April 20, 2022

Ms. Lisa Felice
Executive Secretary
Michigan Public Service Commission
7109 West Saginaw Highway
Post Office Box 30221
Lansing, MI 48909

RE: Case No. U-21090 – In the Matter of the Application of Consumers Energy Company for Approval of an Integrated Resource Plan under MCL 460.6t, certain accounting approvals, and for other relief.

Dear Ms. Felice:


Also included are the signatures of the following parties who do not join the settlement but are offering a statement of non-objection: Michigan Public Power Agency and Midland Cogeneration Venture, LP.

Energy Michigan Inc., Wolverine Power Supply Cooperative Inc., the Mackinac Center for Public Policy, Residential Customer Group, the Biomass Merchant Plants¹, and the Association of Businesses Advocating Tariff Equity have not signed the settlement and have not indicated that they will sign a statement of non-objection.

The Company respectfully requests that, pursuant to Rule 431(3), the Commission establish a reasonable time for response to this submittal, but in no event later than 14 days from April 20, 2022.

This is a paperless filing and is therefore being filed only in PDF. I have enclosed a Proof of Service showing electronic service upon the parties.

Sincerely,

Robert W. Beach

cc: Parties per Attachment 1 to the Proof of Service
STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of
CONSUMERS ENERGY COMPANY
for Approval of an Integrated Resource Plan
under MCL 460.6t, certain accounting
approvals, and for other relief.

Case No. U-21090

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System’s Rules of Practice and Procedure before the Michigan Public Service Commission (“MPSC” or the “Commission”), the undersigned parties agree as follows:

WHEREAS, on June 30, 2021 Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application requesting approval of the Company’s Integrated Resource Plan (“IRP”) pursuant to Section 6t of 2016 PA 341, MCL 460.6t, the Commission’s June 7, 2019 Order Approving Settlement Agreement in Case No. U-20165, and all other orders and applicable law. The Company filed testimony and exhibits in support of its positions concurrently with its Application.

WHEREAS, the initial prehearing conference was held on July 22, 2021 before Administrative Law Judge (“ALJ”) Sally L. Wallace. Beyond the Company, the parties to the IRP are: the MPSC Staff (“Staff”); the Attorney General; Hemlock Semiconductor Operations, LLC (“HSC”); the Biomass Merchant Plants (“BMPs”);1 Michigan Environmental Council, Natural Resources Defense Council, and Sierra Club (“MNS”); Great Lakes Renewable Energy


WHEREAS, Consumers Energy filed testimony and exhibits requesting approval of the Company’s IRP Proposed Course of Action ("PCA") in its entirety, as the most reasonable and prudent means of meeting the Company’s energy and capacity needs through 2040. The Company specifically requested the Commission to make the following determinations:

(i.) Approve Consumers Energy’s PCA, which is inclusive of all proposals presented by the Company in this case, including the battery deployment program, as the most reasonable and prudent means of meeting the energy and capacity needs of the Company and its customers;

(ii.) Approve the Company’s acquisition and proposed purchase costs for the New Covert Generating Facility (“Covert Plant”) and Dearborn Industrial Generation (“DIG Plant”), the Livingston Generating Station (“Livingston Plant”), and the Kalamazoo River Generating Station (“Kalamazoo Plant”), in the manner proposed by the Company, and proposed Energy Waste Reduction (“EWR”), Demand Response (“DR”), and Conservation Voltage Reduction (“CVR”) costs which will be commenced by the Company within three years following the Commission’s expected approval of the Company’s IRP;

(iii.) Approval of the selection and proposed purchase of the DIG, Kalamazoo, and Livingston plants, by the Company from its affiliate, CMS Enterprises. The transaction was a result of a competitive solicitation and is compliant with the Commission’s Code of Conduct requirements. In the alternative, while complying with all other provisions of the Code of Conduct, the Company
requests a waiver of the asset transfer provision of the Code of Conduct, Mich Admin Code R 460.10108(4), for the acquisition of the DIG, Livingston, and Kalamazoo plants, from CMS Enterprises;

(iv.) Approve the Company’s proposal to recover the unrecovered book balances of D.E. Karn (“Karn”) Units 3 and 4 and J.H. Campbell (“Campbell”) Units 1, 2, and 3, including decommissioning costs, through regulatory asset treatment, with full return, over the design lives of those units;

