

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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|                                                  |   |                  |
|--------------------------------------------------|---|------------------|
| In the matter of the application of              | ) |                  |
| <b>CONSUMERS ENERGY COMPANY</b>                  | ) |                  |
| for approval of voluntary green pricing programs | ) | Case No. U-21134 |
| pursuant to Section 61 of 2016 PA 342.           | ) |                  |
| _____                                            | ) |                  |

At the July 27, 2022 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair  
Hon. Tremaine L. Phillips, Commissioner  
Hon. Katherine L. Peretick, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On October 18, 2021, Consumers Energy Company (Consumers) filed an application, with supporting testimony and exhibits, requesting approval of revisions to its voluntary green pricing programs pursuant to Public Act 295 of 2008, as amended by Public Act 342 of 2016. Consumers seeks approval of: (i) revisions to the Solar Gardens Pilot Program, including the addition of an Anchor Tenant Option; (ii) revisions to the Large Customer Renewable Energy Program; and (iii) revisions to the Renewable Energy Credit Program.

A prehearing conference was held on November 30, 2021, before Administrative Law Judge Katherine E. Talbot (ALJ). At the prehearing conference, the ALJ granted intervention status to the Environmental Law and Policy Center, the Ecology Center, and Vote Solar (jointly), as well as the Michigan Energy Innovation Business Council, the Institute for Energy Innovation, and Advanced Energy Economy (jointly). Consumers and the Commission Staff also participated in

the proceeding. An evidentiary hearing took place on May 4, 2022, at which testimony and exhibits were bound into the record. The record consists of 148 pages of transcript and 17 exhibits admitted into evidence. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Within 30 days of the date of this order, Consumers Energy Company shall file with the Commission revised voluntary green pricing program tariff sheets substantially similar to those contained in Attachment A to the settlement agreement.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungpl@michigan.gov](mailto:pungpl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Daniel C. Scripps, Chair

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Tremaine L. Phillips, Commissioner

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Katherine L. Peretick, Commissioner

By its action of July 27, 2022.

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Lisa Felice, Executive Secretary

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, of the application of )  
**CONSUMERS ENERGY COMPANY** )  
for approval of Voluntary Green Pricing programs ) Case No. U-21134  
pursuant to Section 61 of 2016 PA 342. )  
\_\_\_\_\_)

**SETTLEMENT AGREEMENT**

Pursuant to MCL 24.278 and Rule 431 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), the undersigned parties agree as follows:

WHEREAS, on October 18, 2021, Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application with supporting testimony and exhibits requesting that the Commission, pursuant to 2008 PA 295 (“Act 295”), as amended by 2016 PA 342 (“Act 342”): (i) approve revisions to the Company’s Solar Gardens Pilot Program (“Solar Gardens”), including the addition of an Anchor Tenant Option; (ii) approve revisions to the Large Customer Renewable Energy Program (“LC-REP”); and (iii) approve revisions to the Renewable Energy Credit (“REC”) Program. The Company filed testimony and exhibits in support of its positions concurrently with its Application.

WHEREAS, the initial prehearing conference in this proceeding was held on November 30, 2021 before Administrative Law Judge Katherine Talbot. In addition to Consumers Energy, the Commission Staff; the Environmental Law and Policy Center, the Ecology Center, and Vote Solar (collectively, the Clean Energy Organizations); and the Michigan Energy Innovation Business Council, the Institute for Energy Innovation, and Advanced Energy Economy presented testimony and exhibits in the proceeding.

WHEREAS, Commission Staff has performed its due diligence by thoroughly reviewing the Company's filings, including the testimony and exhibits of the Company's witnesses, reviewed all discovery responses, and completed a review of the entire record. The result of that review and the settlement discussions is this executed settlement agreement.

NOW THEREFORE, for purposes of settlement of Case No. U-21134, the undersigned parties agree as follows:

1. Except as otherwise stated in this Settlement Agreement, Consumers Energy's proposed modifications to its Voluntary Green Pricing ("VGP") tariffs should be approved. Among other things, these modifications include the following:

a. For Solar Gardens: (i) include a smaller MicroBlock option to provide a lower-cost entry-level option; (ii) specify that Incentive RECs will be retired along with RECs; (iii) remove the requirement that the Company display production data on the Company's website; and (iv) add a new Pilot Anchor Tenant Option;

b. For LC-REP: (i) remove the customer energy credit annual true-up; (ii) replace the current 20% minimum participation match with 1%; (iii) allow subscriptions in whole percentage increments rather than 5%; (iv) indicate that subscribing customers will have the option of resubscribing to the same designated facility up to the useful life of that facility as available; (v) indicate that a customer re-enrolling in the program from a 10-year term to a 15-year term will be able to do so at the same rate, subject to availability; and (vi) specify that Incentive RECs will be retired along with RECs; and

c. For National REC, reduce the contract term from three years to one year.

