S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of **CONSUMERS ENERGY COMPANY** to commence a renewable energy cost reconciliation proceeding for the 12-month period ended December 31, 2024.	))))))	Case No. U-21829

At the April 30, 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 APPROVING SETTLEMENT AGREEMENT

On July 30, 2025, Consumers Energy Company (Consumers) filed an application in this matter, with supporting testimony and exhibits, requesting authority to reconcile the company's renewable energy plan costs and revenues for the 12-month period ended December 31, 2024, pursuant to Public Act 295 of 2008, MCL 460.1001 *et seq*., as amended.

A prehearing conference was held on September 9, 2025, before Administrative Law Judge James M. Varchetti, at which the Michigan Environmental Council and the Association of Businesses Advocating Tariff Equity were granted intervention. The Commission Staff and Consumers also participated in the proceeding. On February 20, 2026, the case was reassigned to Administrative Law Judge Jacqueline Langwith. 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 the settlement agreement, attached as Exhibit A, is approved.

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 sheac1@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 April 30, 2026.

Lisa Felice, Executive Secretary

EXHIBIT A

S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of **CONSUMERS ENERGY COMPANY** to commence a renewable energy cost reconciliation proceeding for the 12-month period ended December 31, 2024.	))))))	Case No. U-21829

SETTLEMENT AGREEMENT

On July 30, 2025, Consumers Energy Company ("Consumers Energy" or the "Company") filed an Application with the Michigan Public Service Commission ("MPSC" or the "Commission") to review its implementation of the Renewable Energy Plan ("RE Plan") approved by the Commission in compliance with 2008 PA 295; MCL 460.1001 *et. seq*. ("Act 295"), as amended by 2016 PA 342 ("Act 342") and 2023 PA 235 ("Act 235"), and approve the reconciliation of plan costs for the period beginning January 1, 2024 through December 31, 2024. The Application was supported by the direct testimony and exhibits of Company witnesses Marc R. Bleckman, Zachery S. Cole, Jeni K. Decoster, and Chibuzo C. Obikwelu. Pursuant to the Notice of Hearing, a prehearing conference was held in this proceeding before Administrative Law Judge James Varchetti[1] on September 9, 2025. The parties to the case are Consumers Energy, the Michigan Public Service Commission ("MPSC" or the "Commission") Staff ("Staff"), the Michigan Environmental Council ("MEC"), and the Association of Businesses Advocating Tariff Equity ("ABATE").

1 On February 20, 2026, this case was reassigned to Administrative Law Judge Jacqueline Langwith.

The parties have discussed the issues in this case and, as a result, decided to resolve all issues by virtue of this Settlement Agreement ("Agreement"). WHEREFORE, the parties agree to the following:

1. On October 6, 2008, Michigan enacted Act 295, which required certain electric providers, including Consumers Energy, to file proposed RE Plans with the Commission for its review and approval. Consistent with the requirements of Act 295, Consumers Energy submitted its 2009 RE Plan on February 17, 2009 in Case No. U-15805, which was originally approved in a May 26, 2009 Order. The Company's RE Plan has subsequently been amended.

2. In an Order dated January 25, 2025 in Case No. U-21828, *et al*., the Commission directed Consumers Energy to file its 2024 Renewable Energy Cost Reconciliation by August 1, 2025.

3. MCL 460.1028(1)(a) requires that through 2029, an electric provider shall achieve a Renewable Energy Credit ("REC") Portfolio of 15%. For 2024, Consumers Energy's REC portfolio requirement is 4,897,478 RECs. The Company met this obligation. In Case No. U-21557, the Commission approved the conversion of 168,429 Energy Waste Reduction ("EWR") Credits into RECs. The Company has transferred 4,729,049 RECs from its general account to its 2024 compliance account to satisfy the remainder of its compliance obligation for 2024.