(v.) Approve the Company’s proposals to: (i) defer employee retention costs related to the proposed accelerated retirements of Karn Units 3 and 4 and Campbell Units 1, 2, and 3, and (ii) defer retirement transition costs for future recovery;

(vi.) Approve the Company’s proposed modifications to its Public Utility Regulatory Policies Act of 1978 (“PURPA”) construct and the Company’s proposed competitive procurement process and the use of that competitive procurement process for: (i) determining PURPA avoided costs rates, and (ii) determining and addressing the Company’s capacity position under PURPA;

(vii.) Determine that the Company has no PURPA capacity need so long as the Company is implementing the PCA, with the competitive procurement process proposed by the Company; and

(viii.) Approve the Company’s proposed Financial Compensation Mechanism (“FCM”) for any new, or newly amended, Power Purchase Agreements (“PPAs”) entered into by the Company.

Staff and other intervening parties filed testimony and exhibits addressing various issues.

NOW THEREFORE, for purposes of settlement of Case No. U-21090, the undersigned parties agree as follows:

1. The parties agree that the Company’s PCA, as modified in this Settlement Agreement, should be approved as the most reasonable and prudent means of meeting the Company’s energy and capacity needs over the 5-year, 10-year, and 15-year time horizons. The parties agree that the Company will file its next IRP consistent with the requirements of MCL 460.6t.

2. The parties agree that the PCA shall include the Company’s proposed purchase of the Covert Plant in 2023 but shall not include the ownership of the DIG, Kalamazoo, and
Livingston plants. The parties agree that the identified capital costs that the Company will incur for DR ($23,751,000), CVR ($9,736,315), and the purchase of the Covert Plant ($815 million) in the next three years (June 2022 – June 2025) are reasonable and prudent and approved for cost recovery purposes and will be included in rates in a future Company rate case consistent with MCL 460.6t(11) and (17). The parties further agree to the approval of the projected capacity value provided by the Covert Plant and the DR (projected to achieve a total of 641 MW (657 Zonal Resource Credits (“ZRCs”)) by 2025), CVR (projected to achieve 136,351 MWh savings by 2025, 56.81 MW savings by 2025), and EWR (projected to achieve 545,305 MWh savings in 2025, 879 MW savings by 2025) resources included in the PCA during the next three years. The parties further agree that the Company shall continue to file an annual reporting template with the Commission addressing the implementation of the approved DR and CVR resources above.

3. The parties agree to the approval of the battery deployment program as proposed by Company witness Richard T. Blumenstock. The parties agree that the Company will conduct stakeholder outreach to solicit feedback regarding the battery deployment program prior to the issuance of the first battery deployment program competitive solicitation. The approval to recover the costs associated with the batteries acquired in the battery deployment program will be sought in future electric rate cases.

4. The parties agree that (i) Karn Units 3 and 4 will be retired on or before May 31, 2031, absent extraordinary circumstances that require prolonged operation, such as a System Support Resource designation by Midcontinent Independent System Operator, Inc. (“MISO”) or other emergent issues within the Company’s generation portfolio which require continued
operation of Karn Units 3 and 4 to maintain sufficient supply; and (ii) Campbell Units 1, 2, and 3 will be retired on or before May 31, 2025.

5. The parties agree that the Company will not file an application for a financing order for the unrecovered book balance and decommissioning costs of Campbell Units 1, 2, and 3. The parties agree that the Commission will permit Consumers Energy to recover the unrecovered book balance of Campbell Units 1, 2, and 3 through the Company’s proposed regulatory asset treatment, with a return equal to the Company’s weighted average cost of capital (“WACC”) premised on the return on equity approved by the Commission in rate cases prior to the retirement date of those units and a 9.0% return on equity after the retirement date of those units, as part of the Company’s electric rates over the current design lives of those units. The 9.0% return on equity will be used to modify the capital structure filed with each rate case and the return on equity will be the only modification to the capital structure used to calculate the return on the regulatory asset after the retirement date of the units. The parties further agree that the Company will be permitted to record a regulatory asset for actual decommissioning spending for Campbell Units 1, 2, and 3, with a return on the regulatory asset, with subsequent rate recovery in a rate case after a review of the reasonableness and prudence of the expenses.

