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Timothy J. Lundgren

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April 28, 2017

Ms. Kavita Kale
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
P.O. Box 30221
Lansing, Michigan 48909

Re: MPSC Case No. U-18349

Dear Ms. Kale:

Attached for electronic filing in the above-referenced case, please find Energy Michigan, Inc.'s comments regarding the voluntary green pricing programs pursuant to the Commission's March 28, 2017 Order.

If you have any questions, please feel free to contact my office. Thank you for your assistance in this matter.

Sincerely yours,

VARNUM

Timothy J. Lundgren

TJL/kc
Enclosures
c. ALJ
All parties of record.

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

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In the matter, on the Commission’s own motion,)
regarding the regulatory reviews, revisions,)
determination and/or approvals necessary for)
regulated electric providers to comply with)
Section 61 of 2016 PA 342.)
_____)

Case No. U-18349

**ENERGY MICHIGAN’S COMMENTS
ON VOLUNTARY GREEN PRICING PROGRAMS
PURSUANT TO SECTION 61 OF 2016 PA 342**

Energy Michigan, by its attorneys, Varnum, LLP, submits to the Michigan Public Service Commission ("MPSC" or "Commission") its comments regarding the voluntary green pricing program pursuant to the Commission's March 28, 2017 Order in the above-entitled proceedings.¹

I. BACKGROUND

On March 28, 2017, the Michigan Public Service Commission (“Commission”) issued an Order (“Order”) providing the opportunity for interested parties to submit comments regarding the voluntary green pricing programs that regulated electric providers will be offering pursuant to Section 61 of Public Act 342 (“Section 61”). Section 61 provides, in part, that “[a]n electric provider shall offer to its customers the opportunity to participate in a voluntary green pricing program under which the customer may specify, from the options made available by the electric provider, the amount of electricity attributable to the customer that will be renewable energy.”

¹ The comments expressed in this filing represent the position of Energy Michigan as an organization, but may not represent the views of any particular member of Energy Michigan.

As the Commission acknowledged, the description of the voluntary green pricing program in Section 61 does not provide any detail concerning the elements these green pricing programs should include or how the Commission should evaluate green pricing proposals. Pursuant to the Commission's Order inviting input from interested parties, Energy Michigan submits these comments for the Commission's consideration.

II. COMMENTS

Many customers and businesses today are interested in not only a green product offering, but the source and price of that product as well. A product offer that is excessively high in price will discourage customers from investing in and sourcing green energy. Some customers also are concerned that their green power be sourced locally, in their region or state. For these reasons, participation in a utility-offered green pricing program should not be a black box with no visibility into source or price options for customers.

To that end, Energy Michigan proposes that the Commission encourage a transparent utility green pricing program that allows customers to direct their local utility in the sourcing and pricing of green energy within a range of options provided by the utility.

Energy Michigan would like to propose a process whereby it could help a rate regulated electric provider ("utility") to offer a fuller program that takes advantage of certain costing and sourcing options that could be provided through the host utility. Customers would continue to take all service through the utility. However, the utility would procure the green product from a source chosen by the customer from a menu of options provided by the utility.

Such a customer-directed program could work as follows. On the utility side, the utility would establish a standard contract for suppliers and generators participating in the program, and

the suppliers and generators would provide cost and sourcing information to the utility to offer to its customers. From the customer perspective, the process could work as follows: (1) the utility would create a green product web page where suppliers of green products would list their price, type and source; (2) the customer would direct the utility through the website to source the product of the customer's choosing; (3) the utility would source the customer's purchase from the designated provider; and (4), the customer would see the price and product option on their bill.

Such a program, properly implemented, would provide customers with some ability to control their costs by providing options for them to choose, as well as giving them options to obtain locally generated energy, or energy purchased from specific technologies, in order to help them meet specific sustainability or other corporate environmental goals.

This is not a customer choice program where a customer could switch suppliers, as the utility would remain the supplier. Rather, it is a utility product choice program where the customer chooses options for supply from a utility-provided menu of sources.

Because the program only requires a purchase by the customer at a known price and specified product, the costs of the program will likely be kept competitive, as it will reduce the utility's need for long-term agreements.

Energy Michigan supports the Legislature's and Commission's goals of ensuring that customers have a full and robust offering of green pricing options for their energy source. Ensuring that offerings currently available in the broader market as well as options sourced close to home will be made available to customers would increase the likelihood of success of Michigan's voluntary green pricing programs.

III. CONCLUSION

Energy Michigan respectfully requests that the Michigan Public Service Commission give due consideration to the comments herein submitted and adopt procedures consistent with those set forth above.

Respectfully submitted,

Varnum LLP
Attorneys for Energy Michigan, Inc.

April 28, 2017

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