

PARALLEL GENERATION-PURCHASE PG-2M-STANDARD OFFER

AVAILABILITY

To customers contracting for electric service who satisfy the requirements of "qualifying facility" status under Part 292 of the Federal Energy Regulatory Commission's regulations under the Public Utility Regulatory Policies Act of 1978, generating electrical energy with total customer owned generating capacity of 550 KW or less, and desiring to sell electrical energy to the Company. Customers are not required to take electric service deliveries from the Company. Customers shall enter into a five, ten, fifteen or twenty year service agreement with the Company. Customers with generation capacity of 150 KW or less have the option of selling energy to the Company under this PG-2M tariff, or the CGS Category 1 tariff or the CGS Category 2 tariff.

- (1) QFs with generation design capacity at or below 150 kW shall be eligible to receive compensation based on the Company's full avoided cost rates including capacity and energy, regardless of the Company's capacity need as determined and approved by the Commission in its Order in Case No. U-21081.
- (2) QFs with generation design capacity between 150 kW and 550 kW shall be eligible to receive compensation for energy at the Company's avoided energy cost rate as outlined below. The Commission's Order in Case No. U-21081 determined that the Company did not have a capacity need; therefore, no capacity payment will be payable to systems with a design capacity above 150 kW.

MONTHLY RATES

Fixed Charge

Residential, Non-Demand Secondary customers, and customers not taking electric service deliveries from the Company with customer owned generation capacity of less than 100 kW: Cg1 single or three phase **fixed** charge
Demand Customers and customers not taking electric service deliveries from the Company with customer owned generation capacity equal to or greater than 100 kW: Cg3 **fixed** charge

Charges for Deliveries from Company

Deliveries from the Company to the customer shall be billed in accordance with the standard applicable rate schedules of the Company.

Avoided Energy Cost Rate for Deliveries to Company

For all energy supplied by the customer to the Company, the customer shall receive an energy payment equal to the kilowatt-hours supplied to the Company multiplied by the following energy rate:

<u>Year</u>	<u>Energy Rate</u> \$/kWh
2021	\$0.02718
2022	\$0.06439
2023	\$0.06567
2024	\$0.06699
2025	\$0.06834
2026	\$0.06969
2027	\$0.07108
2028	\$0.07252
2029	\$0.07396

Customers shall receive the applicable energy credits shown above for their initial five years (60 months) of service under this tariff, thereafter, the on-peak energy credit shall equal the average of the on-peak Day Ahead Locational Marginal Prices ("DA LMP") at the MIUP.WEPM load zone node, and the off-peak energy credit

(Continued on Sheet No. D-60.02)

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T. T. Eidukas
Vice-President,
Milwaukee, Wisconsin



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PARALLEL GENERATION-PURCHASE PG-2M-STANDARD OFFER
(Continued from Sheet No. D-60.01)

Avoided Energy Cost Rate for Deliveries to Company (cont.)

shall equal the average of the off-peak DA LMP at the MIUP.WEPM load zone node. The rates shall be reset annually on January 1 of each year based on the hourly average DA LMP at the MIUP.WEPM load zone node of the most recently completed November 1 to October 31 period.

Capacity Payment

QFs with generation design capacity at or below 150 kW shall receive a capacity payment reflecting the most recent Midcontinent Independent System Operator (“MISO”) capacity auction market result in the relevant Local Resource Zone if the customer generation capacity can be counted as capacity in the MISO Capacity Auction (Resource Adequacy) market. The capacity price will be updated each June 1 to reflect the most recent year-round auction clearing price in MISO. The current on-peak rate until May 31, 2024 will be \$0.00110/kWh. If the MISO capacity auction deviates from its current annual format, the applicable capacity price will be calculated from the most recently cleared capacity seasons spanning a 12 month period.

Renewable Premium

At the Company's sole discretion, a premium to be paid on a per kWh basis may be applied to generators that generate a renewable credit that is transferred to the Company. Customers retain the right to refuse a renewable premium and keep the renewable credits or tags. Premiums are to be set when the contract is signed and will not change during the contract period.

Distribution Loss Factors

The following factors shall be applied to the on-peak and off-peak energy factors and capacity payments to reflect system losses. The energy and capacity values will be multiplied by these adjustment factors:

Customers served on a residential rate schedule	1.06343
Customers served on a secondary rate schedule	1.05529
Customers served on a primary rate (low & med voltage) schedule	1.02031
Customers served on a primary rate schedule or special contract (high voltage)	1.00000
Generator only customers metered at a secondary voltage less than 4,160 volts	1.05529
Generator only customers metered at a primary voltage less than or equal to 4,160 volts	1.02031
Generator only customers metered at a primary voltage greater than 4,160 volts and less than 69,000 volts	1.02031
Generator only customers metered at a primary voltage greater than or equal to 69,000 volts	1.00000

Line loss savings will be evaluated on a case by case basis.

ON-PEAK and OFF-PEAK HOURS

The on-peak and off-peak time periods will correspond to the tariffed rate schedule under which the customer purchases energy from the Company. Customers not purchasing energy from the Company will be assigned a peak period of 8 am to 8 pm.

HOLIDAYS

The days of the year which are considered holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MINIMUM CHARGE

The monthly minimum charge shall be the *fixed* charge.

(Continued on Sheet No. D-60.03)

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PARALLEL GENERATION-PURCHASE PG-2M-STANDARD OFFER
(Continued from Sheet No. D-60.02)

PRO-RATION OF DEMAND COST FOR AUTHORIZED MAINTENANCE

For customers billed on rates with demand charges, the demand charges other than "Customer Demand" shall be prorated if the maintenance schedule of the customer owned generation facility has been approved in advance in writing by the Company. Said pro-ration shall be based on the number of authorized days of scheduled maintenance. The customer shall pay the demand rate for the higher than normal demands due to the generation outage only for the days of authorized maintenance.

SPECIAL RULES

1. *The Company shall install appropriate metering facilities to record all flows of energy necessary to bill the customer in accordance with the charges and credits of this rate schedule.*
2. *The customer shall furnish, install, and wire the necessary service entrance equipment, meter sockets, meter enclosure cabinets, or meter connection cabinets that may be required by the Company to properly meter usage and sales to the Company.*
3. *The requirements for interconnecting a generator with the Company's facilities are contained in the Michigan Public Service Commission's Electric Interconnection Standards Rules ([R460.481- 460.489](#)) and the Company's Michigan Utility Generator Interconnection Requirements, copies of which will be provided to customers upon request. All requirements must be met prior to commencing service.*

PARALLEL GENERATION RULES

See Schedule PGXM.

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