

MICHIGAN RENEWABLE ENERGY CREDIT PROGRAM TERMS AND CONDITIONS

Description:

The Michigan Renewable Energy Credit (REC) Program provides eligible, Full-Service* customers with the opportunity to subscribe to the environmental attributes of renewable energy by offering customers the ability to utilize renewable energy credits to match up to 100% of their total annual energy use. The source of the RECs will be RECs from existing renewable energy resources in Michigan.

The REC subscriptions will be available on a first-come, first-served basis. Should REC procurement become price prohibitive, or should REC availability decrease, the program will close to new subscriptions, and a customer waitlist will be utilized until the program becomes available again through customer attrition or new supply..

These terms and conditions are subject to the Company's Michigan REC Program Tariff and any tariff amendments thereto as may be filed with and approved by the Michigan Public Service Commission during the term of Customers' subscription.

Eligibility:

Subject to any restrictions, the Michigan REC Program is available to any Full-Service* customer. Subscriptions are limited to the equivalent number of RECs that would be produced by 100% of the customer's total annual energy usage if generated by renewable energy. Customers will not be eligible for any of these programs if they have received a shutoff notice within nine months preceding their application.

Enrollment:

To participate, customers shall apply and commit to their desired subscription level. Consumers Energy (henceforth: Company) will procure RECs based on customer subscription levels through market purchases or through one or more requests for proposal, or by purchasing RECs from available Company resources not currently utilized for Renewable Energy Credit Portfolio Standard obligations. The enrollment period is open throughout the calendar year.

Subscription Payments and RECs:

Customers pay a per kilowatt-hour (kWh) fee based on their subscription preference. Initial subscription fees will be based on a REC value for the most current year published quarterly in the Midwest Market Notes by Clear Energy Brokerage and Consulting LLC, or a successor publication, plus a \$0.004 per kWh administrative fee to support program administration, REC procurement and marketing. Subscription fees shall be adjusted on an annual basis. Should REC prices, as referenced above, increase 25% or more above current program subscription costs for the REC component of the charge during the year, the subscription fee will be adjusted quarterly. The Company shall retire the RECs on the customer's behalf for customers with annual enrollment of less than 1,000,000 kWh per year. For customers with annual consumption meeting or exceeding 1,000,000 kWh at a single-metered or aggregated sites, the Company shall transfer to the customer or retire the RECs on the customer's behalf upon their request.

Resource Specification:

Participating customers with an annual single site or aggregated consumption greater than 1,000,000 kWh may specify a renewable fuel type or age of REC, or other requirement deemed appropriate by the Company, and will pay any premium costs associated with such REC procurement. This premium will be applied annually. For customers who meet these requirements, their RECs may be retired on their behalf or transferred to them.

Term:

By applying, the customer is entering into a written contract with Consumers Energy with a minimum term of 12 months. Customers are automatically reenrolled in the program on a month to month basis at the end of the 12-month period unless they choose to cancel program participation by written notice to Consumers Energy at least 30 days before the then current term ends. Customers with an annual single site or aggregated consumption meeting or exceeding 1,000,000 kWh who choose to terminate their service agreement early will be assessed an early termination fee in the amount of RECs that have been procured on the customer's behalf unless the terminating customer's subscription level is adopted by another eligible customer. To cancel or make changes to current participation, send an email to GreenPower@CMSenergy.com.

* Any capitalized terms not otherwise defined in this application have the meanings given to them in Consumers Energy's Electric Rate Book, as it may be amended from time to time