

STATUS OF ELECTRIC COMPETITION IN MICHIGAN

Report for Calendar Year 2016

Sally A. Talberg, Chairman
Norman J. Saari, Commissioner
Rachael A. Eubanks, Commissioner

MICHIGAN PUBLIC SERVICE COMMISSION
Department of Licensing and Regulatory Affairs

February 1, 2017



Table of Contents

Introduction	1
I. Status of Competition for Electric Supply.....	2
A. Overview.....	2
1. Michigan’s Electric Customer Choice Program	3
2. Michigan Renewable Energy Programs.....	3
B. Alternative Electric Suppliers	4
C. Load Served through Electric Customer Choice Programs.....	4
1. Consumers Energy Electric Customer Choice Program	4
2. DTE Electric Company Electric Customer Choice Program	5
3. Upper Peninsula Power Company Electric Customer Choice Program.....	6
4. Wisconsin Electric Power Company Electric Customer Choice Program	7
5. Wisconsin Public Service Corporation Electric Customer Choice Program....	8
6. Cloverland Electric Cooperative Electric Customer Choice Program.....	9
7. Indiana Michigan Power Company Electric Customer Choice Program.....	9
D. Benchmarking Michigan’s Electric Prices	9
1. Residential Rates.....	9
2. Commercial Rates	12
3. Industrial Rates	15
II. Commission Action Related to Electric Customer Choice and Consumer Protections.....	18
III. Commission Action on Customer Education	19
IV. Recommendations for Legislation.....	19
Appendix 1 – Charts 1-11.....	21
Appendix 2 – Commission Orders	33
Appendix 3 – Alternative Electric Suppliers	36

Introduction

The Customer Choice and Electricity Reliability Act (Public Act 141 of 2000, referred to throughout as Act 141) requires the Michigan Public Service Commission (Commission or MPSC) to file a report with the Governor and the Legislature by February 1 each year. The report is to include a discussion of the following topics, pursuant to MCL 460.10u:

- a) The status of competition for the supplying of electricity in Michigan.
- b) Recommendations for legislation, if any.
- c) Actions taken by the Commission to implement measures necessary to protect consumers from unfair or deceptive business practices by utilities, alternative electric suppliers, and other market participants.
- d) Information regarding consumer education programs approved by the Commission to inform consumers of all relevant information regarding the purchase of electricity and related services from alternative electric suppliers.

An important goal of Act 141 is to have competition within the electric industry by offering Michigan customers the opportunity to purchase electric generation services from their incumbent utility or an Alternative Electric Supplier (AES). The Commission does not regulate the prices charged by an AES for its services. Customers may choose between an unregulated AES rate or a regulated utility rate.

Public Act 286 of 2008 (Act 286) was enacted on October 6, 2008 and amended Act 141. Section 10a(1)(a) of Act 286, MCL 460.10a, provides that no more than 10 percent of an electric utility's average weather-adjusted retail sales for the preceding calendar year may take service from an alternative electric supplier at any time.¹ As a result, the Commission outlined the specific procedures pertaining to the implementation of the 10 percent cap and established a cap tracking system that utilities are required to make available online.² On December 21, 2016, Public Act 341 (Act 341) of 2016 was signed and will become effective April 20, 2017. Act 341 will amend Act 286.

¹ With the exception of Section 10a(1)(d) of Act 286 which excludes iron ore mining or processing facilities.

² Order dated September 29, 2009 in Case No. U-15801

I. Status of Competition for Electric Supply

A. Overview

Retail Open Access (referred to throughout as “ROA”, “electric customer choice” or “electric choice”) for all customers of Michigan investor-owned electric utilities took effect on January 1, 2002. AESs currently serve electric choice customers in the Consumers Energy Company (Consumers Energy), DTE Electric Company (DTE), Upper Peninsula Power Company (UPPCo), Wisconsin Electric Power Company (WEPCo) and Wisconsin Public Service Corporation (WPSC) territories. Cloverland Electric Cooperative (Cloverland) and Indiana Michigan Power Company (I&M) have not experienced customers participating in electric choice since September 2015 and April 2013 respectively.

Michigan is one of 20 jurisdictions that had full or limited restructuring of retail electric markets in 2016.³ In Michigan, Act 286 caps electric choice participation at 10 percent of an electric utility’s average weather-adjusted retail sales for the preceding year. The 10 percent cap is reset annually to reflect the average weather-adjusted retail sales for the preceding year.

Specific information pertaining to the status of electric choice participation for each utility can be found at their respective websites.⁴

On December 9, 2016, the Commission approved a settlement agreement in Case No. U-18061 that permits the creation of a new Michigan-only jurisdictional utility in the Upper Peninsula. Upper Michigan Energy Resources Corporation (UMERC) became effective on January 1, 2017. As a result of the settlement agreement, WEPCO and WPSC are authorized to transfer WEPCO’s Michigan electric distribution assets and WPSC’s electric and natural gas distribution assets to

³ Chart 1 (Appendix 1, p. 22)

⁴ http://www.dleg.state.mi.us/mpsc/electric/restruct/faq/cap_data.html

UMERC. Additionally, all ROA customers of WEPCO and WPSC at the time of consummation of the proposed transaction will be transferred to UMERC as ROA customers and UMERC will administer ROA consistent with applicable statutes and Commission rules and orders.

1. Michigan's Electric Customer Choice Program

Electric customer choice is available to all customers of regulated electric utilities, excluding members of electric cooperatives with loads of less than one megawatt (MW).⁵ Michigan's current retail electric market maintains regulation of most utility generation and distribution while allowing for competitive energy supply.

As of December 2016, there were approximately 6,060 customers participating in the electric choice programs (compared to 6,140 in 2015). This represents approximately 1,978 MW of electric demand, which is an increase of about 14 MW from 2015. As of December 2016, approximately 7,800 customers remain in the queue.

2. Michigan Renewable Energy Programs

In accordance with Public Act 295 of 2008 (Act 295), the Commission is required to review electric provider renewable energy plans every two years. For nearly all AESs with initial renewable energy plans approved in 2009, the third biennial reviews were required in 2015. In 2016, there were four AESs required to file biennial reviews or letters, all of which had approved orders issued by the Commission. Two initial renewable energy plans were approved in 2016 for AESs that were licensed during 2016. One AES that was licensed during 2015 was granted a motion to extend the filing deadline for its initial renewable energy plan which was approved during 2016.

⁵ MCL 460.10x and MCL 460.10y outline different requirements for implementation of customer choice for cooperatively owned and municipal electric utilities. MCL 460.10x allows any retail customer of a rural electric cooperative with a peak of 1 megawatt or above to select an alternative electric supplier. MCL 460.10y provides that the governing body of a municipally owned utility determines whether it will permit choice programs in its service territory.

B. Alternative Electric Suppliers

There were 25 licensed AESs with 12 of those actively serving customers as of December 2016.⁶ The Commission issued two new AES licenses in 2016 for EDF Energy Services, LLC and Nordic Energy Services, LLC. Santanna Natural Gas Corporation d/b/a Santanna Energy Services, Dynegy Energy Services (East), LLC, Lakeshore Energy Services, LLC and MidAmerican Energy Company voluntarily relinquished their AES licenses. Additionally, Glacial Energy of Illinois, Inc. surrendered its AES license during 2016.⁷

C. Load Served through Electric Customer Choice Programs

Commercial and industrial customers accounted for almost all of the participation in the electric choice programs during 2016. Typical choice participants are large industrial manufacturers and mid-size commercial customers including retailers, restaurants, healthcare facilities, school systems and other service providers. The number of residential choice customers participating in the electric choice program is negligible.

1. Consumers Energy Electric Customer Choice Program

The number of customers and the electric demand served by each AES in the Consumers Energy service territory at the end of each year is shown in Chart 2 (Appendix 1, p. 23). The electric choice load served in the Consumers Energy service territory at year-end 2016 totaled 749 MW. This compares to 751 MW in 2015. There were 1,010 customers served by AESs at year-end 2016 compared to 1,030 in 2015.⁸

Additional information depicting trends in the Consumers Energy electric customer choice

⁶ See Appendix 1: Chart 2 (p. 23), Chart 4 (p. 25), Chart 6 (p. 27), Chart 8 (p. 29), Chart 10 (p. 31)

⁷ See Appendix 2 for a complete list and further details on these orders.

⁸ Chart 2 (Appendix 1, p. 23)

program is included in Appendix 1. Chart 3 (Appendix 1, p. 24) shows the number of customers participating and the load served on a monthly basis from July 2015 through December 2016.

Below is a summary of cap related data for Consumers Energy for 2014 – 2016. To date, Consumers Energy is fully subscribed at the 10 percent cap.

Consumers Energy			
	2014	2015	2016
Weather-Adjusted Retail Sales	36,331,256 MWh	37,248,655 MWh	36,912,944 MWh
Participation Level	3,948,370 MWh	3,944,526 MWh	3,939,197 MWh
Participation Percent	10.87%	10.59%	10.67%
Customers in Service	1,050	1,030	1,010
Customers in Queue	5,792	5,683	4,147
Total Load in Queue	6,188,136 MWh	5,434,588 MWh	6,348,324 MWh
<i>Participation Percent w/o Cap</i>	<i>27.90%</i>	<i>25.18%</i>	<i>27.87%</i>

Consumers Energy experienced a decrease in the number of customers in the queue from 2015 to 2016 but an increase in load. Hypothetically, if the cap did not exist, choice participation would be approximately 28 percent.

2. DTE Electric Company Electric Customer Choice Program

The number of customers and the electric demand served by each AES in the DTE service territory at the end of the year is shown in Chart 4 (Appendix 1, p. 25). The electric choice load served in the DTE service territory at year-end 2016 totaled 1,148 MW compared to 1,137 MW in 2015. The number of customers served by AESs totaled 4,906 at year-end 2016 compared to 4,986 in 2015.⁹

Additional information depicting trends in the DTE electric customer choice program is included in Appendix 1. Chart 5 (Appendix 1, p. 26) shows the number of customers participating and the load served on a monthly basis from July 2015 through December 2016.

Below is a summary of cap related data for DTE for 2014 – 2016. To date, DTE is fully

⁹ Chart 4 (Appendix 1, p. 25)

subscribed at the 10 percent cap.

DTE Electric Company			
	2014	2015	2016
Weather-Adjusted Retail Sales	47,714,848 MWh	47,491,217 MWh	46,962,447 MWh
Participation Level	5,154,814 MWh	4,966,522 MWh	4,822,056 MWh
Participation Percent	10.80%	10.46%	10.27%
Customers in Service	5,285	4,986	4,906
Customers in Queue	5,262	5,181	3,574
Total Load in Queue	5,379,877 MWh	5,301,777 MWh	4,203,835 MWh
<i>Participation Percent w/o Cap</i>	<i>22.08%</i>	<i>21.62%</i>	<i>19.22%</i>

DTE experienced a decrease in both the number of customers and load in the queue from 2015 to 2016. Hypothetically, if the cap did not exist, choice participation would be approximately 19 percent.

3. UPPCo Electric Customer Choice Program

The number of customers and the electric demand served by each AES at the end of the year is shown in Chart 6 (Appendix 1, p. 27). The electric choice load served in the UPPCo service territory at year-end 2016 totaled 14.23 MW compared to 14.1 MW in 2015. The number of customers served totaled 62 at year-end 2016 compared to 60 at year end 2015.¹⁰

Additional information depicting trends in the UPPCo electric customer choice program is included in Appendix 1. Chart 7 (Appendix 1, p. 28) shows the number of customers participating and the load served on a monthly basis from July 2015 through December 2016.

Below is a summary of cap related data for UPPCo for 2014 – 2016. The current level of choice participation is approximately 9.26 percent. Hypothetically, if the cap did not exist, choice participation would be approximately 14 percent.

