

HOW THE PROGRAM WORKS

What type of renewable energy resources can be used for the program?

Utility-scale wind or solar facilities, located in Michigan, that are constructed and operated by us.

Will program resources directly power my facility? Or is this a virtual program?

Our program is similar to a virtual power purchase agreement. These resources are connected to the larger electric grid, generating electricity for all our customers. As a participant, you receive 100% of the value of the renewable resources in the program including ownership of the Renewable Energy Credits (RECs) and the monetary value of the renewable energy produced and capacity payment associated with your participation to offset your subscription fee.

When joining the program, am I subscribing to a specific resource or the portfolio of resources in the program?

While your enrollment in the program supports the development of specific, new renewable energy resource(s), once your subscription begins it is supported by the Program's portfolio of wind and solar projects.

Are there program costs in addition to the fixed subscription rate?

No, the program cost is limited to your subscription fee. Once enrolled, the subscription fee and program credits will be added to your utility bill as separate line items.

What if the renewable energy resource doesn't generate enough to cover my subscription in a given month?

Renewable energy generation can vary by month, this situation is not uncommon — and we have a solution for it. The program is designed to provide flexibility, allowing excess generation from prior or later months to be applied to meet your full subscription over the course of the year. Should the generation ever be inadequate to meet the subscriptions over the course of a year, we can provide renewable energy credits at cost to meet the remaining unfulfilled subscribed matched use.

What are the energy credits based on?

Participants in the program receive monetary credits for both generation and capacity of the Program's renewable energy resources. The monetary credits are based on Midcontinent Independent System Operator (MISO) market pricing and then matched with your business' energy use.

There are two components to the financial credit you receive from the program:

Generation (Energy) Credit – The energy portion of your credit is based on the actual value of the electricity generated by the renewable resources. The energy generated is bid into the MISO node associated with the resource. The energy credit is based on the MISO settled Day Ahead and Real Time Locational Marginal Price (RT-LMP) and any transactional costs. They are specific market numbers that directly reflect the hourly value of the energy in that month during which the facilities generated.

Capacity Credit – Capacity is the potential of the renewable resource to generate energy. Consumers Energy is allotted a fixed value for capacity by resource over the course of the year with the annual value changing beginning each June. The credit customers receive is based on that fixed value divided by the amount of energy that is generated.

HOW PARTICIPATION SUPPORTS YOUR SUSTAINABILITY GOALS

How can participation reduce my facility's carbon footprint?

Your business can claim the renewable energy credits (RECs) and associated carbon reduction from those credits to offset your facility's greenhouse gas (GHG) emissions. We use the EPA's greenhouse gas calculator to determine this offset. If you have a greenhouse gas accountant, they can take the RECs and associated carbon emission reduction into account.

Will I receive a certificate of origin for the renewable energy credits?

On an annual basis the Program provides you with an attestation that has the serialized value of the REC. The serial number then can be used to track the credit within MIRECS, which is Michigan's renewable energy credit management system. This provides you the ability to document the REC for your records and trace its origin if needed.

Does the program retire my Renewable Energy Credits (RECs) on my behalf?

Yes, we can do this for you. We can also transfer the RECs to you if you prefer to retire them on your own behalf.

Can I transfer RECs from one facility to another?

Yes. There are no limitations for what facilities your RECs are retired under. While you subscribe to match the energy use of a specific facility, Consumers Energy will retire the RECs on your behalf or transfer them to you. At the time the RECs are designated to you in either fashion, you can decide what facilities you'd like them to offset emissions at.

COST

What are the rates for the program?

Contact your Energy Solutions Manager for a customized proposal for your business.

What are the costs associated with the future resources Consumers Energy is planning to build?

Costs for new resources will be confirmed according to our competitive bidding process. Contact your Energy Solution Manager for updated cost information.

When will you have more accurate numbers on future pricing?

Today, we can provide you with a cost estimate based on forecasted MISO LMP and an estimated 'not-to-exceed' subscription fee for the future renewable energy resource. This will provide your team a good baseline estimate to aid in your decision. We will provide participants with an updated cost estimate when new renewable energy project costs are confirmed.

Will the subscription cost be spread evenly across bills in a given year?

Monthly subscription costs and credits are variable for this program; therefore, each month will be different. The net premium or credit on your bill will vary on a monthly basis due to changes in the facility's consumption and energy credit amount. The subscription charge you pay will be fixed but the net cost will vary depending on the two factors previously noted. This is different from a program where you pay a fixed monthly cost.

CONTRACTING

If our electric consumption changes significantly over the term of the contract, is there a penalty charge for the difference in energy use?

No, there are no penalties for changes in consumption. If your facility has a load reduction which is permanent, we will simply add that capacity back to the program to support other enrollments. If you experience increases in electricity use, we will match the increase with renewable energy to the extent to which it is available at your contracted subscription fee. If renewable energy is only available at a cost greater than your subscription fee, you will have the option to match at the increased cost. If renewable energy is not available, we will provide RECs in an amount that satisfies the shortfall.

If I want to make an adjustment to the percentage subscribed, is there a penalty?

No. We will work with you using a contract change order to adjust your subscription amount to meet your needs.

There are 10, 15, 20-year contract terms. What is the difference between the shorter-term and longer-term agreements and are there price differences?

All contract term lengths start at the same price and same credits. However, there are a few considerations as you determine the right contract length for you:

1. Your enrolled resource may not have capacity available at a later date.
2. Your enrolled resource might not be available at the same cost.
3. You may lose the opportunity to lock into a lower-priced resource.

For re-enrollment, if the resource is still available you can re-enroll in it, but there is an incremental 2% cost increase for 10-year contracts if you continue to re-enroll at the shorter-term length. Contracts for 15, and 20-year terms do not have the incremental re-enrollment cost, however re-enrollment at the same cost is only available for the life of that resource.

How long does it take to execute a contract, and how complicated are they?

The contract is easy to fill out. It is only a few pages in length, and we can walk you through it to answer questions and support your understanding.

CONTRACT PROCESS & TIMING

If I have multiple facilities in Consumers Energy territory that I want to enroll in the program, can I bundle them under one agreement?

Yes. Eligible facilities can be bundled under one contract. The contract gives you the ability to subscribe at different percent match levels per facility if you choose to do so. Participation costs and credits will be applied to each of the enrolled account's electric bills. Eligible facilities must have a demand of 150 kW or greater at a single site or at least 1 MW aggregated demand if enrolling multiple facilities.

As far as contract timing, how quickly do we need to enroll?

Due to significant program interest, we enroll as early as possible so you reserve your spot in the queue for enrollment. Customers are serviced on a first come first serve basis so timing is important.

Does enrolling help Consumers Energy bring resources onto the grid sooner than otherwise may have occurred?

Yes. Your commitment accelerates the development of new solar and wind utility scale generation resources here in the state.

If we miss this deadline to enroll, when is the next opportunity to apply?

Since we plan to continue expanding the program based on customer demand, there is no hard deadline to enroll. When you are ready to apply, we encourage you to contact us to discuss the program. At that time we can provide you with an update on program status, resource availability and enrollment timing.

READY TO ENROLL?

We can help you take the next steps.

Visit ConsumersEnergy.com/businessrenewable