D9. PARALLEL GENERATION-PURCHASE BY WPSC-STANDARD OFFER

PG-2M

EFFECTIVE IN: All territory served.

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 30 KW or less have the option of selling energy to the Company under this PG-2M tariff or the PG-1M 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: \$0.3945/Day

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:

	Energy Rate
<u>Year</u>	<u>\$/kWh</u>
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 WPS.WPSM load zone node, and the off- peak energy credit shall equal the average of the off-peak DA LMP at the WPS.WPSM load zone node. The rates shall be reset annually on January 1 of each year based on the hourly average DA LMP at the WPS.WPSM load zone node of the most recently completed November 1 to October 31 period.

(Continued on Sheet No. D-144.00)

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D9. PARALLEL GENERATION-PURCHASE BY WPSC-STANDARD OFFER (Continued from Sheet No. D-143.00)

PG-2M

MONTHLY RATES (cont.)

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 \$0.00083/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:

Customers metered at a transmission voltage of 50,000 volts or higher: 1.0000
Customers metered at a primary voltage of 4,160 volts - 50,000 volts: 1.0096
Customers metered at a secondary voltage of less than 4,160 volts: 0.9885

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

ON-PEAK HOURS

Winter (calendar months of October through May): 7:00 AM to 10:00 PM; Monday through Friday (except holidays). Summer (calendar months of June through September): 7:00 AM to 11:00 PM; Monday through Friday (except holidays).

OFF-PEAK HOURS

All hours not listed as on-peak hours

HOLIDAYS

The days of the year which are considered holidays are: New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday After Thanksgiving, Day Before Christmas, Christmas Day, and the Day Before New Year's Day.

MINIMUM CHARGE

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

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.

(Continued on Sheet No. D-144.01)

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D9. PARALLEL GENERATION-PURCHASE BY WPSC-STANDARD OFFER (Continued from Sheet No. D-144.00)

PG-2M

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.
- 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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