

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for approval of an integrated resource plan under)	Case No. U-21090
under MCL 460.6t, certain accounting approvals,)	
and for other relief.)	
_____)	

At the January 29, 2026 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER

On August 7, 2025, Consumers Energy Company (Consumers) filed an application in this case (August 7 application), with supporting testimony and exhibits, requesting *ex parte* approval of Public Utility Regulatory Policies Act of 1978, PL 95-617; 92 Stat 3117 (PURPA) full avoided cost rates in accordance with the company’s integrated resource plan (IRP) settlement agreement, as approved in the June 23, 2022 order in this case (June 23 order). On November 3, 2025, Consumers filed another application in this case (November 3 application), with supporting testimony and exhibits, requesting *ex parte* approval of PURPA full avoided cost rates in accordance with the company’s IRP settlement agreement, as approved in the June 23 order. This order addresses both applications.

Per the August 7 application, on June 30, 2021, Consumers filed its IRP application in this case, continuing the company's solar expansion that began in Case No. U-20165. The company's IRP originally targeted 6,000 megawatts (MW) of new solar by 2040. The settlement agreement approved in the June 23 order expanded that procurement goal to approximately 8,000 MW of solar generation by 2040. As part of the settlement agreement approved by the June 23 order, the parties agreed that the company would continue to utilize an annual competitive solicitation process to acquire the technology or technologies specified in the company's proposed course of action (PCA) (i.e., solar resources). August 7 application, p. 2. Similarly, in its November 3 application, Consumers provides the same background regarding the IRP proceeding and the subsequent settlement agreement approved by the June 23 order. November 3 application, p. 2. Consumers then explains that it implemented another competitive solicitation that complied with the requirements of the IRP settlement agreement approved by the June 23 order.

The company explains that on December 8, 2022, Consumers implemented a competitive solicitation that complied with the requirements of the IRP settlement agreement approved in the June 23 order, issuing two requests for proposals (RFPs), one for 2022 (2022 RFP) and one for 2023 (2023 RFP). The 2022 RFP sought additional aggregate nameplate capacity in Michigan's Lower Peninsula in three tranches based on commercial operation dates for 500 MW on or before June 1, 2025; 204 MW on or before June 1, 2026; and 500 MW on or before June 1, 2027. The company sought at least 250 MW through long-term power purchase agreements (PPAs), build-transfer agreements (BTAs), development asset acquisitions, or purchase and sale agreements. August 7 application, pp. 2-3. Also on December 8, 2022, Consumers issued its 2023 RFP (2023 RFP), for additional aggregate nameplate capacity in multiple tranches based on commercial operation dates for 204 MW on or before June 1, 2026; 500 MW on or before June 1, 2027; and

500 MW on or before June 1, 2028. Like the 2022 RFP, the 2023 RFP also sought at least 250 MW through long-term PPAs, BTAs, development asset acquisitions, and purchase and sale agreements. November 3 application, pp. 2-3.

For both the 2022 RFP and 2023 RFP, Consumers selected Enel X North America, Inc. (Enel X) as the independent administrator. A copy of the report prepared by Enel X for the 2022 RFP was included as an exhibit to Consumers' August 7 application, and a copy of the report prepared by Enel X for the 2023 RFP was similarly included as an exhibit to the November 3 application. In the 2022 RFP report, Enel X evaluated a total of 30 unique projects representing nearly 1,665 MW of nameplate capacity and screened and developed a ranked blind shortlist, which was given to Consumers. The company then provisionally selected bids within the various tranches, conducted due diligence reviews, and conducted PPA negotiations with the provisionally selected bidders. This ultimately resulted in the selection of three solar facility PPAs, including the Freshwater Solar PPA. As a result of this process, Consumers executed a 300-MW PPA with Freshwater Solar, LLC (Freshwater Solar) and proposed a 140-MW Spring Creek Solar project (Spring Creek Solar). An *ex parte* application for the Freshwater Solar PPA was filed on January 12, 2024, and was approved in the March 15, 2024 order in Case No. U-21090 (March 15 order). Consumers agreed to seek cost recovery of the Spring Creek Solar project in its renewable energy plan amendment case, Case No. U-21816.¹ August 7 application, pp. 3-4.