¹⁰ Chart 6 (Appendix 1, p. 27)

Upper Peninsula Power Company			
	2014	2015	2016
Weather-Adjusted Retail Sales	836,194 MWh	856,851 MWh	867,410 MWh
Participation Level	87,947 MWh	86,724 MWh	80,299 MWh
Participation Percent	10.52%	10.12%	9.26%
Customers in Service	60	60	62
Customers in Queue	65	66	63
Total Load in Queue	42,417 MWh	42,713 MWh	41,472 MWh
<i>Participation Percent w/o Cap</i>	<i>15.59%</i>	<i>15.11%</i>	<i>14.04%</i>

4. WEPCo Electric Customer Choice Program

The number of customers and the electric demand served by each AES at the end of the year is shown in Chart 8 (Appendix 1, p. 29). The electric choice load served in the WEPCo service territory at year-end 2016 totaled 61.9 MW compared to 56.2 MW in 2015. The number of customers served totaled 70 at year-end 2016 compared to 51 at year-end 2015.¹¹

Additional information depicting trends in the WEPCo electric customer choice program is included in Appendix 1. Chart 9 (Appendix 1, p. 30) shows the number of customers participating and the load served on a monthly basis from July 2015 through December 2016.

Below is a summary of cap related data for WEPCo for 2014 – 2016. The current level of choice participation is approximately 9.19 percent. Two mining facilities migrated to choice within WEPCo’s service territory during 2013 which, when combined with several other industrial customers that began being served by AESs in 2013, resulted in approximately 84 percent of WEPCo’s load taking choice service. Act 286 provides that any customer operating an iron ore mining facility, iron ore processing facility, or both, located in the Upper Peninsula of this state, is permitted to purchase all or any portion of its electricity from an AES, regardless of whether the sales exceed 10 percent of the serving electric utility’s average weather-adjusted retail sales. The mining facilities that migrated to

¹¹ Chart 8 (Appendix 1, p. 29)

choice during 2013 returned to WEPCo power supply on February 1, 2015.

Wisconsin Electric Power Company			
	2014	2015	2016
Weather-Adjusted Retail Sales	2,496,185 MWh	2,824,050 MWh	2,563,391 MWh
Participation Level	2,084,930 MWh	220,963 MWh	235,588 MWh
Participation Percent	83.52%	7.82%	9.19%
Customers in Service	51	51	70
Customers in Queue	8	0	0
Total Load in Queue	3,208 MWh	0 MWh	0 MWh
<i>Participation Percent w/o Cap</i>	<i>83.65%</i>	<i>N/A</i>	<i>N/A</i>

5. WPSC Electric Customer Choice Program

The number of customers and the electric demand served by each AES at the end of the year is shown in Chart 10 (Appendix 1, p. 31). The electric choice load served in the WPSC service territory at year-end 2016 totaled 5.2 MW compared to 5.3 MW in 2015. The number of customers served totaled 16 at year-end 2016, which is the same number of customers served at year-end 2015.¹²

Additional information depicting trends in the WPSC electric customer choice program is included in Chart 11 (Appendix 1, p. 32) which shows the number of customers participating and the load served on a monthly basis from July 2015 through December 2016.

Below is a summary of cap related data for WPSC for 2014 – 2016. The current level of choice participation is approximately 9.91 percent.

Wisconsin Public Service Company			
	2014	2015	2016
Weather-Adjusted Retail Sales	282,845 MWh	283,362 MWh	280,856 MWh
Participation Level	21,431 MWh	27,395 MWh	27,846 MWh
Participation Percent	7.58%	9.67%	9.91%
Customers in Service	13	16	16
Customers in Queue	0	0	0
Total Load in Queue	0 MWh	0 MWh	0 MWh
<i>Participation Percent w/o Cap</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>

¹² Chart 10 (Appendix 1, p. 31)

6. Cloverland Electric Customer Choice Program

During 2014, one customer began taking electric choice service in the Cloverland service territory. By September 2015 that customer was no longer taking electric choice. Since this time, there has been no choice participation in Cloverland's territory.

7. I&M Electric Customer Choice Program

In February 2012, Case No. U-17032 was initiated by the Commission to establish a state compensation mechanism for AES capacity in I&M's Michigan service territory. In May 2012, customers began taking choice service in I&M's service territory and by June 2012, I&M's choice program was fully subscribed at the 10 percent cap. In September 2012, the Commission approved the creation of a state compensation mechanism for AES capacity in I&M's Michigan service territory in Case No. U-17032. Since April 2013, there has been no choice participation in I&M's territory.

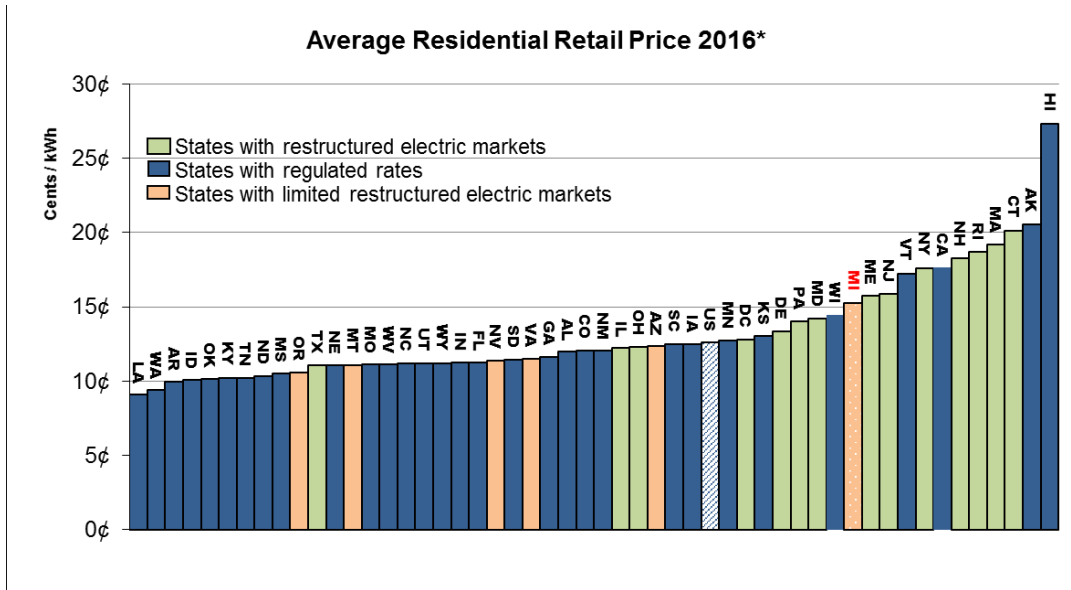
D. Benchmarking Michigan's Electric Prices¹³

This report provides benchmark data that compares Michigan's electric prices to those of other jurisdictions based on customer class. The data shown in the following charts for 2016 reflects January through August 2016.

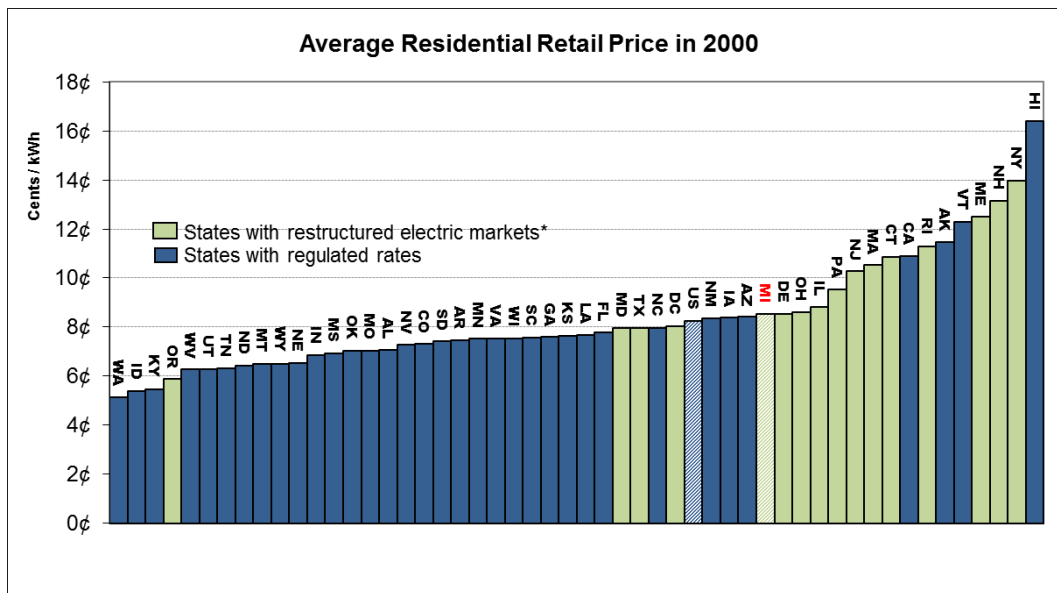
1. Residential Rates

The charts below reflect the 2016 and 2000 average residential retail rates. In 2016, Michigan's average residential retail rates ranked eighth highest among the 20 jurisdictions with some type of restructured market at \$0.1525/kWh. Michigan ranked fifth lowest in 2000.

¹³ Benchmarking data is sourced from the U. S. Energy Information Administration (EIA). EIA's data may include some minor inconsistencies and is subject to change retroactively.

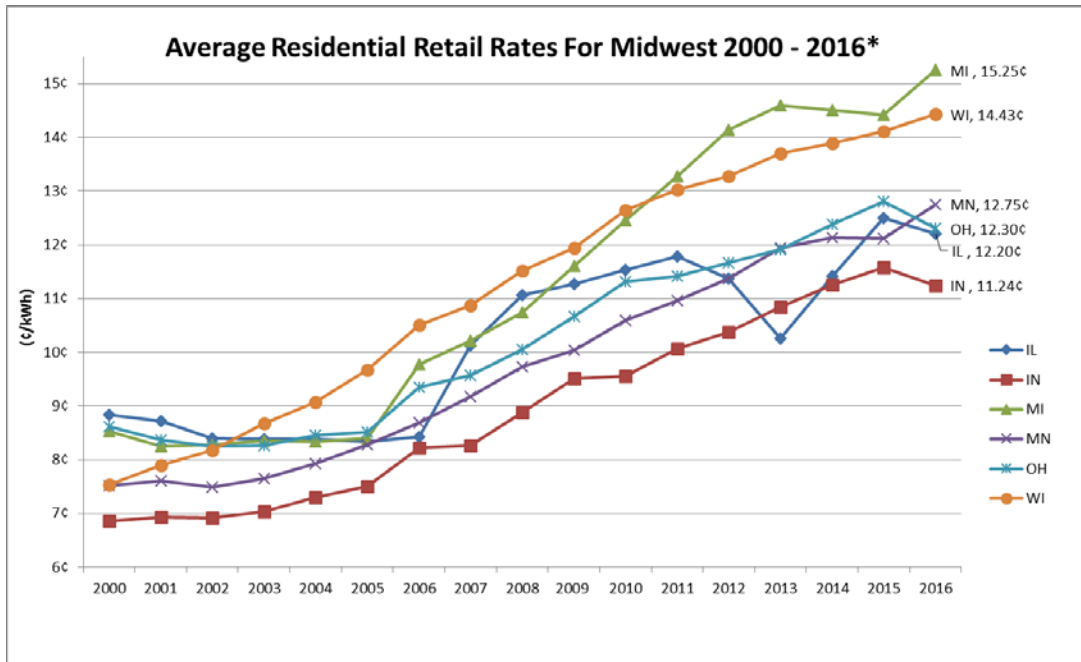


Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.



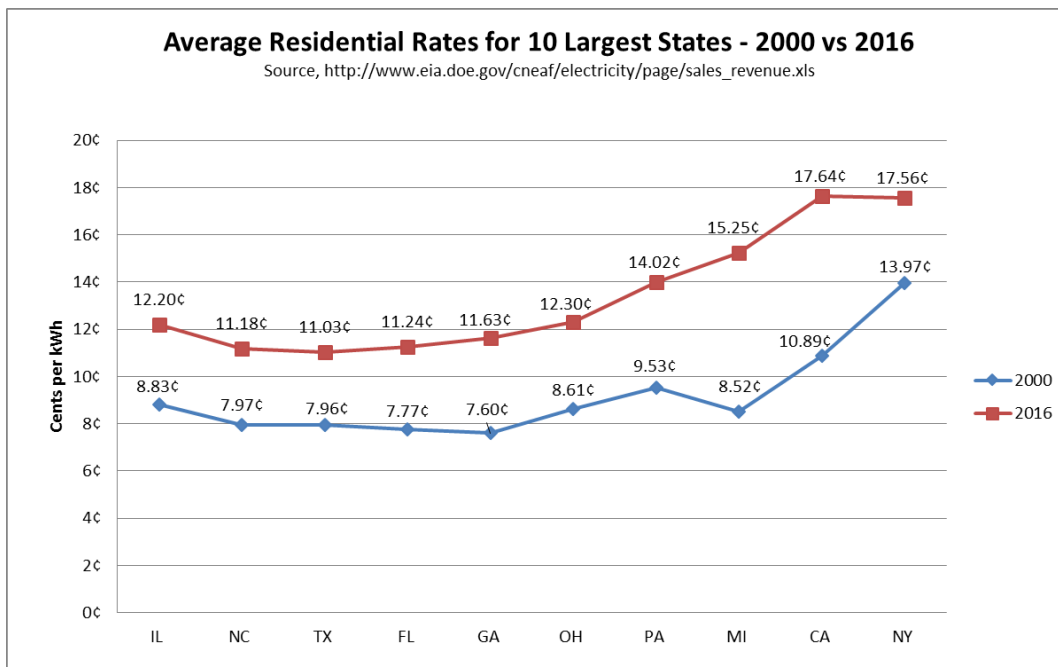
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). *Based on 2010 market structure.

