

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
CONSUMERS ENERGY COMPANY)	
for <i>ex parte</i> approval of amendments to its)	Case No. U-16822
renewable resource program tariff.)	
_____)	

At the July 26, 2011 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Greg R. White, Commissioner

ORDER

On July 1, 2011, Consumers Energy Company (Consumers) filed an application requesting *ex parte* approval of certain amendments to tariff Sheet Nos. C-46.00 and C-46.10 of its renewable resource program, renamed Green Generation Program, in the current docket.

The revised tariffs reduce the cost of the program to current and future Green Generation Program customers. Consumers hopes to obtain new participation and maintain existing participation in the program as an alternative to customers purchasing renewable energy credits on the wholesale market. Consumers requests that the tariffs be expeditiously approved so that cost reductions may be effective for the September 2011 billing cycle.

The tariffs are divided into four separate payment options and the amended prices are as follows:

1. Payment Option 1 would be amended to \$10.00 per megawatt-hour (MWh) from \$16.67/MWh for 100% of the customer's electricity usage if that customer elects to participate at the less than 15,000 kilowatt-hour (kWh) per month level. For customers at or greater than the 15,000 kWh/month level, the price would be \$8.50/MWh, down from \$16.67/MWh. The new rates are equivalent to \$10/renewable energy credit (REC) and \$8.50/REC.
2. Payment Option 2 would be amended to \$1.50 from \$2.50 per block of 150 kWh of renewable energy. The new rate is equivalent to \$10/REC.
3. Payment Option 3 would be amended to \$1.275 from \$2.00 per block for customers that sponsor 100 blocks or more per month. The new rate is equivalent to \$8.50/REC.
4. Payment Option 4 would be amended to \$1.05 from \$1.50 for customers that sponsor 8000 blocks per month or more. The new rate is equivalent to \$7/REC.

On April 28, 2005 in Case No. U-14471, the Commission found that any charges paid by customers enrolled in this program will be paid only by those customers who voluntarily enroll, and therefore, *ex parte* approval was appropriate. The Commission finds that the same reasoning should be applied to these tariff amendments.

THEREFORE IT IS ORDERED that:

A. Consumers Energy Company's application for *ex parte* approval of its amendments to tariff Sheet Nos. C-46.00 and C-46.10, attached as Attachment A, is approved.

B. The proposed tariff sheets will be effective commencing with the September 2011 billing cycle.

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, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Greg R. White, Commissioner

By its action of July 26, 2011.

Mary Jo Kunkle, Executive Secretary

(Continued From Sheet No. C-45.00)

C10. RENEWABLE ENERGY PLAN (REP) (Contd)

C10.2 Green Generation Program (Contd)

D. Customer Participation (Contd)

In the event the Green Generation Program is oversubscribed, the customer's name will be maintained on a Company list in the order under which they were received. The customer will be enrolled on a first-come, first-served basis for Green Generation Program Payment Options 1, 2 and 3. A customer electing Green Generation Program Payment Option 4 is subject to advance Company approval based on the availability of Green Generation Program Participation Certificates. Customers participating in Payment Options 1, 2 and 3 shall have priority for available Green Generation Program Participation Certificates. In all events, the Company reserves the right to reasonably prioritize customer participation based on economic, financial, operational, legal or other considerations.

A Green Generation Program participating customer relinquishes any rights to market or sell Green Tags or Renewable Energy Certificates (RECs) associated with the customer's participation in the Green Generation Program under this tariff. There is no provision to provide Green Tag certificates or RECs to participating customers under this tariff.

The Company may secure a third-party marketer to assist in marketing the Green Generation Program, soliciting customer and/or performing other functions on behalf of the Company. The contracted third-party marketer may contact the Company's customers directly. Under this condition, the Company would provide the contracted third-party marketer with limited customer information necessary for the sole purpose of promoting and administering the Green Generation Program on behalf of the Company. The Company will require any third-party marketer to hold customer information confidential and restrict its use to only that as authorized by the Company.

E. Payment Options and Pricing

Customers may participate in the Green Generation Program by voluntarily enrolling in a Green Generation Program payment option. In addition to the prices under the appropriate Rate Schedule, a customer who has agreed to participate in the Green Generation Program shall elect one of the following payment options:

Payment Option 1

Payment Option 1 allows customers to match 100% of their monthly total energy consumed with an equal amount of the renewable resource premium available under this program. Customers who elect to participate at the less than 15,000 kWh per month level shall pay a \$0.01 per kWh renewable resource premium applicable to an amount equal to 100% of the customer's total monthly energy consumed.