The parties agree that the Commission should approve the tariff modifications shown in Attachment A to this Settlement Agreement.

2. The parties agree that the Solar Gardens tariff will include the upfront, three-year, and seven-year payment options and will include the “pilot” designation for Solar Gardens.

3. For the Anchor Tenant Option, the parties agree as follows:

a. The tariff will include language stating: “A customer that ceases to be a Full-Service customer or elects to terminate their subscription early will be subject to an early termination fee per the customer’s Anchor Tenant contract”;

b. The Anchor Tenant Option will be designated as a pilot program;

c. The behind-the-meter portion of the Pilot Anchor Tenant Option will be limited to the Butterworth Landfill project identified by the City of Grand Rapids in its letter dated April 19, 2022 and appearing in the docket as filing number U-21134-0026;

d. Consumers Energy agrees to gather information on how utility ownership of the Butterworth Landfill project facilitated development on a brownfield site. The Company will meet with the parties to this Settlement Agreement within a reasonable time after project completion to share these learnings. The Company commits to discussing with the parties to this Settlement Agreement and other stakeholders how this pilot program could be expanded to encourage additional brownfield development in Michigan; and

e. Projects associated with the Anchor Tenant Option will use a competitive bidding process for contracts above \$100,000 other than the contract with the Anchor Tenant. The details of the competitive process will be agreed upon with the customer and will incorporate any competitive bidding rules specific to the customer. Competitive bidding for Anchor Tenant projects remains subject to Commission Staff audit.

4. The parties agree that MI Sunrise Solar will add 5-, 10-, and 15-year payment options and provide Non-Profit Organizations the flexibility to reassign the credits from the subscribed solar blocks during the initial three-year term.

5. The parties agree that for Option B of LC-REP, customers will be allowed to select a subscription term that matches the term of the third-party power purchase agreement, up to a maximum term of 20 years.

6. No later than its next biennial VGP filing, Consumers Energy will include a proposal for a residential and small and medium size business VGP program. Consumers Energy will schedule at least two meetings with interested parties, including the parties to this proceeding, to seek input on the development of the residential and small and medium size business VGP program. Prior to these meetings, Consumers Energy will conduct outreach to small- and medium-size businesses in their service territory to solicit input on this VGP offering. The Company will share the results of the outreach during the stakeholder meetings and in its semi-annual VGP report in docket U-18351.

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this Settlement Agreement are, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this Settlement Agreement nor the Commission shall make any reference to, or use, this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

8. This Settlement Agreement is based on the facts and circumstances of this case and is intended for the final disposition of Case No. U-21134. So long as the Commission approves this Settlement Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement with respect to issues resolved via this Settlement Agreement. The parties agree and understand that this Settlement Agreement does not limit any party's right to take new and/or different positions on similar issues in other administrative proceedings or related appeals.

9. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of the Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall be without prejudice to the pre-negotiation positions of the parties.

10. The parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest.

11. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues resolved in this Settlement Agreement, if the Commission approves this Settlement Agreement without modification.

WHEREFORE, the undersigned parties respectfully request the Commission to approve this Settlement Agreement on an expeditious basis and to make it effective in accordance with its terms by final order.

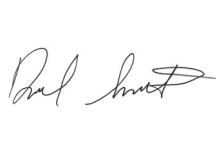
CONSUMERS ENERGY COMPANY

 Digitally signed by  
Gary A. Gensch, Jr.  
Date: 2022.06.22  
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By: \_\_\_\_\_  
Gary A. Gensch Jr. (P66912)  
Anne M. Uitvlugt (P71641)  
Attorneys for Consumers Energy Company  
One Energy Plaza  
Jackson, Michigan 49201

Dated: June 22, 2022

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

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Post Office Box 30221  
Lansing, MI 48909

Dated: June 23, 2022

ENVIRONMENTAL LAW & POLICY CENTER, THE ECOLOGY CENTER, AND VOTE SOLAR

By: \_\_\_\_\_  
Margrethe Kearney (P80402)  
Environmental Law and Policy Center  
116 Somerset Dr. NE  
Grand Rapids, MI 49503