Recovery of the associated decommissioning and ash disposal costs will be treated as follows:

a. The decommissioning costs, less salvage value, related to Campbell Units 1, 2, and 3 and the ash disposal costs related to Campbell Units 1, 2, and 3 will be recorded, as spent, to a regulatory asset; and

b. The Company may request recovery in future base rate proceedings, and upon Commission determination that the Company has incurred those costs as the result of reasonable and prudent actions, they shall be included in rates. The Company will ensure that the amounts recovered through a regulatory asset account are net of any accumulated depreciation amounts.
6. The parties agree that subsequent to the Commission’s order approving this Settlement Agreement, the Company shall issue a competitive solicitation (“the One-Time Solicitation”) which will include the following parameters:

a. The One-Time Solicitation will seek projects which will provide the Company with capacity credit in the MISO Zone 7 starting in the 2025 Planning Year;

b. The One-Time Solicitation will include two all source tranches:

i. The first tranche will seek up to 500 ZRCs of capacity and associated energy and renewable energy credits (“RECs”), if applicable, from PPAs with terms up to 10 years. This tranche will seek dispatchable, non-intermittent generation capable of dispatching up or down in every hour of the year in response to wholesale energy market signals, providing capacity which meets the Local Clearing Requirement of MISO Zone 7; and

ii. The second tranche will seek up to 200 ZRCs of capacity and associated energy and RECs, if applicable, secured from unaffiliated third parties via PPAs or other third-party agreements that do not result in Company ownership with terms up to 25 years, at the discretion of the bidder. This tranche will seek intermittent resources and dispatchable, non-intermittent clean capacity resources (including battery storage resources), providing capacity which meets the Local Clearing Requirement of MISO Zone 7. This tranche will furthermore take into consideration the ability of the offered capacity to meet the Local Clearing Requirement of MISO Zone 7 for the duration of the contract length. Prior to the issuance of the second tranche portion of the One-Time Solicitation, the Company shall hold a stakeholder meeting including parties to this case and energy storage developers to discuss methods to improve RFPs and response to solicitations with respect to stand-alone storage projects and hybrid-storage projects.

c. The Company’s acquisition of the 700 ZRCs and associated energy and RECs, if applicable, sought in the One-Time Solicitation shall be considered incorporated into the PCA approved in Paragraph 1 of this Settlement Agreement. However, the actual selected bid(s) will be submitted in Case No. U-21090 for Commission approval subsequent to the completion of the One-Time Solicitation;

i. In that approval proceeding, the Commission shall: (i) confirm whether the solicitation process followed by the Company is consistent with the requirements of the Settlement Agreement; (ii) grant approval of the recovery of the costs associated with the selected project(s) pursuant to applicable law or make a preliminary finding that the costs associated
with the project(s) that prevail in the solicitation are reasonable and prudent; and (iii) grant any other approvals or findings necessary as required or provided by applicable law.

d. The One-Time Solicitation will not be used to set the Company’s avoided costs rates or capacity needs under PURPA.

7. The parties agree to the approval of the Company’s proposed accounting request to defer expense related to the Campbell site severance and retention agreement, utilizing a regulatory asset to record the deferred amounts. The deferred amounts for 2022 will be capped at $26 million. All amounts deferred for 2022 and beyond will be reviewed in future rate cases. This Settlement Agreement does not permit the Company to defer amounts related to the Campbell site severance and retention agreement outside of 2022.

a. Consumers Energy will publicly file in Case No. U-21090 its community transition plan for Karn Units 1 through 4 within 150 days of all four Karn Units ceasing operation; and

b. Consumers Energy will develop a draft community transition plan for the Campbell site. During the development of this draft community transition plan for the Campbell site, Consumers Energy will consult with community-based organizations and community members living in the area surrounding the retired assets on the community transition plan before finalizing and filing it for informational purposes in Case No. U-21090.