Similarly, for the 2023 RFP, Enel X evaluated multiple projects and screened and developed a ranked blind shortlist, which was given to Consumers. The company explains that it then provisionally selected bids within the various tranches, conducted due diligence reviews, and conducted PPA negotiations with the provisionally selected bidders. Consumers states that this

¹ The Commission issued a final order in Case No. U-21816 on September 11, 2025.

process resulted in the selection of a 145.8-MW project with Logan Solar, LLC, and that the company will seek cost recovery of the Logan Solar project (Logan project) in its renewable energy plan amendment proceeding, Case No. U-21816.² November 3 application, pp. 2-4.

In accordance with the IRP settlement agreement approved in the June 23 order, Consumers is required to file new PURPA full avoided cost rates stemming from each competitive solicitation within 30 days of the conclusion of each competitive solicitation. Consumers states that the 2022 RFP officially concluded on July 8, 2025, with the release of the final proposal under evaluation/negotiation, and that the 2023 RFP concluded on October 7, 2025. Pursuant to the IRP settlement agreement approved by the June 23 order, the company's PURPA full avoided cost rates must be equal to the highest priced proposal that received a contract in a competitive solicitation. The company determined that the Freshwater Solar PPA is the highest priced proposal that received a contract in the 2022 RFP, with a forecasted average cost of \$63.29 per megawatt-hour (MWh). Freshwater Solar's levelized cost of energy (LCOE) is estimated at \$63.29 per MWh when including the financial compensation mechanism (FCM), and \$59.90 per

² Consumers' November 3 application states that it would seek cost recovery for the Logan project in Case No. U-21816. The 2023 RFP resulting in selection of the Logan project did not officially conclude until October 7, 2025, and Consumers' application in Case No. U-21816 was filed on November 15, 2024, approximately 11 months earlier. It appears that on May 8, 2024 (prior to the filing of Consumers' application in Case No. U-21816) Enel X sent preliminary provisional award status notifications to the nine respondents selected in the 2023 RFP, but it is unclear from Enel X's report or the November 3 application, when the Logan project was ultimately selected. *See*, November 3 application, Exhibit A-1, p. 19. As noted in the footnote above, the Commission issued a final order in Case No. U-21816 on September 11, 2025, and the Logan project was not included by the company for consideration in that case. Indeed, Consumers testified in Case No. U-21816 that two projects were selected from the 2023 RFP but that negotiations were underway at that time. *See*, Case No. U-21816, 3 Tr 327 (direct testimony included with the November 15, 2024 application in Case No. U-21816). Thus, it appears that at the time Consumers had selected projects from the 2023 RFP, it may have intended to seek cost recovery for the Logan project in Case No. U-21816, but by the time Consumers filed the November 3 application, the company should have been aware that it had not included the Logan project in its application in Case No. U-21816.

MWh without the FCM. August 7 application, pp. 4-5. Consumers then determined that the Logan project is the highest priced selected proposal in the 2023 RFP, with a forecast average of \$57.35 per MWh or approximately \$3.7 million per contracted MW. November 3 application, p. 4. Consumers estimates the LCOE for the Logan project to be \$63.44 per MWh. *Id.*, direct testimony of Beth A. Skowronski, p. 11.

Attached to the August 7 application as Exhibits A-5 and A-6, Consumers provides updated avoided cost rates in its Standard Offer Contract and Standard Offer Tariff, respectively, based on the versions most recently approved in the Commission's December 21, 2022 order in Case No. U-20165. August 7 application, pp. 5-6. The November 3 application contains similar updates to the Standard Offer Contract and Standard Offer Tariff. November 3 application, p. 5; *see also, id.*, Exhibits A-5 and A-6.