The chart below reflects the average residential retail rates for neighboring Midwest states from 2000 through 2016. In 2016, Michigan's average residential retail rates ranked the highest among six Midwest states at \$0.1525/kWh. Michigan ranked third highest in 2000.



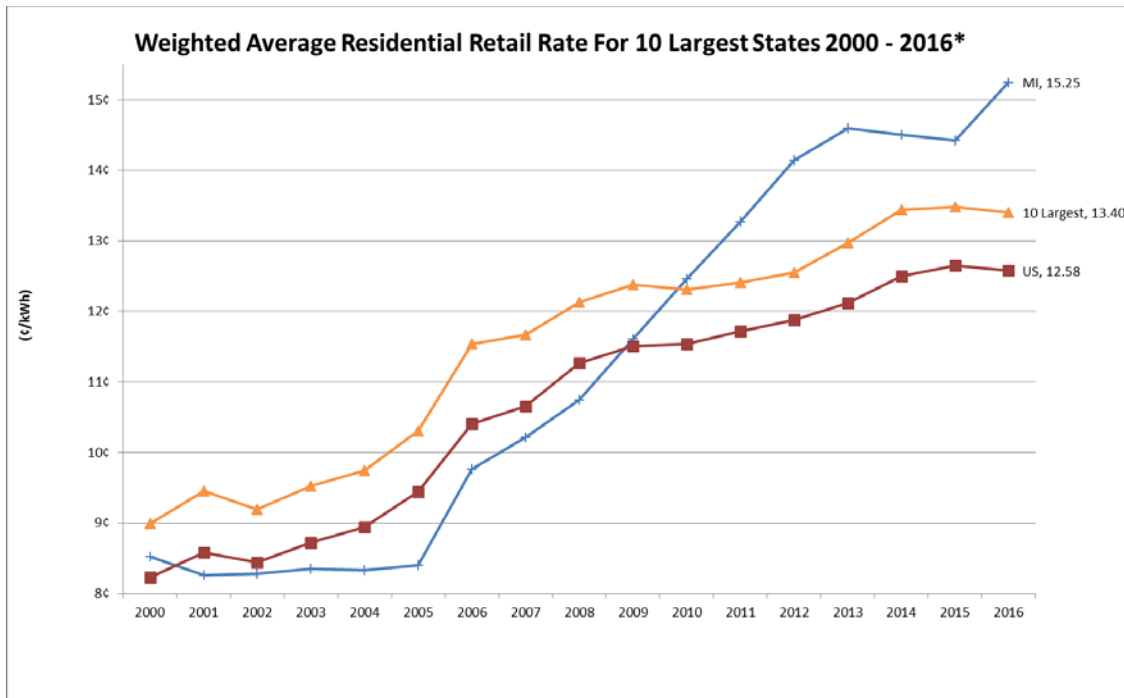
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

The chart below compares the average residential retail rates for the 10 largest states by population for 2000 and 2016. Michigan's rates were third highest among these states in 2016 at \$0.1525/kWh. Michigan ranked fifth lowest in 2000.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

The chart below reflects the weighted average residential retail rates for the 10 largest states, as well as the national average, from 2000 to 2016.¹⁴ Michigan’s weighted average residential retail rate was below the national average from 2001 to 2008 and has been above the national average since 2009. Similarly, Michigan was below the 10 largest state average from 2000 to 2009 and has been above the 10 largest state average since 2010.

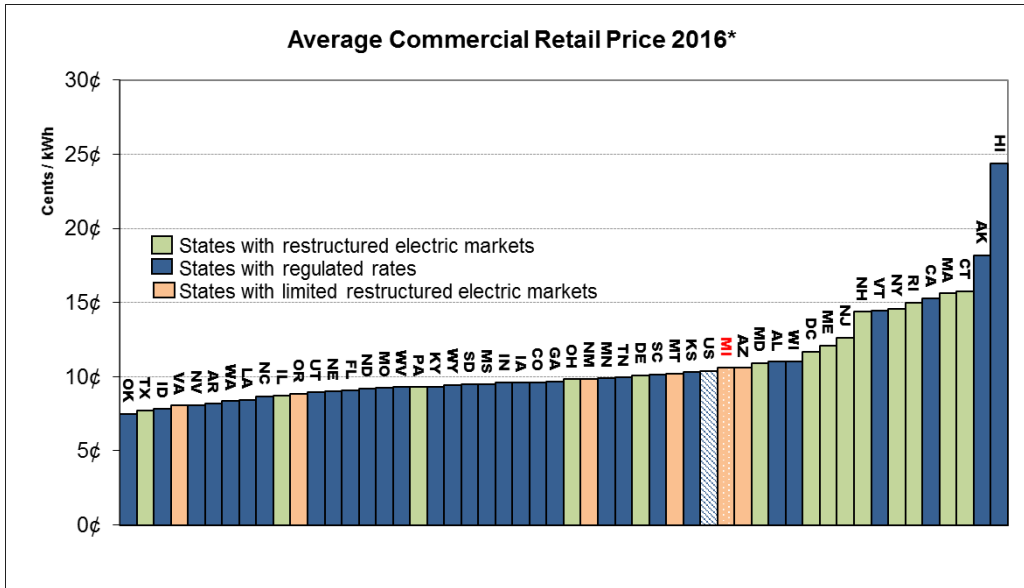


Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

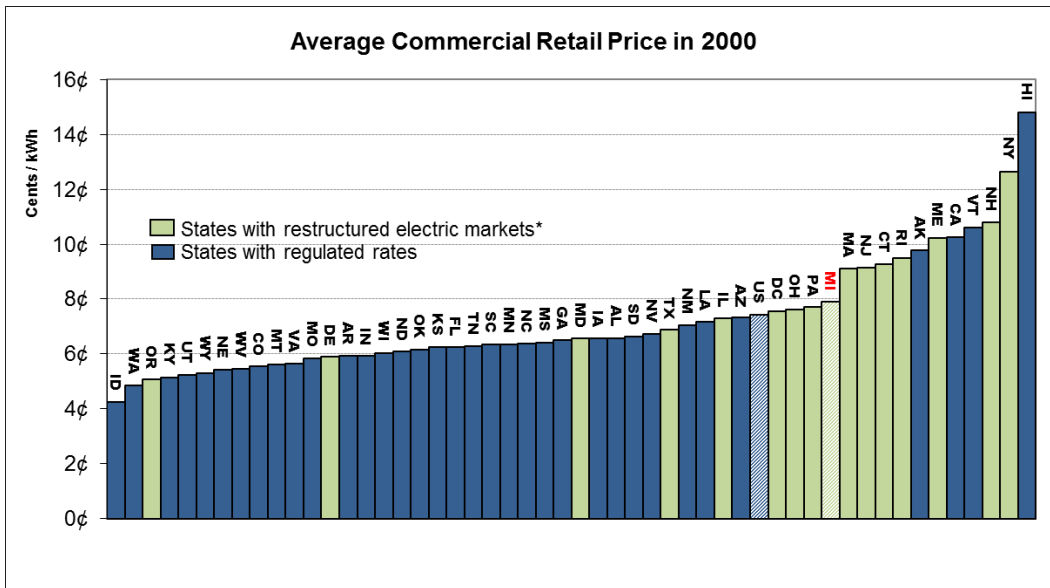
2. Commercial Rates

The charts below reflect the 2016 and 2000 average commercial retail rates. In 2016, Michigan’s commercial average retail rates ranked tenth lowest of the jurisdictions with some type of restructured market at \$0.1059/kWh. Michigan ranked eighth highest in 2000.

¹⁴ Weighted average is determined by taking total revenue divided by total sales.

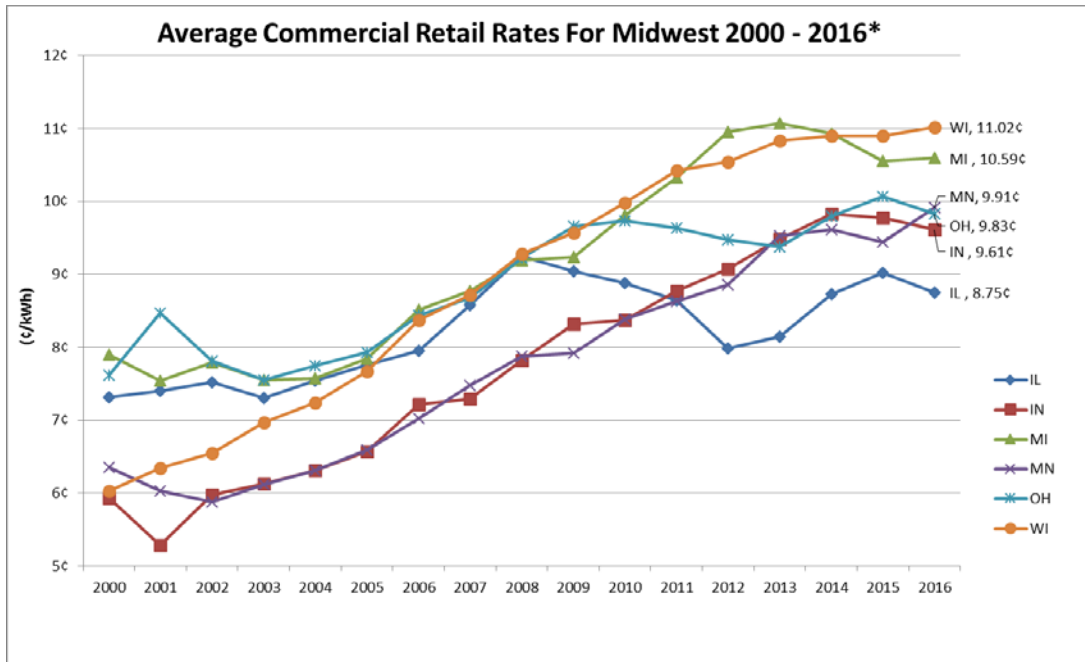


Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.



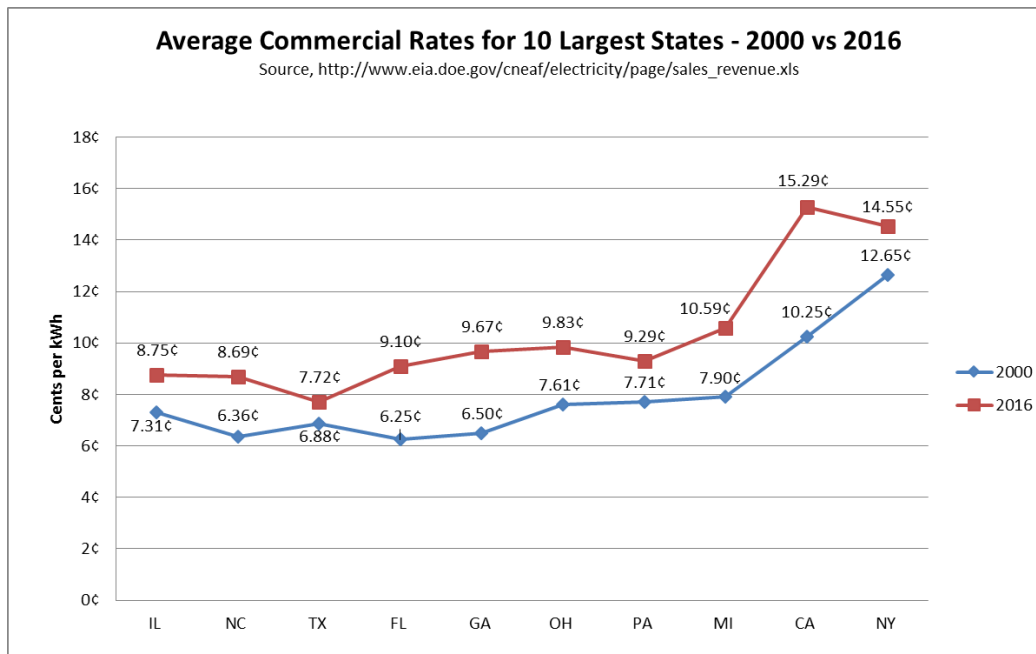
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). *Based on 2010 market structure.