8. The parties agree to the extension of the annual competitive bidding process used to acquire the supply-side resource technologies specified in the PCA, as approved in Case No. U-20165 (collectively the “Annual Solicitations” and individually an “Annual Solicitation”), with certain modifications included below:

a. Qualifying Facilities (“QFs”) that the Company has a legal obligation to purchase from under PURPA (such facilities are referred to as “QFs” in this Settlement Agreement), may bid any technology into the Annual Solicitation but will be required to submit an offer consistent with the PPA terms sought in the Annual Solicitation;

b. The competitive bid process shall be administered by an independent third party. The evaluation criteria and process is to be made available to all bidders submitting responses for the specific technology requested by the
Company, as part of the RFP, to ensure transparency. QFs may bid any technology that meets the requirements of PURPA. A ranking of proposals is to be used by the independent third party and provided to the Company for selection;

c. In its September 9, 2021 Order in Case No. U-20852 the Commission adopted competitive bidding guidelines titled “Competitive Procurement Guidelines for Rate-Regulated Electric Utilities (Not for PURPA Compliance) and “Competitive Procurement Guidelines For Rate-Regulated Electric Utilities for PURPA Avoided Cost and Capacity Determination.” The “Objective” of the adopted guidelines provides that when the guidelines are utilized by utilities, it is presumed that resulting projects and contracts are reasonable and prudent and in the event utilities diverge from the guidance provided in the guidelines, it is expected that the utility will provide sufficient justification in order to receive Commission approval and recovery. In the Annual Solicitation process, the Company will follow the Commission’s adopted guidelines, including the ability to diverge from the guidance as provided in the guidelines;

d. The first competitive solicitation for the Company pursuant to this Settlement Agreement will be conducted no later than December 31, 2022. New full avoided cost rates stemming from each competitive solicitation will be filed with the Commission for review and approval within 30 days of the conclusion of each competitive solicitation;

e. The Company will seek term lengths for competitively bid projects up to 25 years, at the discretion of the bidder;

f. The Company will seek to acquire the target amount of capacity identified in the PCA for each Annual Solicitation period and may exceed that target amount depending on the amount of bids, the size of projects bid, cost and value, and variations in project commercial operation dates. Total newly acquired capacity will be reconciled against the amount of capacity projected in the PCA in the Company’s next IRP. (For example, if the Company acquired more capacity than planned, the proposed resource plan in the next IRP would incorporate that additional capacity with a potential reduction in the capacity needed going forward.);

g. If the Company is unable to meet the target capacity amount identified in the PCA in any given Annual Solicitation, the remaining "open" capacity will not be offered to QFs. The remaining capacity would instead be addressed through the process described in Paragraph 8.f.;

h. The parties agree and acknowledge that there are supply chain, energy security, labor, and environmental benefits associated with robust, local clean energy manufacturing capabilities. As part of the Company’s competitive bidding process, the parties agree that the Company will, to the extent
reasonably possible, incorporate clear, fair, and transparent criteria in the bid evaluation process to recognize value associated with clean energy supply chain diversification and sustainability, including intended use of Michigan manufactured components and low-carbon manufacturing as verifiable by life cycle assessment and/or disclosure using public, third-party verified environmental product declarations. The Company agrees to consult with parties to the settlement on the details of such bid evaluation criteria. Nothing in this settlement alters the opportunity for stakeholders and potential bidders to review and comment on any new proposed bidding criteria through the process as set forth in the MPSC’s competitive bidding guidelines approved in MPSC Case No. U-20852 on September 9, 2021;

i. The parties agree that the Annual Solicitation process does not restrict the Company’s ability to make short-term capacity additions to address capacity shortfalls which cannot reasonably be addressed through the Annual Solicitation process; and

j. The Company may pursue supply-side resource pilots for new and emerging technologies outside of an Annual Solicitation subject to cost and project approval in its future rate cases.

9. The parties agree that the new capacity that the Company intends to procure through the PCA, in each Annual Solicitation, shall be: (i) acquired through a competitive bidding process; and (ii) approximately 50% will be from PPAs and other third-party agreements that do not result in Company ownership and approximately 50% will be owned by the Company, as acquired through a competitive bidding process. The new capacity acquired from PPAs or other third-party agreements that do not result in Company ownership will not compete against the new capacity which will be owned by the Company. The Company will use commercially reasonable efforts to maintain the 50%/50% proportion for new IRP resources from 2022 through the Company’s next IRP proceeding, and in no event shall any given annual solicitation result in the Company owning more than 60% of the new capacity acquired in such solicitation. The Company, in its sole discretion, may also choose to acquire more than 50% of its new capacity from third parties. The parties further agree that the Company’s affiliates will
be prohibited from bidding on the portion of the Company’s new capacity acquired from third parties.