Consumers seeks approval of the full avoided cost rates included in the August 7 application and contends that they were established consistent with the IRP settlement agreement approved by the June 23 order. Similarly, Consumers also seeks approval of the full avoided cost rates included in the November 3 application, contending that they were also established consistent with the IRP settlement agreement approved by the June 23 order. As the November 3 application was filed prior to the Commission acting on the August 7 application, the company requests that the full avoided cost rates included in the November 3 application immediately supersede the full avoided cost rates included in the August 7 application. The company states that the Logan project was the highest priced proposal selected in the 2023 RFP, and, thus, in accordance with the terms of the IRP settlement agreement, it will now serve as the basis for the company's PURPA full avoided cost rates. November 3 application, p. 6. Per Consumers, the Logan project was acquired in a manner consistent with the IRP settlement agreement approved by the June 23 order

and at a cost that is consistent with the modeled solar resource costs in the company's 2021 IRP.
Id.

The company is also required to update its bundled outflow rate for its Simple Renewable Program, which is based on the company's PURPA full avoided cost rates, whenever an update to the full avoided cost rates results in a change of 15% or more to the bundled rate. August 7 application, pp. 5-6 (citing July 23, 2024 order in Case No. U-21506 (approving settlement agreement)). In the August 7 application, the company updated its Simple Renewable Program bundled rate to \$60.59 per MWh or \$0.061 per kilowatt-hour based on the updated full avoided cost rates. *Id.*, p. 6. In the November 3 application, Consumers explains that no further update is required because the November 3 application does not trigger the 15% threshold for adjustment over the rate proposed in the August 7 application. November 3 application, p. 5.

Consumers states that, as set forth in Paragraphs 8(f) and 8(g) of the IRP settlement agreement approved by the June 23 order, the company is not required to offer any unfilled capacity to PURPA qualifying facilities as part of the 2022 competitive solicitation. The total capacity acquired through Consumers' annual IRP competitive solicitations will be reconciled with the capacity projections outlined in the PCA during the company's next IRP filing. November 3 application, pp. 5-6. Lastly, Consumers explains that it is not proposing changes to the methodology or eligibility of PURPA avoided costs. Thus, Consumers requests approval of both applications on an *ex parte* basis. August 7 application, p. 7; November 3 application, pp. 6-7.

Discussion

MCL 460.6t provides, in relevant part, that in an IRP proceeding, the Commission shall do all of the following:

(11) In approving an integrated resource plan under this section, the commission shall specify the costs approved for the construction of or significant investment in an electric generation facility, the purchase of an existing electric generation facility, the purchase of power under the terms of the power purchase agreement, or other investments or resources used to meet energy and capacity needs that are included in the approved integrated resource plan. The costs for specifically identified investments, including the costs for facilities under subsection (12), included in an approved integrated resource plan that are commenced within 3 years after the commission's order approving the initial plan, amended plan, or plan review are considered reasonable and prudent for cost recovery purposes.

(12) Except as otherwise provided in subsection (13), for a new electric generation facility approved in an integrated resource plan that is to be owned by the electric utility and that is commenced within 3 years after the commission's order approving the plan, the commission shall finalize the approved costs for the facility only after the utility has done all of the following and filed the results, analysis, and recommendations with the commission:

(a) Implemented a competitive bidding process for all major engineering, procurement, and construction contracts associated with the construction of the facility.

(b) Implemented a competitive bidding process that allows third parties to submit firm and binding bids for the construction of an electric generation facility on behalf of the utility that would meet all of the technical, commercial, and other specifications required by the utility for the generation facility, such that ownership of the electric generation facility vests with the utility no later than the date the electric generation facility becomes commercially available.

(c) Demonstrated to the commission that the finalized costs for the new electric generation facility are not significantly higher than the initially approved costs under subsection (11). If the finalized costs are found to be significantly higher than the initially approved costs, the commission shall review and approve the proposed costs if the commission determines those costs are reasonable and prudent.

