

Consumers Energy Legally Enforceable Obligation

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Consumers Energy

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Key Points

Consumers has identified two key points for a Legally Enforceable Obligation:

1. Contract Terms
2. Project Viability

Disclaimer

- This presentation serves as a high level summary of Consumers Energy's view for appropriate LEO requirements
- Consumers Energy has provided detailed redlines to the Montana LEO rules as suggested by the MPSC Staff

Key Point #1: Contract Terms

- Qualifying Facility
 - Small power production facility
 - Cogeneration facility

- Mutually Agreeable Contract, including:
 - Price (referred to as “Avoided Cost”)
 - Contract length
 - Project information
 - Expected energy and capacity deliveries
 - Counterparty information

Key Point #2: Project Viability

- Will the project be completed and begin operation?
 - Construction schedule
 - Equipment purchase
 - Permits and licenses
 - Site control
 - Fuel security
 - Interconnection feasibility
 - System upgrades
- Does the project have necessary funding?
 - Financial backing
 - Earnest money deposit
 - Costs are known

Key Point #2: Project Viability (cont.)

- Can the project be relied on for planning?
 - Project must be able to begin delivery within a known timeframe
- Does the project have a steam host (cogen QFs)?
 - Known deliveries and terms

Thank you