The chart below reflects the average commercial retail rates for neighboring Midwest states from 2000 through 2016. In 2016, Michigan’s average commercial retail rates ranked the second highest among six Midwest states at \$0.1059/kWh. Michigan ranked the highest in 2000.



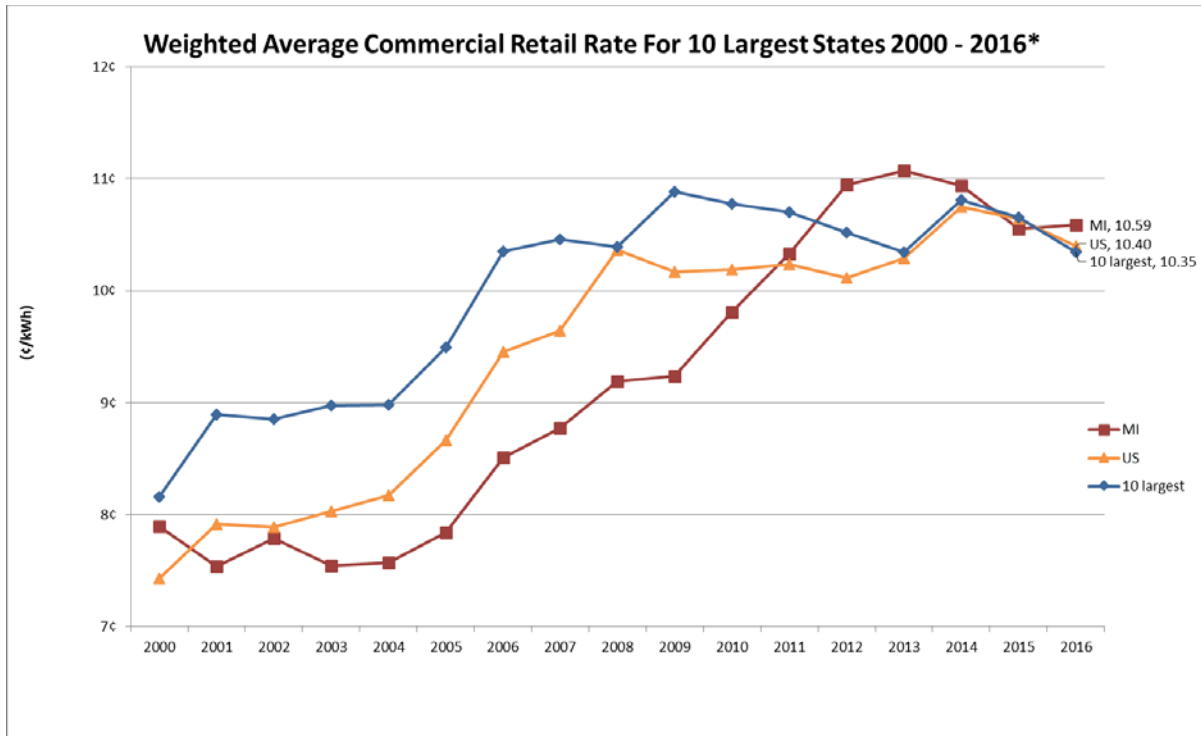
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

The chart below compares the average commercial retail rates for the 10 largest states by population for 2000 and 2016. Michigan's rates were third highest among these states in 2016 at \$0.1059/kWh. Michigan also ranked third highest in 2000.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

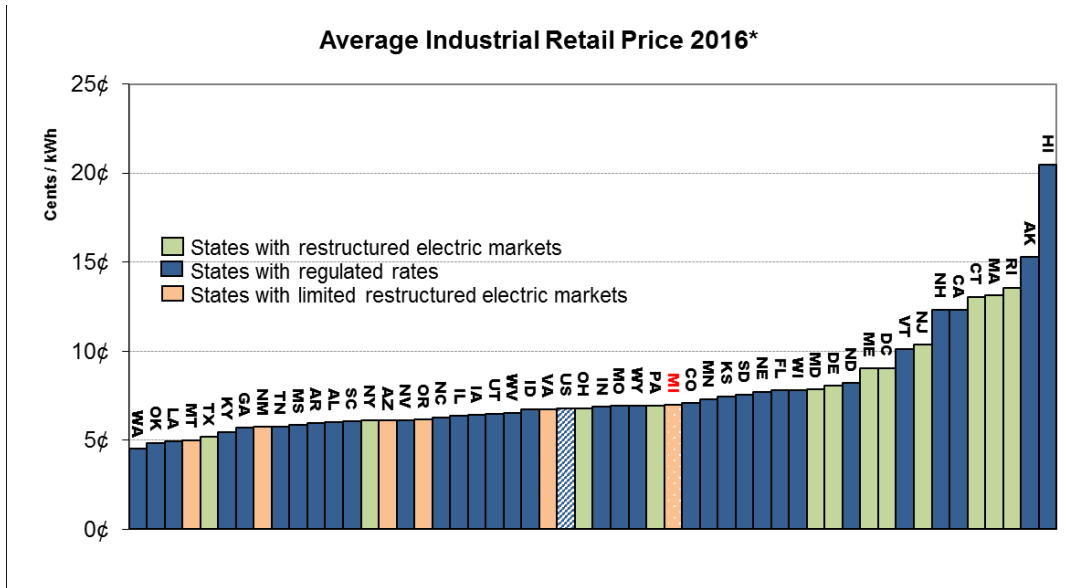
The chart below reflects the weighted average commercial retail rates for the 10 largest states, as well as the national average, from 2000 to 2016. Michigan's weighted average commercial retail rates were below the national average from 2001 to 2010 and surpassed the national average in 2011 and remains above in 2016 at \$0.1059/kWh. Michigan was below the 10 largest state average from 2000 to 2011 and surpassed the 10 largest state average in 2012 and remained above in 2016.



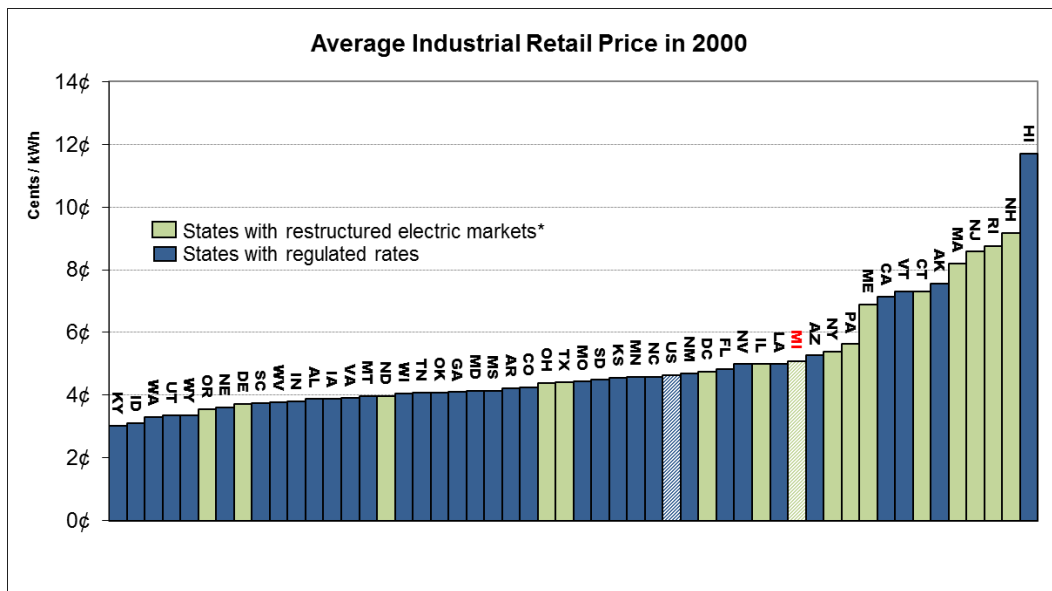
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

3. Industrial Rates

The charts below reflect the 2000 and 2016 average industrial retail rates. In 2016, Michigan's industrial retail rates ranked tenth lowest amongst jurisdictions with some type of restructured market at \$0.0700/kWh. Michigan ranked eighth lowest in 2000.

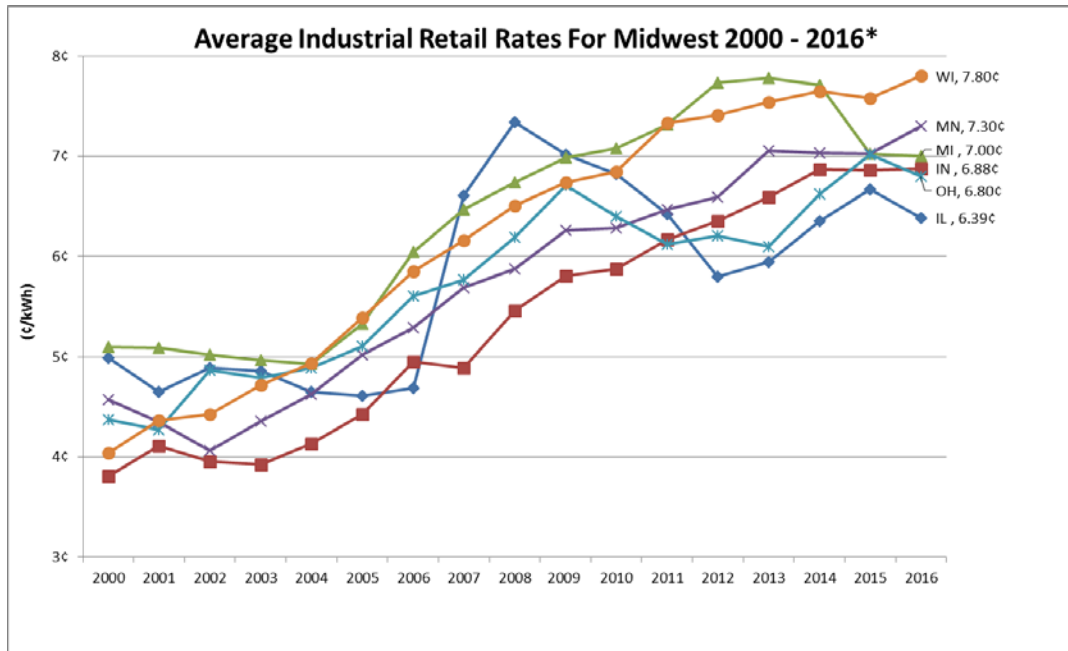


Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.



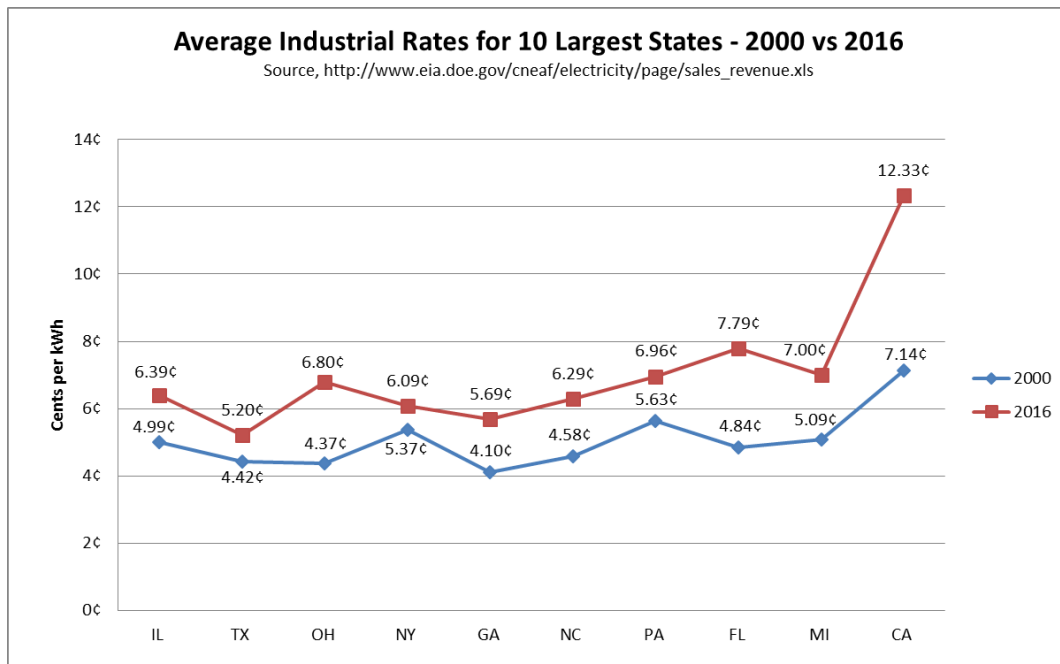
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, Average Retail Price by State and By Sector (Form EIA-826). *Based on 2010 market structure.