Dated: \_\_\_\_\_

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CONSUMERS ENERGY COMPANY

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Date: 2022.06.22  
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By: \_\_\_\_\_  
Gary A. Gensch Jr. (P66912)  
Anne M. Uitvlugt (P71641)  
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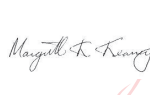
Dated: June 22, 2022

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Dated: \_\_\_\_\_

ENVIRONMENTAL LAW & POLICY CENTER, THE ECOLOGY CENTER, AND VOTE SOLAR

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Dated: \_\_\_\_\_

MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL, THE INSTITUTE FOR  
ENERGY INNOVATION, AND ADVANCED ENERGY ECONOMY

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Dated: June 23, 2022

# ATTACHMENT A

M.P.S.C. No. 14 – Electric  
Consumers Energy Company

Sheet No. A-4.00

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(Continued on Sheet No. A-5.00)

(To update Pilot Solar Program)

(Continued from Sheet No. C-51.00)

C10. RENEWABLE ENERGY PLAN (REP) (Contd)

C10.5 Pilot Solar Gardens Program

~~The purpose of this rule is to develop and test programs to enable the development of Michigan's renewable energy resources.~~ The Pilot Solar Gardens Program (Solar Program) is a voluntary program intended to further the deployment of solar energy in Michigan and meet customer demand. The Solar Program will consist of up to 10 MW of large scale solar facilities. The Solar Program will remain open until a future date to be announced by the Company. ~~Company will extend the pilot program to follow the PA 342 2016 Amendatory Act to October 18, 2022.~~ The Company will own and maintain all facilities under this program and/or contract with Independent Power Producers for the solar energy output of facilities located within Consumers Energy's electric distribution service area.

Eligible customers will have an opportunity to subscribe to the Solar Program in SolarBlocks and/or MicroBlocks. A SolarBlock subscription is equal to 0.5 kW of solar energy. A MicroBlock is a pro rata subscription of less than 0.5kW of solar energy, as defined by the Company. Customers may subscribe to more than one subscription; however, a customer's total subscriptions shall not exceed the customer's Annual Net Usage. A subscribed customer will receive a Solar Energy Credit for the subscription's percentage of the solar energy generated in the Solar Program. This Solar Energy Credit includes the energy and capacity value of the program production as defined herein, and avoided line losses. The Company will retire the Renewable Energy Credits (REC), as defined in Public Act 295 of 2008 and in compliance with MCL 460.1011. Incentive RECs (IRECS) are RECS that are received for specific characteristics of Renewable Energy generation and these will be retired alongside the RECs generated by the dedicated program facilities.

Customers that receive at least 50% of their average monthly energy through this program will be exempt from paying the Company's Renewable Energy surcharge. Customers that receive less than 50% of their average monthly energy through this program will be responsible for the full applicable Renewable Energy surcharge.

A. Definitions

Annual Net Usage - the average annual kWh usage or the annual Imputed Customer Usage in kWhs if enrolled in Net Metering.

~~Long Term Program~~ Capacity ~~Value~~ Credit - the product of the Zonal Resource Credits for the facilities, as determined by Mid-Continent Independent System Operator (MISO), and 75% of the applicable MISO published Cost of New Entry for the resource zone in the lower peninsula of Michigan, adjusted annually.

~~Long Term Program~~ Energy ~~Value~~ Credit - the kWh production of the Solar Program at each hourly interval, multiplied by the hourly day ahead Locational Marginal Price (LMP) at the CONS.CETR pricing node, adjusted for applicable line losses.

Non-profit Organizations – Any non-profit entity that serves low-income customers, any non-profit educational institution, or both.

~~Short Term Program Energy and Capacity Value – the monthly kWh production of the Solar Program multiplied by the fixed rate of \$0.075/kWh.~~

Solar Energy Credit - the monthly bill credit provided to the enrolled customer based on enrollment level, program solar energy production and the value of the Energy Credit and Capacity Credit described below.

Subscription Payment - a payment to participate in the Solar Program, equal to the cost of ~~0.5 kW of solar capacity~~ the associated SolarBlock or MicroBlock.

B. Customer Eligibility

Subject to any restrictions, the Solar Program is available to any Full Service customer. Customers will not be eligible for the Solar Program if they have received a shutoff notice within nine months preceding their application.

(Continued on Sheet No. C-53.00)

(Continued from Sheet No. C-52.00)

**C10. RENEWABLE ENERGY PLAN (REP) (Contd)**

**C10.5 Pilot Solar Gardens Program (Contd)**

**C. Enrollment**

Customers eligible to participate in the Solar Program shall complete an online application to commit to the desired subscription level. A firm Subscription Payment cost will be provided at the time the customer completes the online application.

