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February 25, 2009

Mary Jo Kunkle  
Executive Secretary  
Michigan Public Service Commission  
PO Box 30221  
Lansing, MI 48909-7721

Re: Case No. U-15847  
Wolverine Power Marketing Cooperative, Inc.  
Renewable Energy Plan Filings

Dear Ms. Kunkle:

Enclosed, for electronic filing, are Application for Renewable Energy Plan and Direct Testimony of Scott H. Frederick, on behalf of Wolverine Power Marketing Cooperative, Inc., in the above-referenced matter.

If you have any questions, please contact me.

Sincerely,

**DYKEMA GOSSETT** PLLC

Joseph J.

Baumann

Joseph J. Baumann

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cc: Mike Peters  
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Scott Fredericks

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**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

\* \* \* \* \*

In the matter, on the Commission's own motion, )  
regarding the regulatory reviews, revisions, )  
determinations, and/or approvals necessary for )  
**WOLVERINE POWER MARKETING COOPERATIVE, INC.,**)  
to fully comply with Public Acts 286 and 295 of 2008. )

Case No. U-15847

**APPLICATION FOR  
RENEWABLE ENERGY PLAN**

Wolverine Power Marketing Cooperative, Inc. ("Applicant"), pursuant to Michigan Public Service Commission ("Commission") order dated December 4, 2008, in Case No. U-15800, respectfully submits this Renewable Energy Plan Application ("Application").

In support thereof, Applicant represents the following:

1. On October 21, 2008, the Commission opened the above-captioned docket ("Implementation Docket"), intending that this docket facilitate the orderly implementation of Public Acts 286 and 295 of 2008 for the Applicant.

2. On December 4, 2008, the Commission issued its Temporary Order, in Docket No. U-15800 ("Temporary Order"), as required by MCL 460.1191.

3. The Temporary Order required that the Applicant file its Renewable Energy Plan by February 25, 2009.

4. Applicant filed its Notice of Intent to file an application for a Renewable Energy Plan, on January 16, 2009.

5. In compliance with Public Act 295 of 2008 and the Temporary Order, Applicant provides the prefiled testimony of Scott H. Frederick testifying to the following:

A. Applicant proposes to meet its Renewable Portfolio Standard ("RPS") percentage requirements with renewable power supply purchases, renewable energy

credit ("REC") purchases, banked renewable power supply, or a combination of those options.

B. Applicant will meet its renewable energy requirements through applicable banked RECs (not expected to expire until after January of 2013) and ongoing renewable power supply purchases from a renewable resource located in the state of Michigan.

C. The number of megawatt hours of electricity used in the calculation of the Applicant's REC portfolio will be based on the average number of megawatt hours of electricity sold annually by the Applicant during the previous three years to its member-customers.

6. Based on the Applicant's assumptions, it does not expect to request a renewable energy surcharge before 2012. If REC purchases are required, Applicant plans to assess incremental charges, if any, up to but not exceeding the allowed caps specified in Section 45(2) of \$16.58 per month for commercial secondary customers and \$187.50 per month for commercial primary or industrial customers per meter.

WHEREFORE, Wolverine Power Marketing Cooperative, Inc. respectfully requests that this Honorable Commission:

- A. Accept this Renewable Energy Plan ("Plan"), consisting of this Application and prefiled testimony;
- B. Approve Applicant's Plan; and
- C. Grant such further relief as other and additional relief as may be deemed appropriate.

Respectfully submitted,

DYKEMA GOSSETT PLLC

Attorneys for

MICHIGAN ELECTRIC COOPERATIVE  
ASSOCIATION

And

Wolverine Power Marketing Cooperative, Inc.

Joseph J.  
Baumann

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By

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STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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WOLVERINE POWER MARKETING COOPERATIVE, INC., )  
to fully comply with Public Acts 286 and 295 of 2008. )

Case No. U-15847

DIRECT TESTIMONY

OF

SCOTT H. FREDERICK

ON BEHALF OF

WOLVERINE POWER MARKETING COOPERATIVE, INC.

February 25, 2009

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter, on the Commission's own motion, )  
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Case No. U-15847

DIRECT TESTIMONY OF SCOTT H. FREDERICK

1 **Q<sub>1</sub> PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A<sub>1</sub> My name is Scott H. Frederick. My business address is 10125 W. Watergate  
3 Road, PO Box 100, Cadillac, Michigan 49601.