The chart below reflects the average industrial retail rates for the neighboring Midwest states from 2000 through 2016. In 2016, Michigan's average industrial retail rates ranked the third highest among the six Midwest states at \$0.0700/kWh. Michigan ranked the highest in 2000.



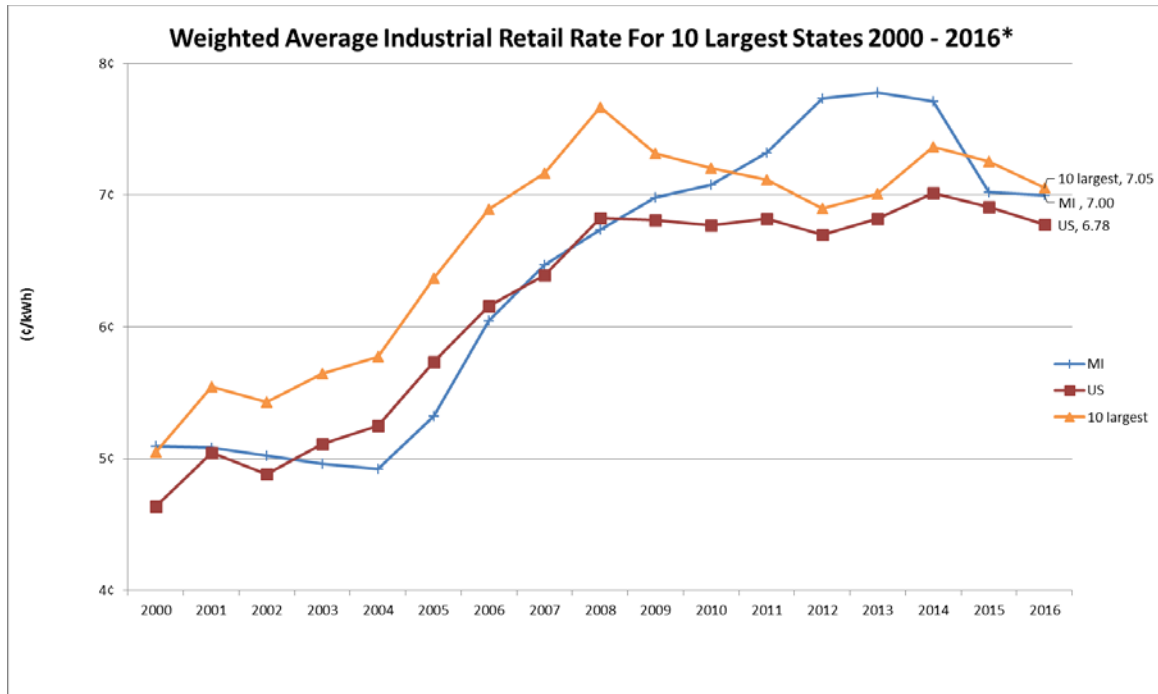
Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

The chart below compares the average industrial retail rates for the 10 largest states by population for 2000 and 2016. Michigan's rates were third highest among these states in 2016 at \$0.0700/kWh. Michigan ranked fourth highest in 2000.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

The chart below reflects the weighted average industrial retail rates for the 10 largest states, as well as the national average, from 2000 to 2016. Michigan's weighted average industrial retail rate straddled the national average from 2001 to 2008 and has been above the national average since 2009. Michigan was below the 10 largest state average from 2001 to 2010, was above the 10 largest state average from 2011 to 2014 and has been below the 10 largest state average since 2015.



Source, http://www.eia.doe.gov/cneaf/electricity/page/sales_revenue.xls, Current and Historical Monthly Retail Sales, Revenues, and Average Retail Price by State and By Sector (Form EIA-826). *2016 data is through August.

II. Commission Action Related to Electric Customer Choice and Consumer Protections

The following orders further supported and implemented the framework for Michigan's electric customer choice programs, the provisions of Act 141 and the amendments of Act 286 and Act 295.¹⁵ Throughout 2016, the Commission issued the following orders in relation to Electric Customer Choice:

- Two orders granting new AES licenses;

¹⁵ Commission orders are available on the Commission website at <http://www.dleg.state.mi.us/mpsc/orders/electric/>. Documents and orders associated with many cases are available in the MPSC Electronic Case Filing system at <http://efile.mpsc.state.mi.us/efile/>.

- Four orders rescinding an AES license;
- One order surrendering an AES license;
- Seven orders approving renewable energy plans for AESs;
- One order consisting of Choice Tariff changes;
- One order related to electric supply resource adequacy asking AESs to voluntarily submit a self-assessment of their ability to meet their customer’s expected electric requirements and associated reserves during the five-year period of 2016 – 2020.

See Appendix 2 for a complete list and further detail on these orders.

III. Commission Action on Customer Education

During 2016 the Michigan Public Service Commission (MPSC) Staff, in conjunction with the Michigan Agency for Energy (MAE) Staff, continued disseminating utility-related consumer resource materials as part of its Outreach and Education Strategic Plan. The plan consisted of significant constituent outreach that adopted new partnerships and continued to promote established relationships with utility stakeholders and target citizen groups. Staff exhibited at 138 events and engaged with an estimated 13,652 citizens. At the request of several organizations, Staff presented information to meeting attendees concerning a range of utility topics that included retail choice for natural gas and electricity in Michigan. These activities allowed staff to supply Michigan residential citizens and small business owners with consumer tips and answer questions related to electric, natural gas, telecom and cable issues. In addition, dispute resolution with regulated utilities and alternative energy suppliers was offered. Consumer Tips are posted on the MPSC website.¹⁶

IV. Recommendations for Legislation

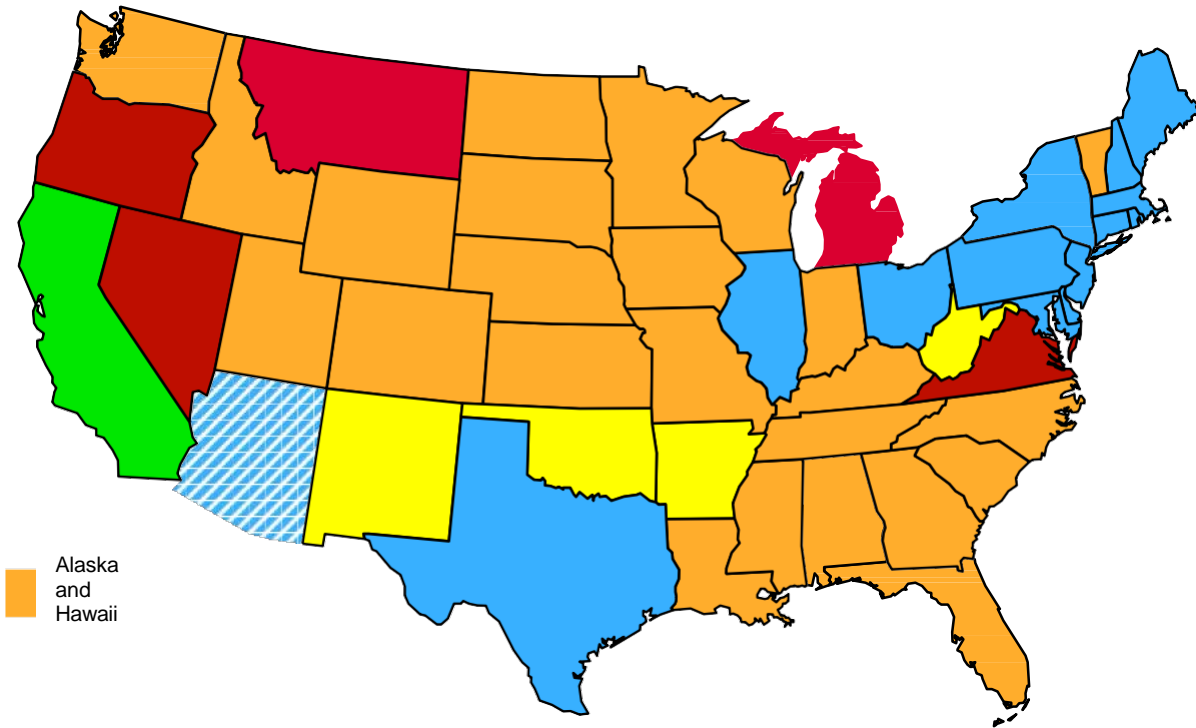
Given its mission to ensure reliable energy at reasonable rates, the Commission monitors the plans of regulated electric utilities and AESs to meet their electric capacity needs in the coming years. In order to develop a comprehensive supply outlook for the state, ensure that resources are in place over the

¹⁶ http://www.michigan.gov/mpsc/0,1607,7-159-16368_42136_42137---,00.html

long term to maintain reliability in a cost-effective manner, and ensure equitable distribution of associated costs, obtaining accurate information from all electric suppliers is essential. The Commission appreciates the voluntary efforts of AESs, member-regulated cooperatives and municipal utilities in providing relevant information to the Commission. The Commission also appreciates the efforts of the Legislature to formalize this process in Act 341 that will become effective April 20, 2017. The Commission stands ready to implement the provisions of Act 341 and has no further recommendations for legislation at this time.

APPENDIX 1

Chart 1



- Allow retail access (13+DC)
- Limited access (5) -- see summary below;
- Not considering restructuring at this time (26)
- Retail access suspended (CA)
- Restructuring law repealed or delayed (4)
- Retail access with generation price control (AZ)

MI: alternative suppliers limited to maximum of 10% of electric utility's retail sales
MT: Retail access repealed for customers < 5 MW and for all customers that choose utility service
NV: retail access limited to large customers > or = 1 MW, with permission of the PUC
OR: nonresidential consumers of PGE and Pacific Power have option to buy electricity from an alternative provider
VA: Retail access ended for most customers -- except those >5 MW (w/conditions for return)

Source: Ken Rose, August 2016 58th IPU Annual Regulatory Studies Program

Chart 2

AES Customers in Consumers Energy Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
Constellation	573	549	551	541	535	558	247	223	231	216	200	225
Direct Energy Business ¹	41	54	57	72	87	79	3	5	7	17	52	51
FirstEnergy Solutions	3	29	89	36	27	12	13	101	124	122	98	119
Constellation Energy Services fka Integrys ²	188	233	245	280	277	263	124	167	173	171	172	131
Calpine Energy Solutions, LLC fka Noble ³	237	178	101	95	76	71	201	128	102	91	72	71
Spartan Renewable Energy	1	1	1	1	1	2	10	10	10	10	11	13
Wolverine Power Marketing	26	20	21	25	27	25	187	142	140	144	146	139
Totals	1,069	1,064	1,065	1,050	1030	1,010	785	776	787	771	751	749