After a customer elects to take service under this program, or change the level of participation, the customer shall not be permitted to change their established level of participation, until 12-months after date of initial enrollment.

If the Solar Program is oversubscribed, available solar capacity will be awarded on a first come, first served basis.

The Company will keep applicants informed of the Solar Program status and the anticipated operation date of any new facilities associated with their subscription option.

**D. Subscription Payments**

Customers have the following payment options under the Solar Program:

- (1) A single upfront payment and Solar Energy Credits through April of 2041
- (2) Monthly payments for 3 years and Solar Energy Credits through April of 2041
- (3) Monthly payments for 7 years and Solar Energy Credits through April of 2041
- (4) Monthly payments and Solar Energy Credits through April of 2041
- (5) At its discretion, the Company may negotiate other subscription terms with non-residential customers.

Subscription Payments will appear on the customer's bill. The Subscription Payments cover the costs of solar energy, which include the cost of construction, operation and maintenance, property taxes, financing and return on equity, insurance, required interconnection and electric system modifications costs and program management costs.

Customer enrollment will be discontinued ~~without refund~~ if three consecutive Subscription Payments are delinquent.

Customers who relocate within the Consumers Energy electric service territory will have their Solar Program subscription transferred to their new premises unless a request for cancellation is submitted to the Company.

For those customers that subscribed to the single upfront, 3-year, or 7-year payment term, and for Non-profit Organizations enrolling in MI Sunrise Solar, customers relocating outside the Consumers Energy electric service territory may elect to receive an equitable pro-rated refund of the Subscription Payments. The customers must notify the Company within 90 days of relocating in order to receive the refund.

The refund will be calculated as follows:

Total subscription cost paid to date - (Total subscription costs \* (number of bill credits received to date / number of bill credits available in program subscription))

(Continued on Sheet No. C-54.00)

(Continued from Sheet No. C-53.00)

**C10. RENEWABLE ENERGY PLAN (REP) (Contd)**

**C10.5 Pilot Solar Gardens Program (Contd)**

**E. Solar Energy Credits**

Solar Energy Credits applied to the customer's monthly bill are based on the customer's subscription level, the Energy Credit and the Capacity Credit.

~~The Solar Energy Credits in years one through five will be based on the Short Term Program Energy and Capacity Value and in years six through twenty five on the sum of the Long Term Program Energy Value and the Long Term Program Capacity Value.~~

The ~~Long Term Program Energy Value~~ Energy Credit includes a factor to account for avoided line losses attributable to the distributed resource location on the distribution system. The avoided line loss factor is ~~2.38%. This value will be~~ revised when line losses are updated in general electric rate cases, as approved by the Commission.

Customers that chose to have the REC sold when this option was initially available will be credited quarterly. The REC credit is based on a Michigan Renewable Portfolio Standard REC value published quarterly in the Midwest Market Notes by Clear Energy Brokerage and Consulting, LLC, or successor publication, multiplied by the RECs generated. Alternatively, the REC value may be based on the actual sale of the RECs.

If the monthly Solar Energy Credit is greater than the customer's bill, the excess credit will be rolled over and applied to the next month's bill. If a Solar Energy Credit accumulates to an amount greater than \$100, the Company shall pay the balance to the customer.

**F. Reporting**

~~Solar Program production data will be available on the Company's website.~~ Each participating customer's monthly energy bill will include the Subscription Payment and Solar Energy Credit.

**G. Cost Recovery**

Costs will be recovered as set forth in the Commission Order in Case No. U-17752.

**H. MI Sunrise Solar**

MI Sunrise Solar is a pilot option that allows Non-profit Organizations the option to procure block subscriptions and assign the credits from the blocks to low-income residential customers as defined in Rule C5.4 Shutoff Protection Plan for Residential Customers. Non-profit Organizations may procure block subscriptions in excess of their own annual usage if the excess block subscriptions are used for the purpose of assigning credits to low-income customers. Participating Non-profit Organizations serving low-income residential customers will determine the low-income residential customers' program eligibility based on established income-eligibility criteria used as defined in Rule C5.4, Shutoff Protection Plan for Residential Customers. Non-profit Organizations may also procure block subscriptions for assigning credits to educational facilities.

Subscription costs for Non-profit Organizations may be funded through grants or tax-deductible donations, and subscribed blocks will receive Solar Energy Credits for the duration of the subscription ~~and shall be payable per a single upfront payment with Solar Energy credits through 2041.~~ Subscribed blocks are distributed to low-income residential customer recipients at up to 10 blocks per household for a maximum of a three-year term. After the three-year term has concluded, the participating Non-profit Organizations may choose to renew the subscription with the low-income residential customer recipient or at any time during or after the three-year term, rotate to a new recipient to distribute the benefits to multiple households. However, non-profit educational facilities shall not have the total subscriptions exceed the benefiting facilities' Annual Net Usage.