10. The parties agree to the approval of the extension of the Company’s FCM approved in Case No. U-20165 equal to the product of: (i) the annual PPA payment, and (ii) the Company’s after-tax WACC based on its total capital structure, which is currently 5.62%, as updated from time to time by the MPSC in electric rate case final orders. The FCM will be applicable to all new PPAs, but will not apply to PPA amendments, PURPA PPAs, and Voluntary Green Pricing PPAs. The Company shall also not receive an FCM on any PPAs executed under the Company’s Renewable Energy Plan. The FCM will be subject to the cap, as provided in Attachment A of the Settlement Agreement. The parties agree that nothing in this Settlement Agreement is intended to waive the requirements of MCL 460.6t(15).

11. The parties agree to the extension of the Company’s PURPA avoided cost construct, as approved in Case No. U-20165 (based on the Company’s Annual Solicitations), with certain modifications included below:

a. The Company’s PURPA avoided cost construct will be subject to review in the Company’s future IRP filings, as opposed to separate biennial filings;

b. QFs 150 kWac and below are eligible to receive full avoided cost rates regardless of the Company’s capacity needs;

c. Within 180 days subsequent to the Commission’s approval of this Settlement Agreement, the Company shall initiate stakeholder outreach to develop a simplified agreement, tariff-based program, or other mechanism which will allow QFs 150 kWac and below to receive full avoided cost rates. Subsequent to the completion of the stakeholder outreach, at the earliest practicable date, the Company will file a proposal with the Commission for approval;

d. When the Company does not have a PURPA capacity need, QFs above 150 kWac, that the Company has a legal obligation to purchase from under PURPA, are eligible to receive the Company’s energy-only avoided cost rates. The Company’s energy-only avoided cost rates shall be based on a forecast of LMPs for the first 5 years and actual LMPs for years 6 through 10. The
Company’s energy-only avoided cost rates shall not include a payment for capacity;

e. Current existing QFs, at or below the Company’s PURPA must-purchase obligation MW threshold, with a PURPA-based PPA with the Company as of January 1, 2019 shall receive new PPAs, regardless of the Company’s capacity need, upon the expiration of their current PPAs based on the Company’s full avoided cost rates at the time of PPA expiration. QFs that entered a PPA with the Company prior to January 1, 2019 at an amount less than full avoided cost rates, such as reduced avoided cost rates based on the Planning Resource Auction (“PRA”) rate and forecasted or actual LMPs and energy-only rates which only include an energy rate and do not provide a payment for capacity, shall not automatically receive a new PPA at the full avoided cost rate when their current PPA expires. QFs that have entered a PPA with the Company after January 1, 2019 are not eligible to receive a new full avoided cost rate PPA with the Company regardless of the Company’s capacity need;

f. QFs that the Company has a legal obligation to purchase from under PURPA, and which are eligible for full avoided cost rates, may select PPA terms up to 20 years; and

g. QFs up to 5 MWac, that the Company has a legal obligation to purchase from under PURPA, are eligible for the Company’s PURPA Standard Offer Tariff and Standard Offer Contract. The terms of the Standard Offer Contract will also be updated from using the MISO methodology for capacity accreditation at the time of PPA execution, to the average of the MISO methodologies at the time of PPA execution and delivery under the PPA. Within 30 days following the Commission’s approval of this Settlement Agreement, the Company shall file revised Standard Offer tariff sheets and a revised Standard Offer contract, to reflect the Standard Offer construct and rates approved as part of this Settlement Agreement. Parties shall be given 14 calendar days subsequent to the Company’s filing to provide comments to the Commission.

12. The Company has no PURPA capacity need so long as the Company is implementing the Commission-approved PCA, as provided in Paragraph 1, including the competitive Annual Solicitation process for future capacity needs.

13. The parties agree that the Company will donate $5 million in 2022 to a low-income fund that provides bill assistance to Consumers Energy’s electric customers. The Company will also donate $2 million annually to the same low-income fund each year during the amortization period for the regulatory asset, provided in Paragraph 5 of this Settlement
Agreement, with each annual donation contingent on the Company filing and the Commission approving a Voluntary Revenue Refund ("VRR"). The donations described in this paragraph will not be recovered in rates and Consumers Energy will consult with the Attorney General and Staff on the low-income fund receiving the donations. The Company will provide an annual report to the Commission each year a donation is made. If known, the report will include the number of households served, the number of households over 150% of the federal poverty level ("FPL"), and number under 150% of the FPL. For those households 150% of FPL and under, the report will explain, if known, whether they are receiving the funds because they exhausted other benefits such as the Michigan Energy Assistance Program or State Emergency Relief.