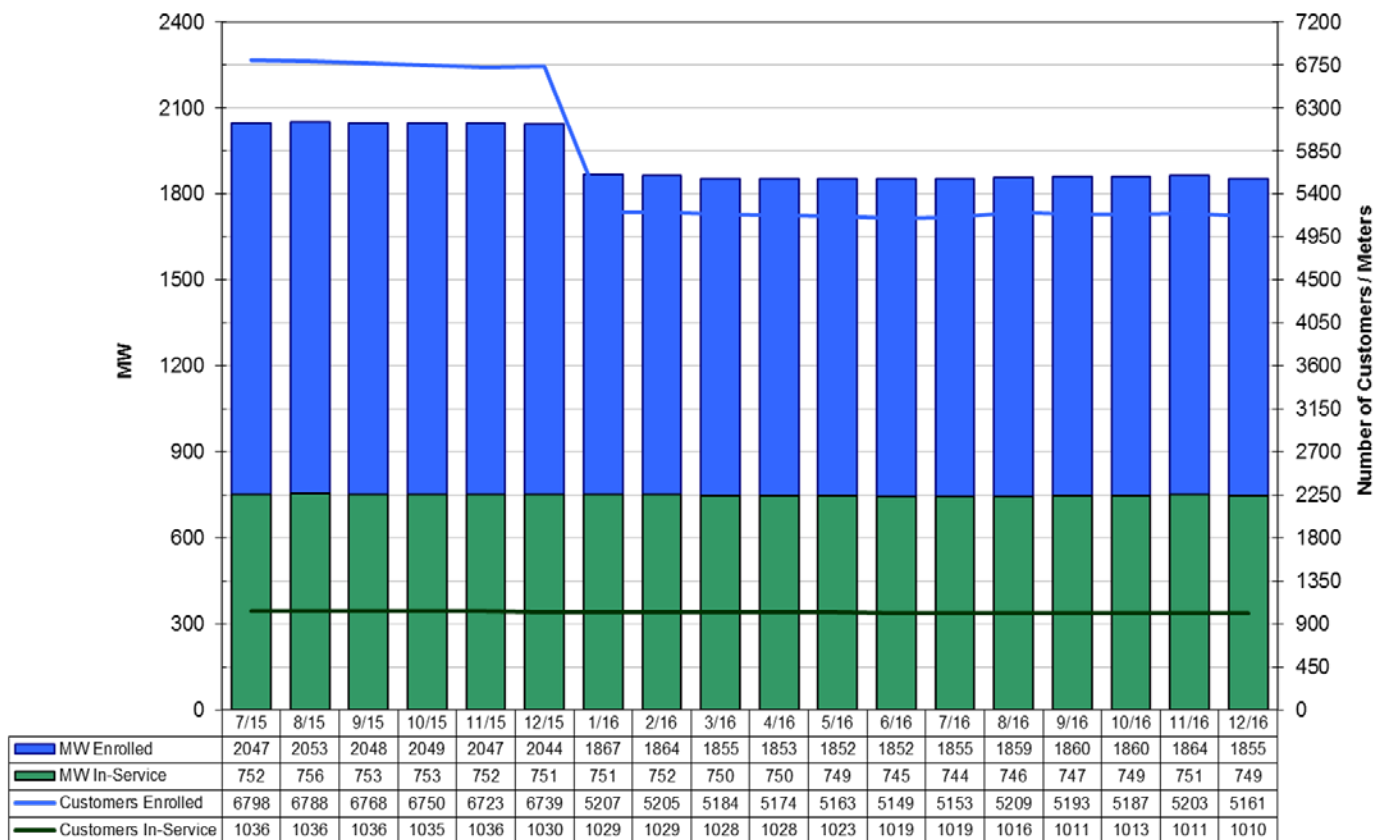
Note: ¹On September 1, 2008, Strategic Energy, LLC, changed its name to Direct Energy Business, LLC.

²On November 3, 2014, Integrys Energy Services, Inc., merged with Constellation, a subsidiary of Exelon Corporation. A legal name change from Integrys Energy Services, Inc. to Constellation Energy Services, Inc. became effective on April 1, 2015.

³On November 1, 2010, Sempra Energy Solutions, LLC, changed its name to Noble Americas Energy Solutions, LLC. On December 1, 2016, Noble Americas Energy Solutions, LLC changed its name to Calpine Energy Solutions, LLC.

Chart 3

**Consumers Energy Electric Customer Choice Program Activity
(Cumulative Numbers of Customers & MW, Enrolled and In-Service, by Month)
July 2015 - December 2016**



Source: Consumers Energy Company, December 2016.

Notes:

MW Enrolled – Total megawatts actively being served by an AES plus the total megawatts held by the queued customers

MW In Service – Total megawatts actively being served by an AES

Customers Enrolled – Total number of customers actively being served by an AES plus the total number of queued customers

Customers In Service – Total customers actively being served by an AES

Chart 4

AES Customers in DTE Electric Company Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
CMS ERM MI	4	4	4	4	6	12	53	53	53	53	54	35
Commerce ¹	300	265	228	205	174	159	7	6	5	5	4	4
Constellation	1,403	1,393	1,289	1,357	1,325	1,305	306	306	284	283	282	280
Direct Energy Business ²	739	666	733	953	1,465	1,587	108	104	115	160	228	288
Eligo Energy, MI LLC	0	0	0	0	0	11	0	0	0	0	0	1
FirstEnergy Solution	585	683	775	504	283	115	349	374	396	298	221	193
Constellation Energy Services fka Integrys ³	622	672	764	810	792	661	104	127	150	213	217	152
MidAmerican ⁴	55	58	98	37	24	25	20	21	22	8	7	5
Calpine Energy Solutions, LLC fka Noble ⁵	1,111	1,049	970	942	915	912	161	137	123	115	111	110
Wolverine Power Marketing	2	2	2	2	2	119	13	13	13	13	13	80
Totals ⁶	5,976	5,672	5,491	5,285	4,986	4,906	1,212 ⁶	1,199 ⁶	1,191 ⁶	1,168 ⁶	1,137	1,148

Note ¹ In 2005, Electric-America changed the company name to Commerce Energy Inc.

² On September 1, 2008, Strategic Energy, LLC, changed its name to Direct Energy Business, LLC.

³ On November 3, 2014, Integrys Energy Services, Inc., merged with Constellation, a subsidiary of Exelon Corporation. A legal name change from Integrys Energy Services, Inc. to Constellation Energy Services, Inc. became effective on April 1, 2015.

⁴ During 2016, MidAmerican Energy Company transferred their customers to MidAmerican Energy Services and voluntarily rescinded its AES license. MidAmerican now refers to MidAmerican Energy Services.

⁵ On November 1, 2010, Sempra Energy Solutions, LLC, changed its name to Noble Americas Energy Solutions, LLC. On December 1, 2016, Noble Americas Energy Solutions, LLC changed its name to Calpine Energy Solutions, LLC.

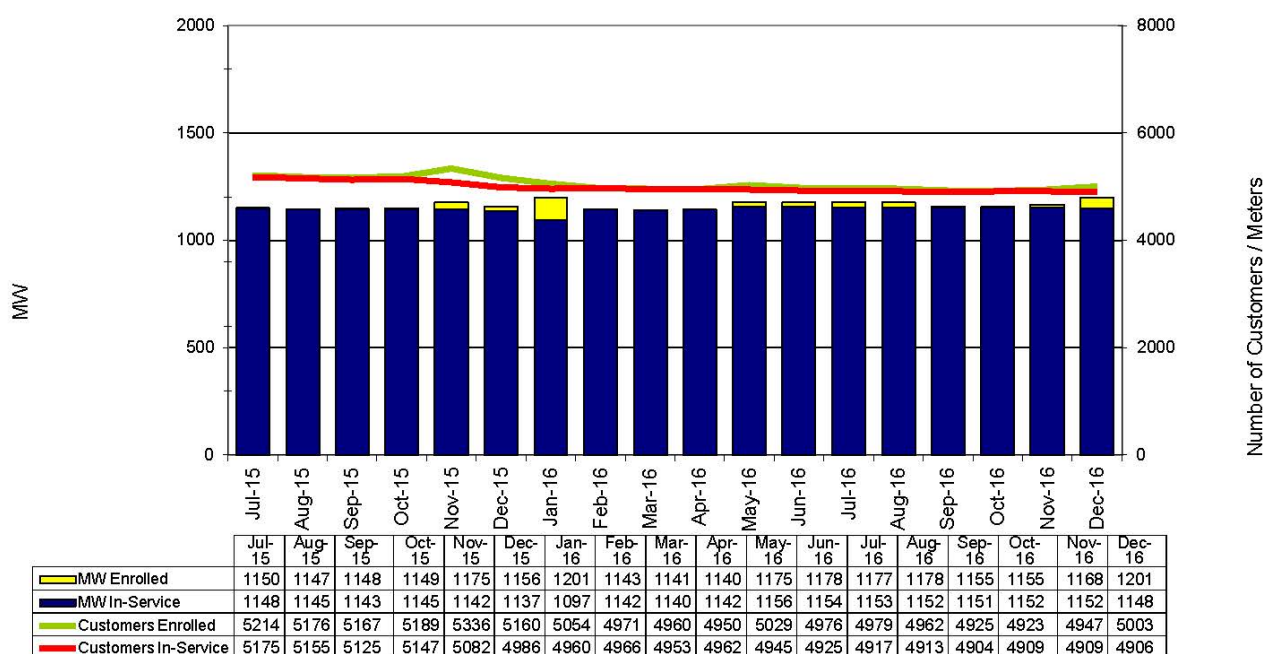
⁶ Total does not add correctly due to rounding.

Chart 5

Electric Choice Customer Participation July 2015 to Present



DTE Electric Customer Choice Program Activity, as of 01/03/2017
(Cumulative Numbers of Customers & MW, Enrolled and In-Service, by Month)



Source: DTE Electric Company, December 2016

Notes:

MW Enrolled – Megawatts that have requested to switch to another AES

MW In Service – Total megawatts actively being served by an AES

Customers Enrolled – Customers who have requested to switch to another AES

Customers In Service – Total customers actively being served by an AES

Chart 6

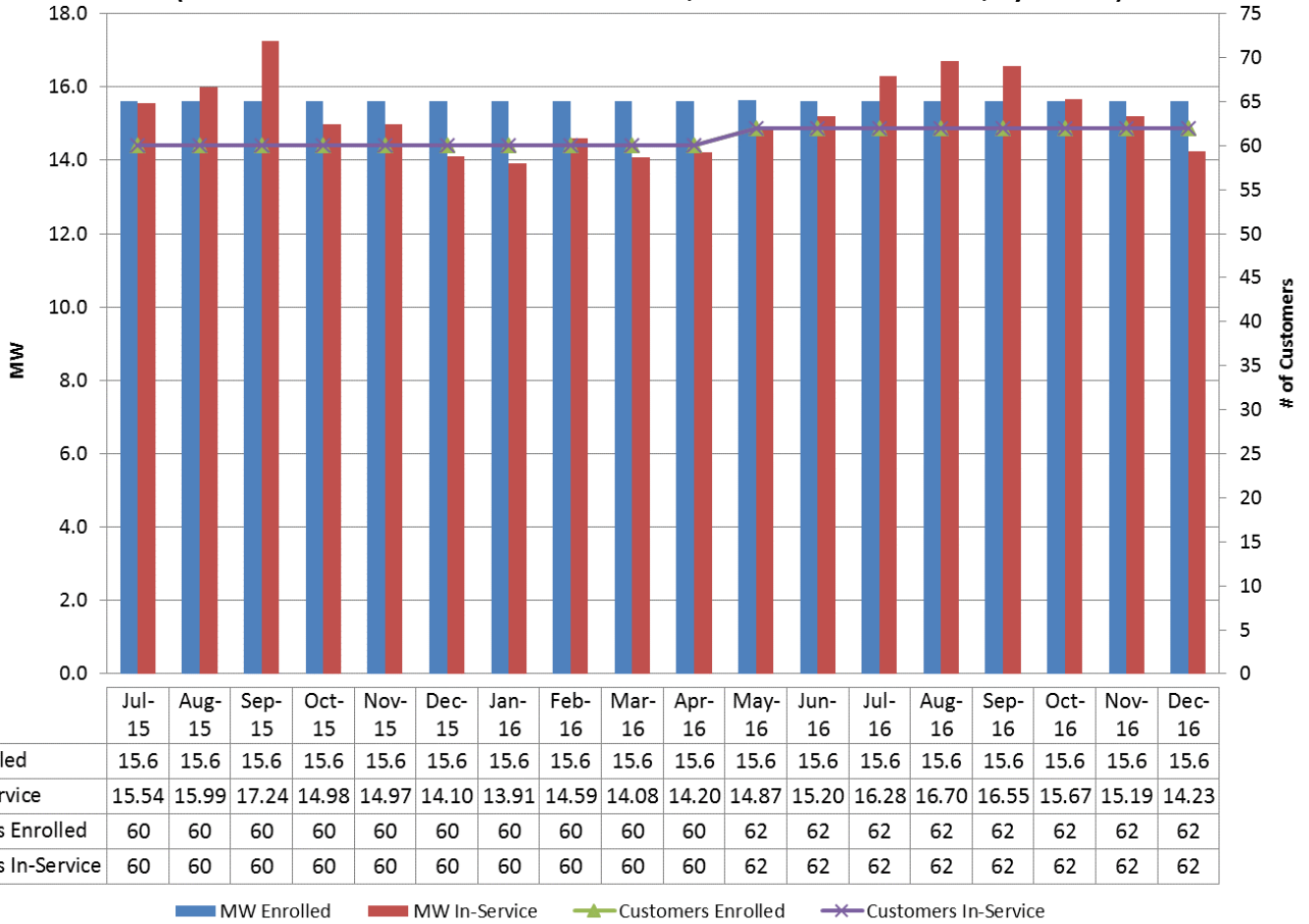
AES Customers in the UPPCo Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
Constellation Energy Services fka Integrys ¹	0	0	17	30	30	32	0	0	5.88	3.69	4.74	4.75
UP Power Marketing	0	4	21	29	29	29	0	2.52	3.88	4.88	3.74	3.83
Wolverine Power Marketing	0	0	1	1	1	1	0	0	5.62	5.67	5.62	5.65
Totals	0	4	39	60	60	62	0	2.52	15.38	14.24	14.10	14.23
<p>Note: ¹On November 3, 2014, Integrys Energy Services, Inc., merged with Constellation, a subsidiary of Exelon Corporation. A legal name change from Integrys Energy Services, Inc. to Constellation Energy Services, Inc. became effective on April 1, 2015.</p>												