Participating Non-profit Organizations shall provide annual reporting to the Company by April 30 of each year regarding number of eligible customers, number of customer applications, and total customer participation.

(Continued on Sheet No. C-~~55.00~~ 54.50)

(Continued from Sheet No. C-54.00)

I. Pilot Anchor Tenant Option

(1) Availability

The Pilot Anchor Tenant Option provides opportunities for municipalities and schools that are Full-Service customers to be the subscriber of last resort as an anchor tenant of a designated community solar facility. The Company will build and own the resource and administer the program, but the participating anchor tenant will conduct marketing and outreach activities to encourage subscriptions, which may include low-income customers through the MI Sunrise Solar option, subject to the Company's review and approval of any marketing materials.

The participating anchor tenant can identify subscribers for SolarBlocks and MicroBlocks in the designated community solar facility, which must be to Full-Service customers. All subscriptions will be administered through the Company, and the anchor tenants and subscribers must adhere to the Solar Program terms and conditions. The cost of the designated community solar facility will be used to develop a specific per SolarBlock and MicroBlock cost which will be applicable only to subscribers of the specific anchor tenant option.

(i) Second Solar Resource Option

A behind-the-meter solution will only be available per the settlement agreement in Case No. U-21134 approved on XXXXX XX, XXXX. This solution will be available to the anchor tenant as a second solar resource option for the following:

- (a) to offset on-site electricity use of the anchor tenant, or
- (b) to offset a municipality's electricity use at its own facilities served through its own distribution system.

The anchor tenant will be required to pay for all costs of this behind the meter facility pursuant to a contract to be negotiated with the Company. The behind-the-meter system will be sized to minimize export and is available only in addition to the primary designated solar facility. The community solar option must be at least as large as any behind-the-meter option. Only the designated community solar facility component will receive the Solar Energy Credit as currently defined in this rule.

(2) Subscription Payments

Under the Pilot Anchor Tenant Option, pricing and subscription details will be developed on a case-by-case basis with the anchor tenant, as the subscriber of last resort, paying all costs except for any portion of the facility that is otherwise subscribed.

(3) Terms

Municipalities and schools that participate in the Pilot Anchor Tenant Option must contract with the Company for the life of the resource (up to 25 years). The anchor tenant will bear all costs and will receive all credits for the portions of the project where there is not another participant during the life of the project. Residential and Non-residential Customers may enroll to a month-to-month (for the remaining life of the resource) subscription through the Company. Subscribing Customers, including the anchor tenant, would receive monthly Solar Energy Credits for the duration of their participation term for the community solar generation from the designated community solar facility only.

A customer that ceases to be a Full-Service customer or elects to terminate their subscription early will be subject to an early termination fee per the customer's Anchor Tenant contract

(4) Execution of Contract

The Company has complete discretion whether to proceed with entering a contract with an anchor tenant and constructing a project. In making such a determination, the Company will consider, but is not limited to, the following:

- (i) the ability to reach acceptable terms with an anchor tenant,
- (ii) the environmental feasibility of the project,
- (iii) the credit worthiness of the anchor tenant,
- (iv) the funding availability, and
- (v) any other financial considerations regarding cost and scope of the project.

(Continued on Sheet No. C-55.00)

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(Continued from Sheet No. C-~~54.00~~54.50)

C10. RENEWABLE ENERGY PLAN (REP) (Contd)

C10.6 Voluntary Large Customer Renewable Energy Program (LC-REP)

The LC-REP Program provides Full Service customers with the opportunity to advance the development of renewable energy by offering customers the ability to match up to 100% of their total annual energy use with renewable energy generated from wind or solar resources. Customers have the opportunity to choose Option A or Option B.

Under Option A, Consumers Energy will supply the Renewable Energy Resource from designated renewable facilities. Renewable energy designated for use in the LC-REP Program shall not be used by the Company for compliance with the state's statutory renewable energy portfolio requirements. Eligible customers will be enrolled on a first come first served basis where the Company shall bring on new supply when needed based on the applications submitted to the Company.

Under Option B, the customer provides their own Renewable Energy Resource. The Renewable Energy Resource must be sourced from any 100% certified renewable wind or solar resource physically located within the Midcontinent Independent System Operator, Inc. (MISO) footprint.

