



Upper Peninsula Power Company

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February 14, 2019

UPPER PENINSULA POWER COMPANY

UNVEILS PLAN TO ACHIEVE 56% RENEWABLE ENERGY BY 2022

Marquette - Upper Peninsula Power Company (UPPCO) has emerged as an industry leader after filing its Integrated Resource Plan (IRP) with the Michigan Public Service Commission (MPSC). An IRP is a comprehensive plan developed by an electric utility that outlines its future resource strategy – how the electric utility will provide reliable, cost effective electric service to its customers while addressing the risks and uncertainties inherent in the utility industry.

“As an industry leader, UPPCO is proud to announce that 56% of its energy will be sourced from renewable solar and hydroelectric resources by the year 2022,” said Jim Larsen, UPPCO CEO. “Our plan calls for construction of 125 megawatts of new utility scale solar, 20 megawatts of new natural gas fired Reciprocating Internal Combustion Engine (RICE) generation and continued reliance on the company’s existing hydrogeneration assets. This balanced portfolio will, on average, save our customers \$1 Million per year in power supply costs through the year 2047 while providing immeasurable reliability benefits to the grid.”

Under the IRP, nearly 2/3 of UPPCO’s power supply portfolio will be hedged against the price volatility typically seen in the wholesale markets to ensure long-term price stability for its customers. UPPCO plans to enter into a long-term Purchased Power Agreement (PPA) with an independent developer for construction of the new solar plant. UPPCO is reporting the cost for new solar is fixed over the term of the contract, providing price stability for many years to come. The terms of the PPA have not been disclosed at this time.

“Our IRP presents the company’s proposal for meeting the future energy needs of our customers,” said Brett French, Vice President of Business Development and Communications for the company. “It reflects the feedback and input we received from our customers and stakeholders during 18 months of intensive engineering study and economic evaluation. The total cost of the proposed new generation is lower than the price we are paying today in the wholesale energy market. The IRP capitalizes on considerable technological advancements, reductions in construction costs, and the savings realized when building a larger, utility scale facility. These attributes square nicely with the feedback we received from our customers and stakeholders –



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they want renewable energy and lower, stable pricing. The IRP also expands upon our Energy Waste Reduction program to save our customers even more on their energy bills.”

The Michigan Public Service Commission must now determine if UPPCO’s IRP is the most reasonable and prudent means of meeting its customers energy and capacity needs by considering whether the plan appropriately balances a variety of factors. The MPSC is expected to take up to a year to evaluate UPPCO’s plan and issue its final Order in the case.

For more information on UPPCO and its IRP, visit www.uppco.com.

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