Chart 7



**Upper Peninsula Power Company Customer Choice Program Activity
(Cumulative Numbers of Customers & MW, Enrolled and In-Service, by Month)**



Source: Upper Peninsula Power Company, December 2016

Chart 8

AES Customers in the WEPCo Service Territory, Year End

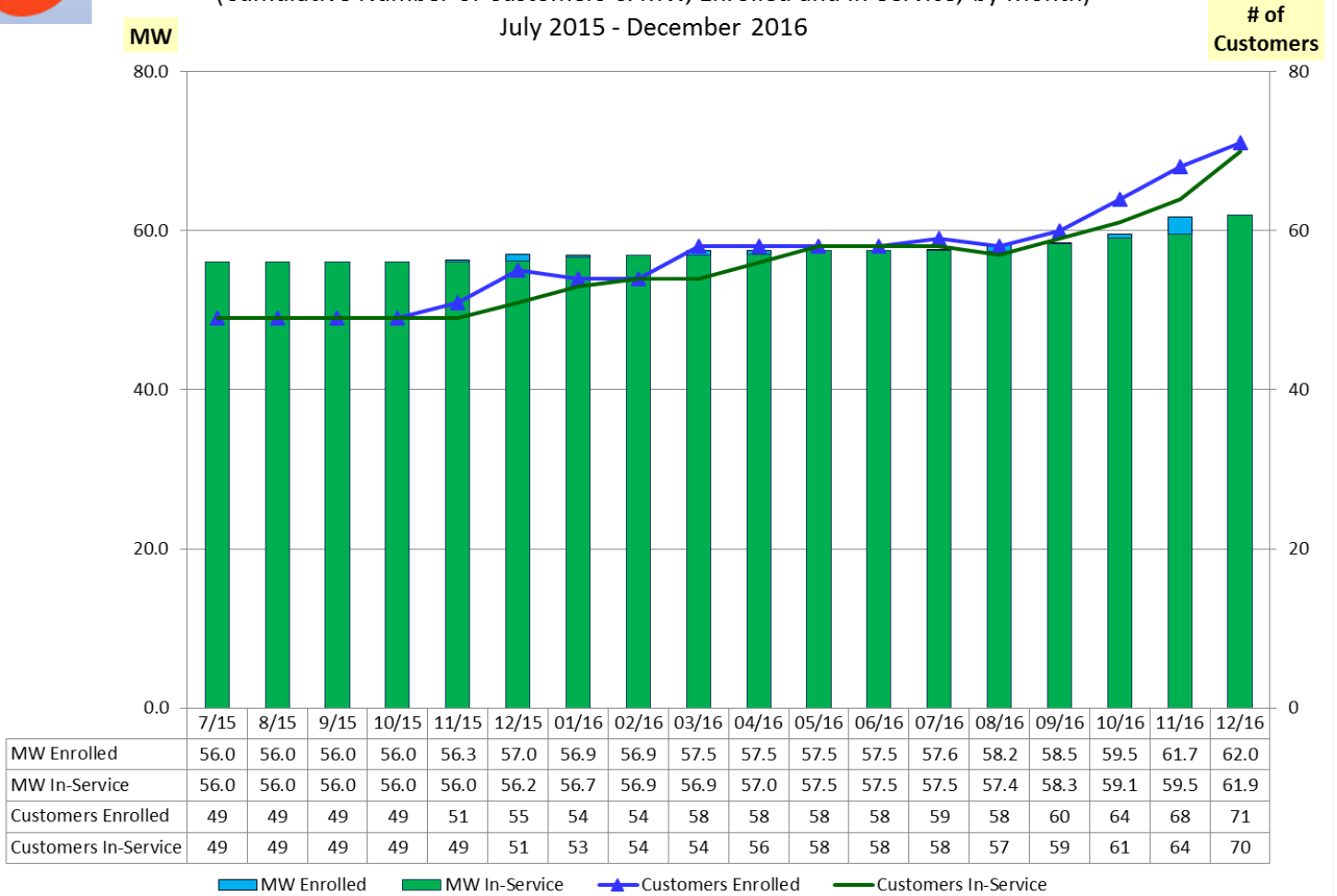
AES Name	Number of Customers						MW Served					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
Constellation Energy Services fka Integrys ¹	0	0	51	51	51	70	0	0	412	386	56.2	61.9
Totals	0	0	51	51	51	70	0	0	412	386	56.2	61.9

Note: ¹On November 3, 2014, Integrys Energy Services, Inc., merged with Constellation, a subsidiary of Exelon Corporation. A legal name change from Integrys Energy Services, Inc. to Constellation Energy Services, Inc. became effective on April 1, 2015.

Chart 9



Wisconsin Electric Power Company Electric Choice Program Activity
 (Cumulative Number of Customers & MW, Enrolled and In-Service, by Month)
 July 2015 - December 2016



Source: Wisconsin Electric Power Company, December 2016

Chart 10

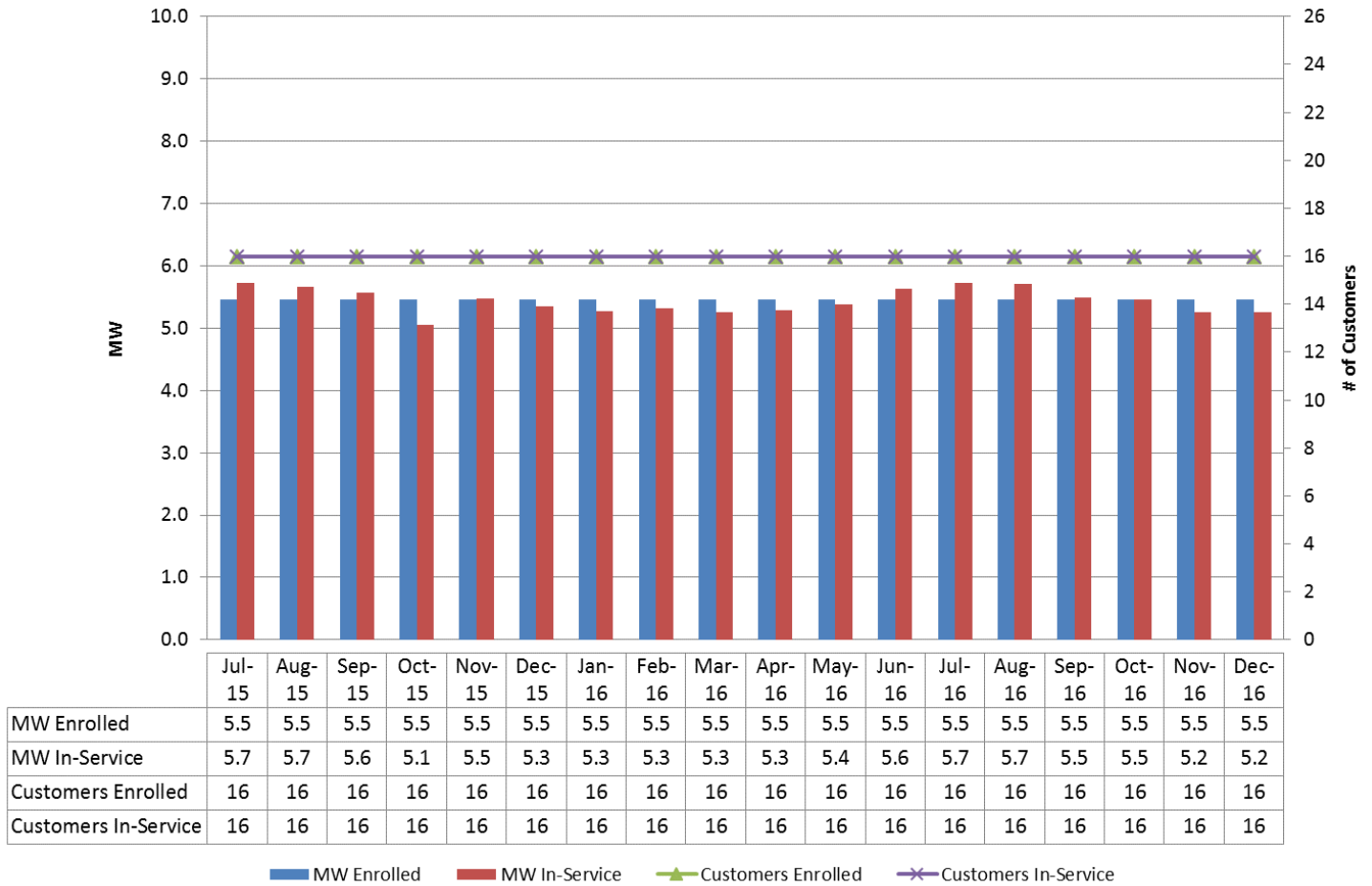
AES Customers in the WPSC Service Territory, Year End

AES Name	Number of Customers						MW Served					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
Constellation Energy Services fka Integrys ¹	0	0	13	13	16	16	0	0	5.0	4.5	5.35	5.25
Totals	0	0	13	13	16	16	0	0	5.0	4.5	5.35	5.25
Note: ¹ On November 3, 2014, Integrys Energy Services, Inc., merged with Constellation, a subsidiary of Exelon Corporation. A legal name change from Integrys Energy Services, Inc. to Constellation Energy Services, Inc. became effective on April 1, 2015.												