14. In future IRPs, beginning with its next IRP, the Company will (i) collect the necessary data to compute marginal line losses and report these with average line losses and (ii) include marginal line losses and avoided transmission and distribution costs in its evaluation of all distributed resources, including residential DR potential.

15. Consumers Energy agrees to develop a distributed generation as a resource model approach that considers economic distribution connected solar to be modeled by bundling resources installed at the customer level to compare the total economic costs to the utility of distributed generation as a resource to other selectable supply-side resources, consistent with the methodology used for EWR. The Company will develop a model that accounts for all utility costs and/or incentives associated with participating and non-participating distributed generation customers. The Company agrees to present the model approach for stakeholder review and feedback prior to the next IRP. The model approach, including any incorporated stakeholder feedback, will be included into the Company’s next IRP.
16. The parties agree that Consumers Energy’s IRP set forth a proposal to be Carbon Neutral by 2040 and retire all coal generation by 2025, 14 years ahead of the original timeline. These retirements include two substantial coal and gas units totaling approximately 2,000 MW. To replace the capacity, Consumers Energy has proposed adding existing natural gas-fired generation and plans to add about 8,000 MW of solar generation by 2040, to dramatically reduce the use of fossil fuel resources. The next IRP should consider transmission and how it can facilitate the mitigation of reliability and economic impacts to the electric system. The parties also agree that strategic investment in electric transmission needs continual assessment to understand the role of transmission in allowing for the most economic path to meeting the state’s energy goals while complementing Michigan’s Load Serving Entities’ (“LSE”) objectives. Michigan is transitioning its generation portfolio and must take the appropriate steps to increase system reliability, resiliency, flexibility, and affordability. Michigan will be better positioned by taking a forward-looking approach regarding resource adequacy. The state should continue to recognize and support the value of a multitude of resources such as Solar, Wind, DR, and Distributed Energy Resources which assist in an “all of the above” approach. Transmission is essential in delivering the reliability of these resources. The value of transmission can be even further realized by leveraging those transmission resources to better assist the Consumers Energy IRP. This will allow MISO LRZ 7 to access broader pools of generation resources, be better situated for future demands placed on the system, mitigate unnecessary risks, and increase performance of those “all of the above” resources to serve the demands of Michigan’s customers reliably and economically.

17. The parties agree that the Company will include the following analysis in its next IRP:
a. The Company will provide total emissions, in lbs or tons, and rate of emissions, in lbs or tons per MWh and per MMBtu, for each owned power plant unit, or units that that the Company has a power purchase agreement with, for the last 5 years of operation (for existing units) and projected for the next 5 years (for all units) for the following pollutants: carbon dioxide, nitrogen oxides, sulfur dioxide, volatile organic compounds ("VOCs"), and primary particulate matter ("PM2.5");

b. The Company will calculate the annual PM2.5-related health impacts associated with each power plant’s emissions. The modeling will include the impacts from primary PM2.5 emissions and PM2.5 precursors emissions (nitrogen oxides, sulfur dioxide, VOCS). The Company will use one model to evaluate the number and economic value of PM2.5-related health impacts of these emissions. The Company may use COBRA or BenMAP (which will require pollutant change inputs from another model such as InMAP) for these calculations, or models that are of equal or greater complexity and accuracy. The Company will report the total number and economic value of PM2.5-related health impacts across the US for the chosen model and spatially by Michigan county or at a higher resolution;

c. The Company will use the MiEJScreen mapping and screening tool, or, if the MiEJScreen tool is not yet finalized, the EPA Environmental Justice Screening and Mapping Tool ("EJSCREEN"), to assess populations in a 1-mile and 3-mile buffer around each power plant location, including reporting total populations and any indicators and total index results above the 75th percentile;

d. The Company will report projected low-income energy efficiency participation levels, low-income load-reduction data, and publicly available rooftop solar adoption rates. If available, information on rooftop solar adoption by low-income customers will be provided;

e. The Company will include a narrative discussion of how the data obtained in a-d were considered by the utility; and

f. To the extent that the Commission formally adopts revised Integrated Resource Plan Filing Requirements and/or revised Michigan Integrated Resource Planning Parameters that address environmental emissions, health impacts from emissions, or environmental justice, such filing requirements will supersede the terms of this Paragraph 17.

