>2017 Vintage:<br>2016 Vintage:<br>Older Vintages: | 2019 Vintage: 359<br>2018 Vintage:<br>2017 Vintage:<br>2016 Vintage:<br>Older Vintages: | 167.9 |
| **Purchased (Inter-Account Transfer, only "Confirm" or "Forward Transfer" in the Action column)** | 2019 Vintage: 178,248<br>2018 Vintage:<br>2017 Vintage:<br>2016 Vintage:<br>Older Vintages: | 2019 Vintage: 88,276<br>2018 Vintage:<br>2017 Vintage:<br>2016 Vintage:<br>Older Vintages: | 178,124.29 |
| **Total Credits** | 178,417 | 88,635 | 178,292.19 |

"Issued" within the Action column refers to an account holder accepting the generation data after which energy credits are created. "Confirm" within the Action column refers to both the transferee and transferor agreeing to the non-recurring transfer. "Forward Transfer" within the Action column indicates a recurring transfer of which subsequent transfers of credits do not need to be accepted by both parties.

Explain any differences between the data provided and MIRECS reports.

The MWh of electricity acquired for Beebe 1b and Tower Kleber do not match the MIRECs generation input. Per contractual agreement with Tower Kleber and Beebe 1b, the financial reporting may not reflect the actual meter reads at the generator or the information entered in MIRECS. The MWh above reflect BWL accounting system values based on actual settlements.

Within this section, list the type of and number of energy credits sold, traded or otherwise transferred during the reporting period.

| | Renewable Energy Credits | Incentive Credits |
|---|---|---|
| **Sold, traded or otherwise transferred** | 2019 Vintage: 0<br>2018 Vintage: 0<br>2017 Vintage: 0<br>2016 Vintage: 0<br>Older Vintages: 0 | 2019 Vintage: 0<br>2018 Vintage: 0<br>2017 Vintage: 0<br>2016 Vintage: 0<br>Older Vintages: 0 |
| **Expired (not in compliance sub-account)** | 0 | 0 |

To get a count of energy credits that have been sold, traded or otherwise transferred data may be found in the MIRECS report titled: My credit transfers; inter-account transfer; filter by 1) year (2019) 2) transferor (the company) and 3) action ("confirm" ).

To get a count of energy credits that have expired during a reporting year and that are not within the compliance sub-account use the report titled My Sub-Accounts, filter by 1) active tab, 2) Michigan eligibility ("no") and 3) the end date for the reporting year (between 1/1/2019 and 12/31/2019).

**Section 51(2)(c).**

Within this section, list each renewable energy system (RES) owned, operated or controlled by the electric provider. List the capacity of each system, the amount of electricity generated by each system and the percentage of electricity which was generated from renewable energy (RE).

| System Name[1] | System Type (RES) | Nameplate Capacity (MW) | Electricity Generated (MWh) | % of Electricity generated by RE/ACE |
|---|---|---|---|---|
| **Moores Park Hydro** | RES | 0.5 | 0 | N/A |
| **Cedar Street Solar** | RES | 0.054 | 41.6 | 100% |
| **REO Town Solar** | RES | 0.013 | 16.8 | 100% |
| **Cedar Street Solar Expansion** | RES | 0.104 | 109.4 | 100% |
| **Delta Solar 1** | RES | 8.1 | 12,863.72 | 100% |
| **Delta Solar 2a** | RES | 12.0 | 18,632.1 | 100% |

| | | | | |
|---|---|---|---|---|
| **Delta Solar 2b** | RES | 3.9 | 6,072.227 | 100% |

1System name should agree with the project name listed within MIRECS. This data may be found in the Project Management module within MIRECS.