Customers who elect to participate at the equal to or greater than 15,000 kWh per month level shall pay a \$0.0085 per kWh renewable resource premium applicable to an amount equal to 100% of the customer's total monthly energy consumed. The minimum amount of the resource premium applicable is 15,000 kWh in any single billing month.

After a customer elects to take service under Payment Option 1, the customer shall be permitted to change the established level of participation after 12-months have elapsed and 60 days notice has been given to the Company.

Payment Option 2

The customer may purchase Green Generation Program Participation Certificates in the amount of \$1.50 per certificate per month. Each certificate shall represent 150 kWh of renewable electric energy procured by the Company in the Green Generation Program. Customers may purchase any number of Green Generation Program Certificates. In the event the amount of energy represented in the customer's Green Generation Program Participation Certificate exceeds the customer's actual kWh consumption for the billing period, no reconciliation shall be made on the customer's billing. If the amount of energy represented by the customer's selected Green Generation Program Participation Certificate exceeds the customer's actual kWh consumption for three consecutive billing periods, the customer may modify the number of Green Generation Program Participation Certificates selected.

(Continued on Sheet No. C-46.10)

Issued XXXXXXXX XX, 2011 by
J. G. Russell,
President and Chief Executive Officer,
Jackson, Michigan

Effective for bills rendered on and after
the Company's September 2011 Billing Month

Issued under authority of the
Michigan Public Service Commission
dated XXXXXXXXXX XX, 2011
in Case No. U-XXXXXX

(Continued From Sheet No. C-46.00)

C10. RENEWABLE ENERGY PLAN (REP) (Contd)**C10.2 Green Generation Program (Contd)****Payment Option 3**

Customers who purchase 100 or more Green Generation Program Participation Certificates a month may purchase certificates for \$1.275 per certificate per month. The 100 block minimum must be applied to the customer's single billing account. To qualify for the discounted certificate price, the number of certificates (totaling a minimum of 100) to be billed against the customer's billing account must be specified in advance by the customer in a written agreement. In order to maximize the number of customers eligible to participate in the Green Generation Program, the Company may limit the number of Green Generation Program Participation Certificates available for the discounted premium to 25% of the total renewable electric energy procured for the Green Generation Program. In the event the amount of energy represented in the customer's Green Generation Program Participation Certificates exceeds the customer's actual kWh consumption for the billing period, no reconciliation shall be made on the customer's billing. If the amount of energy represented by the customer's selected Green Generation Program Participation Certificates exceeds the customer's actual kWh consumption for three consecutive billing periods, the customer may modify the number of Green Generation Program Participation Certificates selected, but the number shall not be less than 100 Green Generation Program Participation Certificates per month.

Payment Option 4

Any Full Service customer who purchases 8,000 or more Green Generation Program Participation Certificates a month may purchase certificates for \$1.05 per certificate per month. Each single billing account shall be billed a minimum of 4,000 blocks. To qualify for this option, the number of certificates (totaling a minimum of 8,000) to be billed against the customer's billing accounts must be specified in advance by the customer in a written agreement. Customers participating in Option 1, 2 and 3 shall have priority for available Green Generation Program Participation Certificates. In the event of a shortfall in supply of renewable energy not expected to exceed more than six months duration, the Company and the customer may mutually agree in writing to continue the customer's participation in the program by temporarily suspending the customer's participation until additional renewable energy supplies or Renewable Energy Certificates (RECs) become available, or by temporarily reducing the amount of monthly Green Generation Program Participation Certificates to a level that can be reasonably supplied by the Company. In order to maximize the number of customers eligible to participate in the Green Generation Program, the Company may limit the number of Green Generation Program Participation Certificates available for the discounted premium to 25% of the total renewable electric energy procured for the Green Generation Program. In the event the amount of energy represented in the customer's Green Generation Program Participation Certificates exceeds the customer's actual kWh consumption for the billing period, no reconciliation shall be made on the customer's billing.

Service under the Green Generation Program shall require a written contract with a minimum term of one year and a maximum term of ten years.

Customers participating in the Green Generation Program shall be responsible for the REP Surcharge and any applicable charges elected under the Green Generation Program after October 6, 2009. The Company shall notify in writing all existing and prospective participants of the Green Generation Program that they will be responsible for all applicable charges for both the Green Generation Program and REP Surcharge. Prior to October 6, 2009, Green Generation Program participants will pay only the portion of the monthly REP Surcharge that exceeds the voluntary Green Generation Program monthly charges.

The price for renewable electric energy is dependent on the cost of purchasing renewable electric energy from successful energy bidders in the RFP process described herein.

(Continued on Sheet No. C-47.00)

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