Chart 11



**Wisconsin Public Service Corporation Customer Choice Program Activity
(Cumulative Numbers of Customers & MW, Enrolled and In-Service, by Month)**



Source: Wisconsin Public Service Corporation, December 2016

APPENDIX 2

Michigan Public Service Commission Orders in 2016 Related to Implementation of 2000 Act 141

Alternative Electric Suppliers (AES)

- **Glacial Energy of Illinois, Inc. – U-15922: AES License Surrender** 2/11/2016. On April 23, 2015, the Commission opened a formal revocation proceeding in Case No. U-17866 to rescind Glacial Energy of Illinois, Inc.'s (Glacial) AES license. On August 14, 2015, a final order was issued, adopting a settlement agreement between Glacial and the Commission Staff (Staff) wherein it was set forth that Glacial would transfer its book of customers and/or notify its customers of their options for non-continuation of electric service according to the agreed upon schedule and would surrender its AES license at the time of the completed sale of the customer book, but no later than December 31, 2015. Glacial filed a letter with the Commission on November 4, 2015 surrendering their AES license. Additionally, Glacial was relieved of any obligation to comply with requirements established by Public Act 295 and in renewable energy plan Case Number U-16645.
- **EDF Energy Services, LLC - U-17937: AES License** 2/23/2016. The Commission granted a license to EDF Energy Services, LLC (EDF Energy) to serve as an AES. They have an established Michigan office in Parma.
- **Santanna Natural Gas Corporation d/b/a Santanna Energy Services – U-17160: Voluntary Relinquishment of AES License** 3/29/2016. The Commission rescinded Santanna Natural Gas Corporation d/b/a Santanna Energy Services (Santanna) AES license at the request of the company. Additionally, Santanna is relieved of any obligation to comply with requirements established by Public Act 295 and in renewable energy plan Case Number U-17254. Santanna never provided electric services in Michigan.
- **Nordic Energy Services, LLC – U-17968: AES License** 4/14/2016. The Commission granted a license to Nordic Energy Services, LLC to serve as an AES. They have an established Michigan office in Ann Arbor.
- **Duke Energy Retail Sales, LLC – U16517: Voluntary Relinquishment of AES License** 5/3/2016. The Commission rescinded Duke Energy Retail Sales, LLC (Duke Energy) AES license at the request of the company. Additionally, Duke Energy is relieved of any obligation to comply with requirements established by Public Act 295 and in renewable energy plan Case Number U-16767.
- **Lakeshore Energy Services, LLC – U-16905: Voluntary Relinquishment of AES License** 5/20/2016. The Commission rescinded Lakeshore Energy Services, LLC (Lakeshore) AES license at the request of the company. Additionally, Lakeshore is relieved of any obligation to comply with requirements established by Public Act 295 and in renewable energy plan Case Number U-16979. Lakeshore never provided electric services in Michigan.
- **MidAmerican Energy Company – U-13928: Voluntary Relinquishment of AES License** 8/23/2016. The Commission rescinded MidAmerican Energy Company's (MEC) AES license at the request of the company. Additionally, MEC is relieved of any obligation to comply with requirements established by Public Act 295 and in renewable energy plan Case Number U-16647.

Renewable Energy Plans

- **U.P. Power Marketing, LLC – U-16652: Renewable Energy Biennial Review** 1/19/2016. The MPSC approved U.P. Power Marketing, LLC's biennial renewable energy plan submitted on 5/19/2015 as required by Public Act 295 of 2008.
- **MidAmerican Energy Services, LLC – U-17934: Initial Renewable Energy Plan Approval** 4/14/2016. The MPSC approved MidAmerican Energy Services, LLC's (MidAmerican) initial proposed renewable energy plan submitted on 1/7/2016 as required by Public Act 295 of 2008.

- Interstate Gas Supply, Inc. d/b/a IGS Energy – U-17338: Renewable Energy Biennial Review 4/14/2016. On 3/22/2016, Interstate Gas Supply, Inc. d/b/a IGS Energy (IGS) filed a letter to the docket indicating that the company continues to serve no retail customers in Michigan. If IGS is not selling power to Michigan at the time of the next biennial review, it shall file a letter so indicating, in lieu of filing a renewable energy plan.
- Plymouth Rock Energy, LLC – U-17549: Renewable Energy Biennial Review 5/3/2016. On 4/15/2016, Plymouth Rock Energy, LLC (PRE) filed a letter to the docket indicating that the company continues to serve no retail customers in Michigan. If PRE is not selling power to Michigan at the time of the next biennial review, it shall file a letter so indicating, in lieu of filing a renewable energy plan.
- EDF Energy Services, LLC – U-18037: Initial Renewable Energy Plan Approval 7/22/2016. On 5/23/2016, EDF Energy Services, LLC (EDF) filed an application for approval of its initial renewable energy plan. At that time, EDF served no retail customers in Michigan. The Commission approved EDF's initial renewable energy plan on 7/22/2016 indicating that if they are not serving Michigan customers at the time of the next biennial review, they shall file a letter so indicating, in lieu of filing a renewable energy plan.
- Nordic Energy Services, LLC – U-18066: Initial Renewable Energy Plan Approval 9/23/2016. On 7/12/2016, Nordic Energy Services, LLC (Nordic) filed an application for approval of its initial renewable energy plan. At that time, Nordic served no retail customers in Michigan. The Commission approved Nordic's initial renewable energy plan on 9/23/2016 indicating that if they are not serving Michigan customers at the time of the next biennial review, they shall file a letter so indicating, in lieu of filing a renewable energy plan.
- Energy Services Providers, Inc. d/b/a Michigan Gas & Electric – U-17010: Renewable Energy Biennial Review 9/23/2016. On 6/29/2016, Energy Services Providers, Inc. d/b/a Michigan Gas & Electric (MG&E) filed a letter to the docket indicating that the company continues to serve no retail customers in Michigan. If MG&E is not selling power to Michigan customers at the time of the next biennial review, it shall file a letter so indicating, in lieu of filing a renewable energy plan.

Choice Rate Tariff

- HomeWorks Tri-County Electric Cooperative – U-18168: ROA Choice Tariff Changes 12/9/2016. On 8/25/2016, HomeWorks Tri-County Electric Cooperative (HomeWorks) filed an application requesting approval to revisions of its Large Power Service Rate-Choice, Schedule CD-C and its Primary Service Rate-Choice, Schedule PSDS-C. The Commission determined that the requested revisions were reasonable and in the public interest and therefore approved the ex parte application.

U-17992 - In the matter of the investigation, on the COMMISSION'S OWN MOTION, into the electric supply reliability plans of Michigan's electric utilities for the year 2016 through 2020.

The Commission opened this docket to obtain from electric providers, including AESs, a self-assessment of their ability to meet their customers expected electric requirements and associated reserves during the five year period of 2016 through 2020. Responses were submitted on this docket by the following AESs: CMS ERM Michigan, LLC, MidAmerican Energy Services, LLC, U.P. Power Marketing, Direct Energy Business, LLC, Direct Energy Services, LLC, Noble Americas Energy Solutions, Wolverine Power Marketing Cooperative, Spartan Renewable Energy, Constellation Energy Services, Inc., Constellation NewEnergy, Inc. FirstEnergy Solutions and Commerce Energy, Inc.

APPENDIX 3

Michigan Licensed Alternative Electric Suppliers

Company Name, Address, Contact Information	Case Number	Authorization Date
AEP Energy, Inc. 2723 South State Street, Suite 150, Ann Arbor, MI 48104 Phone: 866-258-3782 Fax: 734-794-4701 Email: care@AEPenergy.com URL: www.AEPenergy.com	U-14764	2/9/2006
Calpine Energy Solutions f/k/a Noble Americas Energy Solutions, LLC 2000 Town Center, Suite 1900, Southfield, MI 48075 Phone: 877-273-6772 Fax: 619-684-8355 Email: customerservice@CalpineSolutions.com URL: www.CalpineSolutions.com	U-13361	4/16/2002
CMS ERM Michigan LLC One Energy Plaza, Suite 1060, Jackson, MI 49201-2277 Serving Dearborn Industrial Generation Phone: 517-788-0493 Fax: 517-787-4606	U-12567	8/17/2000
Commerce Energy Inc. 30555 Southfield Rd, Suite 440, Southfield, MI 48076 Phone: 800-556-8457 Fax: 877-332-1067 Email: contactus@commerceenergy.com URL: www.commerceenergy.com	U-13203	11/20/2001
Constellation Energy Services, Inc. f/k/a Integrys Energy Services, Inc. 1010 W. Washington St., Suite 2, Marquette, MI 49855 Phone: 800-544-9551 Fax: 888-672-7139 Email: support@superiorcontact.net URL: www.constellation.com	U-13245	1/18/2002
Constellation NewEnergy, Inc. 2211 Old Earhart Road, Suite 175, Ann Arbor, MI 48105 Phone: 877-547-4355 Email: customercare@constellation.com URL: www.constellation.com	U-13660	12/20/2002
Dillon Power, LLC 23409 Jefferson Ave., Suite 110, St. Clair Shores, MI 48080 Phone: 866-919-2679 Email: info@dillonpower.com URL: www.dillonpower.com	U-17723	1/13/2015
Direct Energy Business, LLC 110 W Michigan Ave., Suite 500, Lansing, MI 48933 Phone: 866-348-4193 Email: DEBSales@directenergy.com URL: www.business.directenergy.com	U-13609	11/7/2002
Direct Energy Services, LLC 110 W Michigan Ave., Suite 500, Lansing, MI 48933 Phone: 866-326-8559 Email: csdirectenergy@directenergy.com URL: www.directenergy.com	U-14724	12/20/2005
EDF Energy Services, LLC 5627 Settlement Court, Parma, MI 49269 Phone: 877-432-4530 Fax: 281-653-1436 Email: Grp_Hou_SupportTX@edfenergyservices.com URL: www.edfenergyservices.com	U-17937	2/23/2016
Eligo Energy MI, LLC 2000 Town Center, Suite 1900, Southfield, MI, 48075 Phone: 888-744-8125 Email: customerservice@eligoenergy.com URL: www.eligoenergy.com	U-17697	6/15/2015
Energy Services Providers, Inc. d/b/a Michigan Gas & Electric 1030 State Rd., Suite 10H, Harbor Springs, MI 49740 Phone: 866-705-3610 Fax: 888-829-5797 Email: CustomerRelations@MIGandE.com URL: www.MIGandE.com	U-16912	4/6/2012
FirstEnergy Solutions 30600 Telegraph Rd. #2345, Bingham Farms, MI 48025 Phone: 888-254-6359 Fax: 888-820-1416 Email: firstchoice@fes.com URL: www.fes.com	U-13244	1/08/2002

Company Name, Address, Contact Information	Case Number	Authorization Date
Interstate Gas Supply, Inc. d/b/a IGS Energy 306 East Main Street, Suite 230, Niles, MI 49120 Phone: 888-993-0997 Email: choice@igsenergy.com URL: www.igsenergy.com	U-17243	6/28/2013
Liberty Power Delaware, LLC. <i>Company has received a license. A Michigan office must be established before the company can begin marketing</i>	U-15140	4/24/2007
Liberty Power Holdings, LLC. <i>Company has received a license. A Michigan office must be established before the company can begin marketing</i>	U-15139	4/24/2007
MidAmerican Energy Services, LLC 39555 Orchard Hill Place, Suite 600, Novi, MI 48375 Phone: 800-432-8574 Fax: 563-333-8563 Email: support@midamericanenergyservices.com URL: www.midamericanenergyservices.com	U-17888	9/10/2015
Nordic Energy Services, LLC 2723 South State Street, Suite 150, Ann Arbor, MI 48104 Phone: 877-808-1022 Fax: 888-370-2027 Email: customerservice@nordicenergy-us.com URL: www.nordicenergy-us.com	U-17968	4/14/2016
Plymouth Rock Energy, LLC 25900 Greenfield Road, Suite 245, Oak Park, MI 48237 Phone: 855-327-6937 Fax: 516-295-1417 Email: customercare@plymouthenergy.com URL: www.plymouthenergy.com	U-17492	1/23/2014
PowerOne Corporation 6840 N. Haggerty Road, Canton, MI 48187 Phone: 734-354-2000 Fax: 734-354-4225 Email: Rami.Fawaz@poweronecorp.com URL: www.poweronecorp.com	U-13280	2/1/2002
Premier Energy Marketing, L.L.C. 446 Hunters Ridge, Saline, MI 48176 Phone: 734-769-0675 Fax: 888-805-4979 Email: bschlansker@premierenergyllc.com URL: www.premiereenergyonline.com	U-13620	11/7/2002
Spartan Renewable Energy, LLC 10125 W. Watergate Rd., PO Box 189, Cadillac, MI 49601 Phone: 877-288-WIND Fax: 231-775-0172 Email: cgeiger@spartanrenewable.com URL: www.spartanrenewable.com	U-15309	9/18/2007
Texas Retail Energy, LLC 208 N Capitol Ave., 3 rd Floor, Lansing, MI 48933 Phone: 866-532-0761 Fax: 479-204-0936 Email: chris.hendrix@texasretailenergy.com	U-17076	12/6/2012
U.P. Power Marketing LLC 29639 Willow Rd., White Pine, MI 49971 Phone: 906-885-7100 Fax: 906-885-7400 Email: zach.halkola@traxys.com URL: www.traxys.com	U-14594	10/25/2007
Wolverine Power Marketing Cooperative, Inc. 10125 W. Watergate Road, P. O. Box 100, Cadillac, MI 49601 Phone: 877-907-WPMC Fax: 231-775-0172 Email: sfrederick@wpmc.coop URL: www.wpmc.coop	U-12723	11/20/2000

*This list is current as of December 2016. An up-to-date AES directory is kept on the MPSC Website, at <http://www.dleg.state.mi.us/mpsc/electric/restruct/esp/aeslist.htm>.