18. The parties agree that the Company will take the following steps to engage and gather input from the public prior to the filing of its next IRP with the Commission:
a. Host meetings about the topic of the filing at a variety of times, during the daytime and the evening, with the Company providing equivalent content and equivalent and sufficient time for robust public response at each session;

b. Host meetings about the topics in the filing with a roughly equal mix between (i) in-person meetings and (ii) virtual or hybrid meetings;

c. For the duration of the proceedings before the MPSC, make available on its website recordings of (i) all virtual or hybrid meetings and (ii) to the extent feasible, any portion of an in-person meeting in which the Company is (a) addressing all participants in the meeting and/or (b) receiving public feedback and/or questions in a format intended to be heard by all participants in the meeting at the same time;

d. When requested 10 business days prior to a meeting, provide translations of materials for the benefit of those communities whose first language is not English, based on the demographics of the community;

e. When requested within 30 days subsequent to a meeting, the Company will use best efforts to provide a translation of recordings of the community meeting in a language specified by the person requesting the translation. Such translation recordings will be provided within 15 business days, subject to the Company’s best efforts, after the request is received. If the Company is unable, after a good faith effort, to find or reasonably engage the services of a translator capable of translating the recording into the language requested, the Company will not be obligated to provide the translation;

f. When requested at least 10 business days prior to an in-person meeting, the Company will use best efforts to include at least one live interpreter who can translate in the requested language. If the Company is unable, after a good faith effort, to find or reasonably engage the services of a translator capable of translating the meeting into the language requested, the Company will not be obligated to provide the translation;

g. Coordinate with community-based organizations when organizing and promoting meetings about the filing. The Company will solicit input regarding the time, place, and manner of the meetings from the community organizations, in addition to any other meetings the Company wishes to hold of its own accord;

h. Use best efforts to present the details of the integrated resource planning process in accessible, non-technical language that includes, but is not limited to, descriptions of the impacts of the Company’s plans on communities, the environment, and public health;

i. Include in its filings a concise general statement of the basis and purpose of the comments received by the Company and how the Company considered,
addressed, or rejected the issues raised in those comments in the IRP (as practicable); and

j. Subsequent to the issuance of the Commission’s order approving this Settlement Agreement, the Company agrees to meet with UCC to discuss potential stakeholder outreach prior to or subsequent to future electric rate case filings.

19. The parties agree that the Company will do the following with respect to combined heat and power (“CHP”) resources:

a. Within 180 days of the effective date of the Commission’s order approving the settlement, the Company will initiate a voluntary survey among its commercial and industrial customers to gauge interest in CHP (the “CHP survey”), with survey responses intended to be used by the Company to support the evaluation of: (1) the types of CHP that customers prefer, with regard to size, technology and overall configuration, on both the demand side and supply side, including co-ownership arrangements and other potential partnerships with the Company, and: (2) non-confidential information regarding locations within the Consumers Energy territory that may be most appropriate for deployment of CHP. The CHP survey will be conditioned on respondent approval of the public release of all information provided by the respondent in response to the survey. Nothing in this section is intended to require the public release of any confidential and/or commercially sensitive customer or Company information;

b. Within 360 days of the effective date of the Commission’s order approving the settlement, the Company will share the results of the CHP survey in the Case No. U-21090 e-docket, including a summary of the types of CHP that customers prefer, with regard to size, technology, and overall configuration, on both the demand side and supply side, including co-ownership arrangements and other potential partnerships with the Company; and a summary of non-confidential information regarding locations within the Company’s territory that may be most appropriate for deployment of CHP, according to the CHP survey results;

c. In its next IRP proceeding, the Company will model behind-the-meter CHP representative of a demand-side resource based upon the results from the CHP survey as appropriate; and

d. In its next IRP proceeding, the Company will model front-of-the-meter CHP configurations based upon the results from the CHP survey as appropriate.
20. This settlement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are, and shall be considered, privileged under MRE 408. If the Commission approves this Settlement Agreement without modification, neither the parties to this Settlement Agreement nor the Commission shall make any reference to, or use, this Settlement Agreement or the order approving it, as a reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

21. This Settlement Agreement is based on the facts and circumstances of this case and is intended for the final disposition of Case No. U-21090. So long as the Commission approves this Settlement Agreement without any modification, the parties agree not to appeal, challenge, or otherwise contest the Commission order approving this Settlement Agreement. Except as otherwise set forth herein, the parties agree and understand that this Settlement Agreement does not limit any party’s right to take new and/or different positions on similar issues in other administrative proceedings, or appeals related thereto.