4. The Transfer Price for 2024 is approximately $85.00 per MWh. To determine the Transfer Price, the Company calculated the total Transfer Cost associated with renewable energy delivered in 2024, added any adjustments related to the Transfer Costs associated with renewable energy delivered in prior years and booked in 2024, and divided the total by the corresponding renewable energy volume booked in 2024. The Transfer Price is only applied to production from Provider-Owned renewable energy systems; purchases of energy, capacity, and RECs through

renewable energy contracts; and production from Commission-authorized renewable energy systems. In 2024, the Company had 12 Renewable Energy Purchase Agreements ("REPAs") as well as Experimental Advanced Renewable Program ("EARP") Agreements for service supplying energy, capacity, and RECs. The total Transfer Cost for each contract did not exceed the total cost paid to each counterparty in 2024. Additionally, deliveries were made in 2024 by Provider-Owned Renewable Energy Resources. Costs for renewable energy systems for which recovery in electric rates was approved as of October 6, 2008 (the effective date of Act 295) are recovered as part of power supply costs and general rates.

5. Consistent with the Commission's Order in Case No. U-17301, the Company eliminated the RE Plan customer surcharges effective with the July 2014 billing month. Accordingly, there were no planned customer renewable energy surcharge revenues for 2024.

6. The Company expected to incur \$239.8 million in expenses in 2024 to comply with Act 295, as amended. In 2024, the Company expected to incur \$121.2 million in Construction Work in Progress and Plant in Service costs, \$54.8 million in depreciation costs, \$42.9 million in operating expense, and \$(79.5) million in federal tax credits and monthly amortization of the Cash Grant. The total cost of compliance for REPAs related to energy and capacity was expected to be \$118.1 million, and the Company's return on REC inventory was estimated to be \$0.4 million. The Company's additional/surcharge revenues associated with EARP, Solar Gardens Program ("Solar Gardens"), and the Large Customer Renewable Energy Program ("LC-REP") were expected to be \$(18.1) million.

7. The total cost of compliance that the Company incurred in 2024 was \$223.2 million. In 2024, the Company incurred \$116.0 million in Construction Work in Progress and Plant in Service costs, \$55.2 million in depreciation cost, \$43.6 million of operating expenses, and

$(77.0) million in federal tax credit costs and monthly amortization of the Cash Grant. The total cost of compliance for REPAs related to energy and capacity was $102.5 million, and the Company's return on REC Inventory was $0.4 million. The Company's additional/surcharge revenues associated with EARP, Solar Gardens, and LC-REP were $(17.5) million.

8. Staff thoroughly reviewed the Company's RE Plan Reconciliation through a number of means including the submission of information requests and reviewed the submittals from the Company. These requests included support for expenses listed within the Company's testimony and exhibits, including tying the expenses to bills, general ledgers, system documentation, policies, or relevant Commission orders. This review included the Company's explanations of actual vs plan data as obligated under MCL 460.1049(3). Further, Staff requested and subsequently reviewed the rate of return as well as the REC inventory, generation, and compliance support from the Company and from the Michigan Renewable Energy Certification System ("MIRECS"). In addition to written information requests, phone calls confirming data, and the MIRECS compliance review, Staff also performed its annual audit of the Company's transfer price related cost recovery data. During this review, Staff compared transfer price schedules, as approved by the Commission, to invoices and the Company's filing. Staff was able to discuss specific questions with the Company regarding both transfer prices as well as the case more generally. Additionally, Staff reconciled requested transfer price amounts to the Power Supply Cost Recovery ("PSCR") Case.

9. The parties agree that the Company's 2024 RE Plan Reconciliation is reasonable and prudent and meets all relevant requirements under Acts 295, 342, and 235.

10. The parties agree that the Commission should establish the price per MWh for renewable energy and advanced cleaner energy capacity, and for renewable energy and advanced

cleaner energy to be recovered through the Company's PSCR clause under MCL 460.6j (Transfer Price) of approximately $85.00 per MWh. The parties reserve all rights and arguments regarding the methodology for determining transfer prices in future reconciliation proceedings following the Commission's Order on the Staff report in Case No. U-15800.

11. The parties agree to reserve all rights and arguments regarding whether the Company's landfill gas recovery and electricity generation facilities comply with amended standards under Public Act 235 of 2023 (MCL 460.1011(i)) in future renewable energy plan and reconciliation cases.

12. The parties agree to reserve all rights and arguments regarding the methodologies for calculating incentive RECs (including peak demand and storage incentives) in future proceedings following the Commission's Order on the Staff report in Case No. U-15800.

13. The parties agree that Consumers Energy's ending regulatory liability as of December 31, 2024 is $55,967,875, inclusive of interest. This regulatory liability amount will be reflected as the Company's beginning balance in its 2025 renewable energy cost reconciliation.