Renewable Energy under Option A and B shall be provided from wind or solar facilities placed into commercial operation after December 2017.

Customers that receive at least 50% of their average monthly energy through this program will be exempt from paying the Company's Renewable Energy surcharge. Customers that receive less than 50% of their average monthly energy through this program will be responsible for the full applicable Renewable Energy surcharge.

#### **Option A – Company Provided Renewable Resource**

##### **A. Customer Eligibility**

Participation is limited to Full Service customers with annual aggregated Maximum Demand of at least 1,000 kW or individual Maximum Demand of at least 150 kW at a single-metered site. Participants shall be enrolled on a first-in, first-served basis and matching energy shall not exceed the limits of the amount of renewable energy available for the program. Customers may increase their subscription level annually during the enrollment period for the remainder of their contract, based on the availability of renewable energy as determined by the Company.

The Company shall transfer to the customer or retire the Renewable Energy Credits (RECs) *and Incentive Renewable Energy Credits (IRECs)*, as defined in Public Act 342 of 2016, ~~and in compliance with that Act~~ *and in the same manner as defined in Rule C10.5, Pilot Solar Gardens Program*. If a customer's subscribed energy is in excess of the monthly output from the program's designated renewable facilities, then the Company will record the shortfall and attempt to satisfy the shortfall with renewable generation in excess of customer subscriptions from past or future months of the same year of the program. The Company will conduct annual reviews of the program to reconcile the energy generated by the program's designated renewable facilities against the amount of renewable energy subscribed by program participants. If the annual review demonstrates that the renewable facilities have a shortfall in output versus total subscription for the program, then the Company will provide, at the customer's option, RECs in an amount that satisfies the customer's share of the shortfall. The Company will charge customers the cost of acquiring the RECs on their behalf.

The customer subscription level is expressed as a percentage of their monthly energy use. Minimum participation match is ~~20%~~ *1%* of monthly energy use for each enrolled customer account and customer may select participation levels in ~~5%~~ *1%* increments, up to 100% of their total energy use. The customer's subscription charge is a dollar per kWh monthly charge applied to the portion of energy of the customer's account designated to participate in the LC-REP Program and is designed to fully recover the costs of the program.

(Continued on Sheet No. C-56.00)

M.P.S.C. No. 14 – Electric  
Consumers Energy Company

Sheet No. C-56.00

(Continued from Sheet No. C-55.00)

#### **C10. RENEWABLE ENERGY PLAN (REP) (Contd)**

##### **C10.6 Voluntary Large Customer Renewable Energy Program (LC-REP) (Contd)**

###### **Option A - Company Provided Renewable Resource (Contd)**

###### **B. Monthly Rate**

(1) Billing and Credits

- (a) Standard Rate: The customer will pay all applicable Full Service monthly standard tariff charges for their Full Service rate, plus the LC-REP Program subscription charge based on the customer's selected participation level, monthly usage, program supplied generation and service agreement term. The customer will be billed on a calendar month basis.
- (b) Market Index Provision: Full Service customers served on Rate GPD, who elect to match a minimum of 85% of their total energy use, in the previous 12-month period, with renewable energy may substitute the Real Time Locational Marginal Price (RT-LMP) at Consumers Energy's Zonal Load Node, plus a Market Settlement Fee of \$0.002 per kWh, for the standard rate power supply energy charges. Customers selecting the Market Index Provision shall be responsible for all capacity and non-capacity Power Supply charges included in the standard Full Service GPD Rate. Customers may select the Market Index Provision on an annual basis for the program, after providing a 60 day advance notice.

(c) Subscription Charge:

Participating customers have the option of a 10 Year, 15 Year, or 20 Year Service Agreement. The subscription charge will be a flat fee, based on the levelized cost of service of the designated renewable energy facilities approved within the Program and other program costs. If facilities are added to the program at a lower rate, the subscription fee will be prorated for all subscribers, resulting in a net decrease in the subscription fee for all customers. If facilities are added to the program at a higher rate resulting in an increased subscription fee, then customers currently paying a lower amount would retain that amount for their current subscribed participation during their contracted period.

Re-enrollment: If the customer elects to re-enroll in the Program after their initial or subsequent ten-year Service Agreement term ends for an additional ten-year Service Agreement, then they will pay their current subscription charge plus a 2% increase for the subsequent enrollment term. The 2% increase will be limited to ten-year re-enrollments, after which it is subject to increase at the Company's discretion. A customer may elect to re-enroll from a ten-year Service Agreement to a 15 year or 20-year Service Agreement at the same rate subject to availability.