22. This Settlement Agreement is not severable. Each provision of the Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of the Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall be without prejudice to the pre-negotiation positions of the parties.
23. The parties agree that approval of this Settlement Agreement by the Commission would be reasonable and in the public interest.

24. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969 (MCL 24.281), as it applies to the issues resolved in this Settlement Agreement, if the Commission approves this Settlement Agreement without modification.

WHEREFORE, the undersigned parties respectfully request the Commission to approve this Settlement Agreement on an expeditious basis and to make it effective in accordance with its terms by final order.
Spencer Sattler

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Amit T. Singh, Esq.
Nicholas Q. Taylor, Esq.
Assistant Attorneys General
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Post Office Box 30221
Lansing, MI 48909

By: Spencer Sattler

Digitally signed by Spencer Sattler
Date: 2022.04.19 14:00:30 -04'00'

Date: April 19, 2022
CONSUMERS ENERGY COMPANY

By: Shaun M. Johnson (P69036)
   Bret A. Totoraitis (P72654)
   Robert W. Beach (P73112)
   Anne M. Uitvlugt (P71641)
   Gary A. Gensch (P66912)
   Theresa A. G. Staley (P56998)
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   Ian F. Burgess (P82892)
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   Jackson, Michigan  49201
   Attorneys for Consumers Energy Company

Date: April 19, 2022
ATTORNEY GENERAL, DANA NESSEL

Celeste R. Gill

By: Celeste Gill, Esq.
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Celeste R. Gill
Date: 2022.04.19
15:03:37 -04'00'

Date: ___________________
GREAT LAKES RENEWABLE ENERGY ASSOCIATION

By:  

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Brian W. Coyer, Esq.
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Date:  April 19, 2022
MICHIGAN ENVIRONMENTAL COUNCIL

By: Christopher M. Bzdok, Esq.
Lydia Barbash-Riley, Esq.
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Date: April 19, 2022
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Lydia Barbash-Riley, Esq.
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Date: April 19, 2022
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Date: April 19, 2022

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MICHIGAN ELECTRIC TRANSMISSION COMPANY, LLC

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Date: April 19, 2022

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ENVIRONMENTAL LAW & POLICY CENTER, VOTE SOLAR, ECOLOGY CENTER, AND UNION OF CONCERNED SCIENTISTS

By: Margrethe Kearney, Esq.
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Grand Rapids, Michigan 49503

Date: April 19, 2022
HEMLOCK SEMICONDUCTOR OPERATIONS LLC

By: ____________________________

Jennifer Utter Heston, Esq.
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Date: April 19, 2022
URBAN CORE COLLECTIVE

By: ____________________________
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Andrew Bashi, Esq.
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Local Counsel for Urban Core Collective
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Date: 19-April-2022
The following parties do not wish to be signatories to this Settlement Agreement; however they have agreed to sign below to indicate non-objection to the Settlement Agreement.

MICHIGAN PUBLIC POWER AGENCY

By: Nolan J. Moody

Nolan J. Moody, Esq.
Peter H. Ellsworth, Esq.
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Date: April 19, 2022
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By: John A. Janiszewski, Esq.

Date: April 20, 2022
ATTACHMENT A
## ATTACHMENT A

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STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of
CONSUMERS ENERGY COMPANY
for Approval of an Integrated Resource Plan
under MCL 460.6t, certain accounting
approvals, and for other relief.

PROOF OF SERVICE

STATE OF MICHIGAN

COUNTY OF JACKSON

Melissa K. Harris, being first duly sworn, deposes and says that she is employed in the Legal Department of Consumers Energy Company; that on April 20, 2022, she served an electronic copy of the Settlement Agreement, upon the persons listed in Attachment 1 hereto, at the e-mail addresses listed therein.

Melissa K. Harris

Subscribed and sworn to before me this 20th day of April 2022.

Crystal L. Chacon

Crystal L. Chacon, Notary Public
State of Michigan, County of Ingham
My Commission Expires: 05/25/24
Acting in the County of Jackson
ATTACHMENT 1 TO CASE NO. U-21090

Administrative Law Judge
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Hon. Sally L. Wallace
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