Within this section, list the renewable energy system (RES) the electric provider is purchasing energy credits from. These include purchase power agreements. However, unbundled (credit only) purchases do not need to be listed here. Projects (generators) serving multijurisdictional electric providers should be listed here.

| System Name | System Type (RES) | Electricity Purchased (MWh) | Energy Credits Purchased1 | Allocation Factor and Method |
|---|---|---|---|---|
| **Tower-Kleber Hydro** | RES | 8,114.44 | 8,976 – Total<br>8,211 – RECS<br>765 – IRECS | 100% |
| **Granger Electric Company/EDI – Grand River #1; Wood Rd #1, #2** | RES | 77,346.50 | 84,529 – Total<br>77,347 – RECS<br>7,182 – IRECS | 100% |
| **Exelon Generation LLC,** | RES | 55,095.30 | 55,122 – REC Total | 38% - 19.2 MW of 50.4 MW |

1Distinguish between different types of credits (REC).
Allocation Factor and Method: For use if 100% of system output is not purchased. For instance, a system selling to multiple parties: list how the energy and credits are allocated – if by percentage, list the percentage as well.
Allocation Factor and Method: If used by multijurisdictional electric providers please include which percentage of energy and credits are to be distributed to Michigan (list allocation method as well, for example: system load).

**Section 51(2)(d).**
Within this section, list whether, during the reporting period, the electric provider entered into a contract for, began construction on, continued construction of, acquired, or placed into operation a renewable energy (RE) system.

| System Name1 | Resource (technology, RE) | | Nameplate Capacity (MW) | Construction start date or acquisition date | Commercial operation date | Owned by electric provider? |
|---|---|---|---|---|---|---|
| **Ranger Solar** | RE, | | 80 | Contract | Q1 2021 | No |

| | | | | | | |
|---|---|---|---|---|---|---|
| | Solar | | | signed Q1 19 | | |
| **NextEra Solar** | RE, Solar | | 25 | Contract signed Q2 2019 | Q4 2021 | No |
| | | | | | | |

[1]System name should agree with the project name listed within MIRECS.

Dates may be forecast.

**Section 51(2)(e).**

Within this section, list the expenditures incurred during the reporting period to comply with the renewable energy standards or the forecasted expenditures for the remaining plan period. Also, electric providers with an approved or planned renewable energy surcharge (as per Section 45), list the incremental cost of compliance (ICC) incurred during the reporting period.

| **Total Costs to Comply with Renewable Energy Standard in 2019** |
|---|
| $12,841,720 |

| **Forecast of total expenditures for the remaining plan period of 2020-2029** |
|---|
| $82,083,689.64 |

Total Expenditures: ICC + Transfer Cost

| **Total Transfer Cost for 2019 (if any)** |
|---|
| $10,314,524.99 |

Transfer Cost: The component of renewable energy and capacity revenue recovered from PSCR clause.

| **Total ICC for 2019** |
|---|
| $2,527,195.01 |

| **Forecast of the ICC for the remaining plan period (2020-2029)** | **Monthly residential surcharge ($3 or less)** |
|---|---|
| $5,376,476 | $0 |

| **Capital Expenditures for 2019 (if any)** |
|---|
| $0 |

Capital Expenditure: An investment in a renewable energy capital asset.

**Section 51(2)(f).**

Within this section, list the method and the retail sales in MWh for the reporting period.

List the Method: either average of 2016-2018 retail sales or the 2018 weather normalized retail sales.

| Average of retail sales |
|---|

The method chosen should be consistent with the method approved in the initial plan case from 2017.

All sales are retail (net of wholesale).

(A) List the sales in MWh based on the method selected above. Please show the calculation of this figure (including listing the sales of each year if the three year average method is used).

| |
|---|
| **Average of 16-18 Retail Sales = 2,129,134;** 2016=2,171,063; 2017=2,096,597; 2018=2,119,742 |

(B) Compliance: List the energy credits used for compliance for the 2019 compliance year. This number should agree with the compliance requirement listed in the 2019 compliance subaccount in MIRECS. Take into account any energy waste reduction substitutions and limits on their use.

| |
|---|
| 266,114 |

Calculate the renewable energy percentage. Figure above divided by sales in MWh above (B divided by A).

| |
|---|
| 12.5% |

Does the “energy credits used for compliance for the 2019 compliance year” figure above include any credits representing energy generated within 120 days after the start of the next calendar year? Yes/No.

| |
|---|
| No |

If yes, how many credits from 2020 generation are included?

| |
|---|
| N/A |