MCL 460.6v(1) provides:

(1) Notwithstanding any existing power purchase agreement, the commission shall, at least every 5 years, conduct a proceeding, as a contested case pursuant to chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.287, to reevaluate the procedures and rates schedules including avoided cost rates, as originally established by the commission in an order dated March 17, 1981 in case no. U-6798, to implement title II, section 210, of the public utility regulatory policies act of 1978, as it relates to qualifying facilities from which

utilities in this state have an obligation to purchase energy and capacity. Nothing in this section supersedes the provisions of PURPA or the Federal Energy Regulatory Commission's regulations and orders implementing PURPA.

As noted above, this order addresses two applications, both seeking approval of new avoided costs rates. The two applications, the August 7 application and the November 3 application, were filed in relatively close time to each other without a final order on the August 7 application before the November 3 application was filed. Thus, with two applications seeking similar relief, the Commission clarifies the contents of the applications to avoid confusion—the August 7 application, being the first in time, seeks approval of new avoided cost rates set at the pricing of the Freshwater project, resulting from the 2022 RFP, with an update to the bundled outflow rate for its Simple Renewable Program. The subsequent November 3 application seeks approval of new avoided costs rates based on the pricing of the Logan project, resulting from the 2023 RFP, with no update to the outflow rate in the Simple Renewable Program.

The Commission has reviewed Consumers' August 7 application, supporting testimony and exhibits, the language in MCL 460.6t and MCL 460.6v, and the June 23 order, and finds that the proposed PURPA full avoided cost rates should be approved, as well as the update to the bundled outflow rate for the Simple Renewable Program. The Commission has also reviewed Consumers' November 3 application, supporting testimony and exhibits, the language in MCL 460.6t and MCL 460.6v, and the June 23 order, and finds that the proposed PURPA full avoided cost rates should be approved, and shall immediately supersede the avoided cost rates approved in the August 7 application. The Simple Renewable Program outflow rate shall be set at the rate included in the August 7 application and is not updated by the November 3 application as the change from the August 7 application to the November 3 application does not meet the 15% threshold as explained in the November 3 application. *See*, November 3 application, p. 5. The

Commission further finds that *ex parte* review and approval of both applications are appropriate because approval will not affect rates or rate schedules resulting in an increase in the cost of service to customers. *See*, MCL 460.6a(3).

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company's August 7, 2025 application to update the Public Utility Regulatory Policies Act of 1978 full avoided cost rates is approved.

B. Consumers Energy Company's updated Standard Offer Contract and the Standard Offer Tariff, attached as Exhibits A-5 and A-6 to the August 7, 2025 application, are approved.

C. Consumers Energy Company's updated bundled outflow rate for the Simple Renewable Program, as described in the August 7, 2025 application, is approved.

D. Consumers Energy Company's November 3, 2025 application to update the Public Utility Regulatory Policies Act of 1978 full avoided cost rates is approved and the full avoided costs therein shall supersede the full avoided cost rates from the August 7, 2025 application.

E. Consumers Energy Company's updated Standard Offer Contract and the Standard Offer Tariff, attached as Exhibits A-5 and A-6 to the November 3, 2025 application, are approved and supersede the updated Standard Offer Contract and the Standard Offer Tariff from the August 7, 2025 application.

F. Within 30 days from the date of this order, Consumers Energy Company shall file tariff sheets substantially similar to those attached to those in Exhibits A-5 and A-6 to the November 3, 2025 application, with effective dates as approved herein. After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, Consumers Energy Company shall promptly file the final tariff sheets in this docket and serve all parties.

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 LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@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

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of January 29, 2026.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

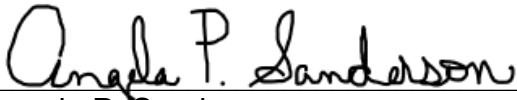
Case No. U-21090

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on January 29, 2026 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 29th day of January 2026.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

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