4 **Q<sub>2</sub> BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

5 A<sub>2</sub> I am employed by Wolverine Power Supply Cooperative, Inc. ("**Wolverine**") as  
6 Chief Financial Officer of Wolverine Power Marketing Cooperative, Inc.  
7 ("**WPMC**").

8 **Q<sub>3</sub> PLEASE DESCRIBE WPMC.**

9 A<sub>3</sub> WPMC is a Michigan non-profit corporation engaged in the sale of electric energy  
10 to electric choice customers in Michigan. WPMC was licensed as an AES by the  
11 Michigan Public Service Commission ("MPSC") on November 7, 2000 in Case  
12 No. U-12723. WPMC has been selling electric energy to choice customers in  
13 Michigan since April 2001.

14 **Q<sub>4</sub> HOW MANY MEMBER-CUSTOMERS DOES WPMC HAVE?**

15 A<sub>4</sub> WPMC currently has 19 member-customers.

1 **Q<sub>5</sub> WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THE PROCEEDING?**

2 A<sub>5</sub> The purpose of my testimony is to describe how WPMC will meet the renewable  
3 energy standards in Public Act 295 of 2008 ("PA 295"). Further, I will specify that  
4 the number of megawatt hours of electricity used in the calculation of the  
5 Renewable Energy Credit ("REC") portfolio will be based on the average number  
6 of megawatt hours of electricity sold by WPMC during the previous three years to  
7 its choice member-customers.

8 **Q<sub>6</sub> PLEASE DESCRIBE WPMC'S ACCESS TO RENEWABLE ENERGY ON**  
9 **BEHALF OF ITS CHOICE MEMBER-CUSTOMERS.**

10 A<sub>6</sub> WPMC accesses in-state renewable energy through purchased generation as  
11 part of its existing power supply portfolio.

12 **Q<sub>7</sub> PLEASE SUMMARIZE HOW WPMC WILL MEET THE 2012 RPS REC**  
13 **REQUIREMENTS.**

14 A<sub>7</sub> To meet the RPS REC requirement beginning in 2012, to the extent possible,  
15 WPMC began banking RECs on January 1, 2009, as this is within the 36-month  
16 REC-banking window provided for in the Michigan statute. Further, to the extent  
17 banked RECs do not meet the RPS requirement in 2012, or as soon as those  
18 banked RECs are exhausted, WPMC will purchase in-state renewable energy  
19 output or in-state RECs to meet WPMC's RPS REC requirement.

20 **Q<sub>8</sub> HOW WAS WPMC'S REC REQUIREMENT DETERMINED?**

21 A<sub>8</sub> WPMC first determined its current individual load, contracted near-term load, and  
22 expected growth in load. From that information, WPMC then calculated the  
23 required equivalent renewable generation based upon the PA 295 RPS  
24 percentage requirements for 2012, through 2015.

1 **Q<sub>10</sub> HOW DOES WPMC INTEND TO KEEP TRACK OF ITS BANKED RECS?**

2 A<sub>10</sub> Until the Michigan tracking system is established and available on the Michigan  
3 Public Service Commission's website, WPMC will track its banked RECs using  
4 spreadsheets and signed attestations.

5 **Q<sub>11</sub> PLEASE EXPLAIN THE BANKING PROCESS IN MORE DETAIL.**

6 A<sub>11</sub> WPMC is currently purchasing in-state renewable energy as part of its existing  
7 power supply portfolio. WPMC's base renewable energy requirement prior to  
8 year one is 3.71%. Beginning in January 2012, WPMC will start to apply  
9 available banked RECs (beginning with January 2009 REC production) toward  
10 the RPS requirement on a rolling-month first-in, first-out basis. While these  
11 banked RECs are not expected to entirely meet WPMC's requirement in  
12 perpetuity, they will be used until exhausted.

13 **Q<sub>12</sub> HOW DOES WPMC INTEND TO MEET THE RPS STANDARD AFTER  
14 WPMC'S BANKED RECS HAVE BEEN EXHAUSTED?**

15 A<sub>12</sub> After available banked RECs have been exhausted (not estimated to occur until  
16 after January 2013) WPMC will meet its renewable energy requirements through  
17 REC purchases and renewable power supply purchases from renewable  
18 resources located in the state of Michigan. WPMC will assess incremental  
19 charges, if any, up to but not exceeding the allowed caps specified in Section  
20 45(2) of Act 295, of \$16.58 per month for commercial secondary customers and  
21 \$187.50 per month for commercial primary or industrial customers per meter.

22 **Q<sub>13</sub> DOES THIS CONCLUDE YOUR TESTIMONY?**

23 A<sub>13</sub> Yes, it does.