(d) Renewable Energy Resource Credits:

Energy Credit

The customer will be provided a monthly dollar per kWh energy credit based on the ~~LMP at the~~ MISO settled Day Ahead and Real Time LMP related payments for the renewable energy at the assigned Commercial Pricing Node for the generated output of the designated renewable facilities. The credit will be based on the customer's pro rata share of the energy produced from the designated renewable facilities and the customer's subscription level. ~~Credits will be reconciled annually based on MISO settled Day Ahead and Real Time LMP related payments for the renewable energy. The annual reconciliation will be completed by the end of March for each preceding program year.~~

Capacity Credit

The customer will be provided a monthly dollar per kWh capacity credit based on the customer's renewable energy subscription under this program and the value of the auction clearing price in the annual MISO capacity auction for the planning period, as determined by the Company. The annual MISO capacity auction takes place in March with the revenue from system capacity being updated for the next twelve months beginning June 1<sup>st</sup> of each year.

The Energy and Capacity Credits may be paid to the customer via bill credit or direct payment, at the Company's discretion.

(Continued on Sheet No. C-57.00)

(Continued from Sheet No. C-56.00)

C10. RENEWABLE ENERGY PLAN (REP) (Contd)

C10.6 Voluntary Large Customer Renewable Energy Program (LC-REP) (Contd)

Option A - Company Provided Renewable Resource (Contd)

C. Term and Form of Contract

The LC-REP Program shall require a written contract with a minimum term of ten years, with ten year minimum re-enrollment terms. The enrollment period is open from June through September 30<sup>th</sup> each year and the program year runs from January to December. Governmental and Education institutions will be provided the option to prepay for their stated participation term. Customers with contracts that terminate prior to the end of the useful life of the resource to which they subscribe shall have priority to re-subscribe to that resource up to the end of the useful life.

D. Early Termination of Contract

Customers who choose to terminate their service agreement under Option A of the LC-REP Program early will be required to take service under the existing Rate Schedule for the remainder of their contract year and will be assessed a negotiated early termination fee, unless the terminating customer's subscription level is adopted by another eligible customer.

**Option B – External Power Purchase Agreement (PPA) for the Renewable Energy Resource**

A. Customer Eligibility

This option is available to Full Service Customers adding new Primary Voltage load not previously served by the Company prior to their enrollment in the LC-REP Program. New Primary Voltage load for existing customers is considered incremental load served by the Company at 2,400 volts or higher, which was not previously served by the Company, as measured by the customer's average Maximum Demand for the previous 24 months.

The customer's aggregated new Maximum Demand must be in excess of 1,000 Kilowatts with a minimum of a 70% load factor. A customer may aggregate their accounts or meters to reach this requirement. Customers participating under this option may provide the renewable energy from their owned solar or wind renewable facilities or obtain solar or wind renewable energy from a third party provider selected by the participating customer.

There is no minimum or maximum generation requirement for the customer's selected source of renewable energy. The customer's renewable energy must be generated from a facility physically located within MISO and certified as 100% renewable energy. The Company may act as the administrator for the customer's renewable PPA under a separate energy management contract. To participate in the program, the customer shall provide documentation to include total subscribed generation and contract term for the External PPA.

B. Monthly Rate

(1) Billing and Credits

- (a) Standard Rate: The customer will pay all applicable Full Service standard tariff charges.
- (b) Market Index Provision: Full Service customers served on Rate GPD, who elect to match 85% of their total annual energy use with renewable energy under this Program, will also have the option to substitute the Real Time Locational Marginal Price (RT-LMP) at Consumers Energy's Zonal Load Node, plus a Market Settlement Fee of \$0.002 per kWh, for the Standard Rate power supply energy charges. Customers selecting the Market Index Provision shall be responsible for all capacity and non-capacity Power Supply charges included in the standard Full Service GPD Rate. Customers may select the Market Index Provision on an annual basis, after providing a 60 day advance notice.

(Continued on Sheet No. C-58.00)

M.P.S.C. No. 14 – Electric  
Consumers Energy Company

Sheet No. C-58.00

(Continued from Sheet No. C-57.00)

**C10. RENEWABLE ENERGY PLAN (REP) (Contd)**

**C10.6 Voluntary Large Customer Renewable Energy Program (LC-REP) (Contd)**

**Option B – External Power Purchase Agreement (PPA) for the Renewable Energy Resource (Contd)**

B. Monthly Rate (Contd)

(2) Billing and Credits (Contd)

- (c) Administrative Charge: The customer or the customer's third party renewable energy provider is responsible for delivery and sale of renewable energy to MISO. As mutually agreed, the Company may act as the administrator of the customer's renewable energy and the customer will compensate the Company through a negotiated service contract. If the Company acts as the customer's administrator for renewable energy deliveries, then the Company will bid the customer's renewable energy into the MISO energy market at the generator node and bid the generator capacity into the MISO annual capacity auction on the customer's behalf.

