

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 power purchase agreements.	)	Case No. U-20604
	)	

At the October 1, 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 October 31, 2025, Consumers Energy Company (Consumers) filed an application in this docket (October 31 application), with supporting testimony and exhibits, pursuant to Section 6j of Public Act 304 of 1982, MCL 460.6j, requesting *ex parte* approval of a power purchase agreement (PPA) with Pivot Energy MI 1 LLC (Pivot Energy MI 1) for the output of the Pivot Energy MI 1 Solar Plant.

In its application, Consumers informs the Commission that it executed a PPA with Pivot Energy MI 1 for 1.875 megawatts (MW) of output from the Pivot Energy MI 1 Solar Plant. Consumers states that the term begins on July 31, 2028, and ends on July 31, 2043. The payments for the PPA are based on Consumers' Commission-approved energy-only avoided cost rates established pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA), PL 95-617; 92 Stat 3117. Per Consumers, the PPA provides for the purchase of energy from the plant based

on actual Midcontinent Independent System Operator, Inc. day-ahead locational marginal prices as contained in Exhibit A-1 of the PPA that is attached to the October 31 application. October 31 application, p. 2. Per the company, the PPA also includes a regulatory disallowance clause, a monthly administrative charge, and an early termination security provision, and, while not a provision of the PPA, the PPA is subject to a financial compensation mechanism (FCM) pursuant to Section 28(8) of Public Act 235 of 2023, MCL 460.1028(8). Section 28(8) reads in relevant part as follows:

[i]f an electric provider whose rates are regulated by the commission enters into a purchase power agreement for renewable energy resources or a third-party contract for an energy storage system or clean energy system with an entity that is not an affiliate, the commission shall authorize an annual financial incentive for the electric provider. The financial incentive shall be calculated as the product of contract payments [t]he financial incentive shall be calculated as the product of contract payments in that year multiplied by the electric provider's pre-tax weighted average cost of permanent capital comprised of long-term debt obligations and equity of the electric provider's total capital structure as determined by the commission's final order in the electric provider's most recent general rate case.

Consumers states that the PPA is based on the company's PURPA standard offer PPA, as filed on November 4, 2022, in Case No. U-21090, with a few minor exceptions included in the Other Contract Changes section in Part 1 of the PPA. Consumers estimates that the PPA with Pivot Energy MI 1 has an approximate total cost of \$2,396,940. October 31 application, direct testimony of Nicholas B. Tenney, p. 5.

Consumers explains that the PPA is the result of the company's Commission-approved PURPA energy-only avoided cost rates because the PPA is below the company's must-purchase MW threshold of five MW and the company was therefore required to enter into the PPA with Pivot Energy MI 1 at the energy-only avoided costs rates. *Id.* Consumers contends that *ex parte* review is appropriate because approval of the application will not increase rates or charges for any

customer beyond the levels that were previously approved by the Commission. October 31 application, p. 3.

The Commission has reviewed Consumers' application, as well as the supporting testimony and exhibits, and finds that the PPA with Pivot Energy MI 1 should be approved. The Commission further finds that *ex parte* review and approval are appropriate as approval will not affect rates or rate schedules and will not increase the cost of service to customers. *See*, MCL 460.6a(3). While the Commission is approving the FCM as required under MCL 460.1028(8), the Commission notes its disagreement with the statutory requirement that an FCM be applied to PURPA contracts such as this where the utility is obligated under federal law to purchase the output of qualified facilities such as Pivot Energy MI 1. The FCM is simply added profits for the utility that gives customers nothing in return. Adding profits to utility contracts that are entered into pursuant to federal obligations results in unnecessary costs for customers.

THEREFORE, IT IS ORDERED that the power purchase agreement between Consumers Energy Company and Pivot Energy MI 1 LLC for the output of the Pivot Energy MI 1 Solar Plant 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 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.

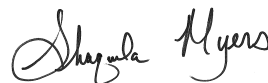
MICHIGAN PUBLIC SERVICE COMMISSION



Daniel C. Scripps, Chair

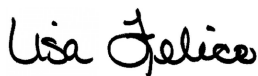


Katherine L. Peretick, Commissioner



Shaquila Myers, Commissioner

By its action of October 1, 2026.



Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

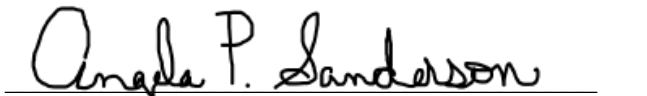
Case No. U-20604

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on October 1, 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 1st day of October 2026.


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

Service List for Case:**U-20604**

Name	On Behalf Of	Email Address
Anne M. Uitvlugt	Consumers Energy Company	anne.uitvlugt@cmsenergy.com
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	kelly.hall@cmsenergy.com
Evan B. Keimach	Consumers Energy Company	evan.keimach@cmsenergy.com
Robert W. Beach	Consumers Energy Company	robert.beach@cmsenergy.com