14. The parties agree that Consumers Energy will utilize the attached Transfer Price schedule, attached as Attachment A, for all new Company-owned projects and REPAs filed for approval after Commission approval of this Agreement, until such time that the Commission approves a new Transfer Price schedule for the Company.

15. The parties agree to reserve all rights and arguments regarding the reasonableness of the Company's REC drawdowns in future renewable energy plans and reconciliations. In future reconciliation cases, the Company agrees to explain any variances between the Renewable Energy Credit Portfolio filed in its last-approved Renewable Energy Plan and the actual data for the relevant reconciliation period.

16. The parties agree that Consumers Energy's RE Plan Reconciliation associated with the RE Plan approved in Case No. U-15805 (and as subsequently amended) meets its 2024 renewable energy credit portfolio standards and the actual 2024 renewable energy expenses and revenues fall within the authorized levels.

17. The parties join in requesting the Commission to issue an order approving this Agreement. The parties agree that approval of this Agreement by the Commission is reasonable and in the public interest.

18. This Agreement has been made for the sole and express purpose of reaching a compromise and an accommodation among the parties to this case. This Agreement shall not in any way prejudice any of the parties' right to take new and/or different positions in any other proceeding. All offers of settlement and discussion relating to this Agreement shall be considered privileged under MRE 408. If the Commission approves this Agreement without modification, neither the parties to this Agreement, nor the Commission shall make any reference to, or use the Agreement, or the order approving it as 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 or use may be made to enforce this Agreement and the order approving it.

19. For the sole purpose of submitting this Agreement to the Commission, the parties waive compliance with the provisions of Section 81 of the Administrative Procedures Act of 1969, MCL 24.281.

CONSUMERS ENERGY COMPANY

Digitally signed by Anne M. Uitvlugt
Date: 2026.04.13 11:54:53 -04'00'

By: ____________________ Date: April 13, 2026

Anne M. Uitvlugt (P71641)
Gary A. Gensch, Jr. (P66912)
Attorneys for Consumers Energy
One Energy Plaza
Jackson, MI 49201

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

By: ____________________ Date: 4/14/2026

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Anna B. Stirling (P84919)
Assistant Attorney General
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ASSOCIATION OF BUSINESSES ADVOCATING TARIFF EQUITY

Benjamin J. Holwerda

Digitally signed by: Benjamin J. Holwerda
DN: CN = Benjamin J. Holwerda email = bholwerda@clarkhill.com C = US O = Clark Hill PLC
Date: 2026.04.13 16:29:00 -04'00'

By: ____________________ Date: 4/13/2026

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MICHIGAN ENVIRONMENTAL COUNCIL

Digitally signed by Christopher M. Bzdok
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By: ____________________ Date: 4/13/2026

Christopher M. Bzdok (P53094)
Holly L. Hillyer (P85318)
Sean C. Clark (P88870)
Troposphere Legal
420 E. Front St.
Traverse City, MI 49686

	2024 Staff Transfer Price Schedule	2025 Staff Transfer Price Schedule
2025	$65.60	$64.22
2026	$68.91	$67.53
2027	$70.40	$68.81
2028	$70.68	$68.83
2029	$71.47	$69.69
2030	$72.31	$70.53
2031	$73.69	$71.83
2032	$75.28	$73.27
2033	$76.86	$74.69
2034	$78.90	$76.46
2035	$80.53	$77.84
2036	$82.04	$79.15
2037	$83.72	$80.69
2038	$85.50	$82.32
2039	$87.22	$83.88
2040	$89.34	$85.78
2041	$91.43	$87.64
2042	$93.26	$89.31
2043	$95.19	$91.05
2044	$97.58	$93.14
2045	$99.97	$95.22

P R O O F   O F   S E R V I C E

STATE OF MICHIGAN)

Case No. U-21829

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on April 30, 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 J. Brown

Brianna Brown

Subscribed and sworn to before me
this 30th day of April 2026.

Angela P. Sanderson

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

Service List for Case: U-21829

Name	On Behalf Of	Email Address
Anna B. Stirling	MPSC Staff	stirlinga1@michigan.gov
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Benjamin J. Holwerda	Association of Businesses Advocating Tariff Equity	bholwerda@clarkhill.com
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