C. Term and Form of Contract

The LC-REP Program shall require a written contract. The enrollment period is open from June through September 30<sup>th</sup> each year and the program year runs from January to December. Customers will be allowed to select a subscription term that matches the term of the third-party power purchase agreement, up to a maximum term of 20 years.

D. Early Termination of Contract

Customers who choose to terminate their service under Option B of the LC-REP Program early will be required to take service under the existing Rate Schedule for the remainder of their contract year. Customers who opted for the Company to manage their renewable energy will also be responsible for any costs to the Company not yet recovered under their negotiated service contract.

(Continued on Sheet No. C-58.20)

M.P.S.C. No. 14 – Electric  
Consumers Energy Company

Sheet No. C-58.60

(Continued from Sheet No. C-58.40)

C10. RENEWABLE ENERGY PLAN (REP) (Contd)

C10.7 Renewable Energy Credit (REC) Program (Contd)

(3) National REC

This program is designed for customers interested in subscribing to RECs from existing wind and/or solar systems outside the state of Michigan. In doing so, customers can match a percentage of their energy usage based on their subscription amount with RECs.

A. Customer Eligibility

Participation is limited to Full Service Non-Residential customers with annual aggregated Maximum Demand of at least 1,000 kW.

B. Enrollment

To participate, customers shall submit an application that will be made available on the Company's website. The Company shall procure RECs on behalf of the customer on a monthly, quarterly, or annual basis. Participating customers will pay the full cost of RECs procured on behalf of the customer and a \$0.002 per kWh administrative fee to support program administration and REC procurement. Open enrollment will occur until December 31 in the year of program approval. An open enrollment period and reenrollment period will occur June through September every year after the initial enrollment period. Applications received outside of the open enrollment period may be accepted at the Company's discretion.

C. Subscription Payments and REC Treatment

Customers shall pay a per kWh subscription fee. Participant subscription levels are based on a percentage of monthly average electric usage a customer elects to match with RECs. Initial subscription fees for monthly subscriptions are based on a national value for the most current year published quarterly in the Midwest Market Notes by Clear Energy Brokerage and Consulting, LLC, or successor publication market prices for RECs at the time of program launch, and a \$0.002 per kWh administrative fee to support program administration and REC procurement. An annual reconciliation will be completed by March 31 for each proceeding program year, and customers will be charged or credited any underage or overage in actual REC procurement costs. Participating customers have the option of an annual subscription to procure a full year of RECs by the first quarter of the following year of participation and pay the actual cost of subscribed RECs and a \$0.002 per kWh administrative fee to support program administration and REC procurement. The Company shall transfer to the customer or retire the RECs on the customer's behalf should the option be available.

D. Term and Form of Contract

The National REC program shall require a written contract with a minimum term of ~~three~~ one years, with ~~three~~ one-year minimum re-enrollment terms. Except for the initial year in which this tariff is approved, the enrollment period is open from June through September 30th each year and the program year runs from January to December. Applications received outside of the open enrollment period will be accepted at the Company's discretion.

E. Early Termination of Contract

Customers who choose to terminate their service agreement under the National REC program early will be assessed an early termination fee in the amount of both the subscribed RECs to which the Company is contracted for the customer or RECs that have been procured on the customer's behalf unless the terminating customer's subscription level is adopted by another eligible customer.

# PROOF OF SERVICE

STATE OF MICHIGAN )

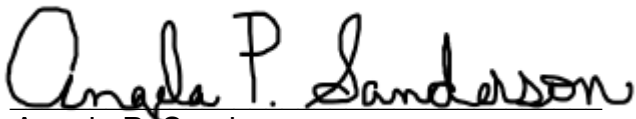
Case No. U-21134

County of Ingham )

Brianna Brown being duly sworn, deposes and says that on July 27, 2022 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

  
Brianna Brown

Subscribed and sworn to before me  
this 27<sup>th</sup> day of July 2022.



Angela P. Sanderson  
Notary Public, Shiawassee County, Michigan  
As acting in Eaton County  
My Commission Expires: May 21, 2024

**Service List for Case: U-21134**

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| <b>Name</b>                     | <b>Email Address</b>         |
|---------------------------------|------------------------------|
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