## 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 ) )
In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>ALPENA POWER COMPANY</b> to comply with Section 61 of 2016 PA 342.	) ) ) Case No. U-18350 ) )
In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>CONSUMERS ENERGY COMPANY</b> to comply with Section 61 of 2016 PA 342.	) ) ) Case No. U-18351 ) )
In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>DTE ELECTRIC COMPANY</b> to comply with Section 61 of 2016 PA 342.	) ) ) ) Case No. U-18352 ) )
In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>INDIANA MICHIGAN POWER COMPANY</b> to comply with Section 61 of 2016 PA 342.	) ) Case No. U-18353 ) ) )

In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>NORTHERN STATES POWER COMPANY -</b> <b>WISCONSIN</b> to comply with Section 61 of 2016 PA 342.	) ) ) Case No. U-18354 ) )
In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>UPPER PENINSULA POWER COMPANY</b> to comply with Section 61 of 2016 PA 342.	) ) ) ) Case No. U-18355 ) )
In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>UPPER MICHIGAN ENERGY RESOURCES CORPORATION</b> to comply with Section 61 of 2016 PA 342.	) ) ) Case No. U-18356 ) )
In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determination and/or approvals necessary for <b>WISCONSIN ELECTRIC POWER</b> <b>COMPANY</b> to comply with Section 61 of 2016 PA 342.	) ) ) ) Case No. U-18357 ) ) )

At the July 12, 2017 meeting of the Michigan Public Service Commission in Lansing,

Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman Hon. Norman J. Saari, Commissioner Hon. Rachael A. Eubanks, Commissioner

#### **ORDER**

On December 21, 2016, Governor Rick Snyder signed Public Act 342 of 2016 (Act 342) into

law. Among other things, Act 342 amends 2008 PA 295, MCL 460.1001 et seq. (Act 295), by

adding Section 61, MCL 460.1061, which requires electric providers to offer voluntary green

pricing (VGP) programs to their customers. Section 61 states:

An 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. If the electric provider's rates are regulated by the commission, the program, including the rates paid for renewable energy, must be approved by the commission. The customer is responsible for any additional costs incurred and shall accrue any additional savings realized by the electric provider as a result of the customer's participation in the program. If an electric provider has not yet fully recovered the incremental costs of compliance, both of the following apply:

(a) A customer that receives at least 50% of the customer's average monthly electricity consumption through the program is exempt from paying surcharges for incremental costs of compliance.

(b) Before entering into an agreement to participate in a commission-approved voluntary green pricing program with a customer that will not receive at least 50% of the customer's average monthly electricity consumption through the program, the electric provider shall notify the customer that the customer will be responsible for the full applicable charges for the incremental costs of compliance and for participation in the voluntary renewable energy program as provided under this section.

On March 28, 2017, the Commission issued an order directing electric providers and other

interested parties to provide input to the Commission "on what voluntary green pricing programs

and tariffs should contain, including what discrete options (if any) should be made available to

different customer classes, how program costs will be recovered, and the associated accounting of

these costs." Order, p. 2. In addition, the Commission requested comments on the minimum

requirements of the VGP programs to be offered by electric providers; how rates for the programs

should be calculated; how often VGP programs should be updated; and whether previously-

approved green pricing programs are in compliance with Section 61. Comments were due by

April 28, 2017, and reply comments were due by May 30, 2017.

Comments were filed by eight electric providers: Alpena Power Company (Alpena);

Consumers Energy Company (Consumers); DTE Electric Company (DTE Electric); Indiana

Michigan Power Company (I&M); Northern States Power Company-Wisconsin (NSP-W); Upper Peninsula Power Company (UPPCo); Upper Michigan Energy Resources Corporation (UMERC); and Wisconsin Electric Power Company (WEPCo). In addition, the Commission received comments or reply comments from Ceres BICEP Network (Ceres); Energy Michigan; Advanced Energy Economy and the Michigan Energy Innovation Business Council (EIBC); Environmental Law & Policy Center (ELPC); Edison Energy, LLC (Edison Energy); Apex Clean Energy (Apex); Michigan Corporate Purchasers (MCP); the Center for Resource Solutions (CRS); and the Michigan Electric and Gas Association (MEGA). The comments and recommendations are addressed by topic area below.

1. What should green pricing programs and tariffs contain?

There were a number of themes that emerged from the comments on this issue, including allowing providers ongoing flexibility in how programs are structured; a need for VGP programs that provide different options for different customers or customer classes, including low-income customers; VGP program transparency in terms of technology, location, and pricing; third-party verification of renewable energy credits (RECs); customer versus utility retirement of RECs; whether VGP program participation should be limited; reasonable terms for customer withdrawal from a program; and assurance that VGP customers are not subsidized by non-participating customers.

At the outset, the Commission observes that the requirement that utilities offer VGP programs or tariffs provides an opportunity to innovate and experiment in order to meet customer needs during a time of rapidly evolving market conditions for renewable energy and a growing interest in renewables among customers. While many large commercial and industrial customers are seeking opportunities to obtain additional renewable energy, many residential customers also wish to increase the amount of green energy produced in Michigan and elsewhere. With respect to its large commercial and industrial (C&I) members, Ceres points out:

The businesses in our network provide products and services to consumers around the world and value not only a reliable and affordable electricity supply, but also a clean one. Our members, like many leading businesses across the United States, have set significant renewable energy and sustainability goals. They are making progress toward these goals across their operations, and a voluntary green tariff program would serve as another tool for them to gain access to renewable energy in Michigan.

Ceres' comments, p. 1.

In light of the fact that Section 61 VGP programs are new initiatives, and considering that customer preferences and objectives, especially for C&I customers, may vary considerably from utility to utility, it is most practical to allow providers some leeway in designing and refining these programs. The Commission also agrees that residential customers who wish to participate in a VGP program likely have different preferences than large commercial and industrial customers who, as EIBC and MCP point out, may have corporate sustainability or renewable energy goals that necessitate a more significant or particularized type of VGP investment. As I&M states:

Being able to adapt and increase the options available is important. For example, one customer with a corporate sustainability goal may be focused on sourcing their renewable goals directly from incremental new resources, while a customer across the street may be interested in advancing renewables in smaller increments with a focus on doing so as economically as possible.

I&M's comments, p. 2.

Energy Michigan similarly suggested that, given the various customer preferences and

objectives, utilities should provide a range of options for VGP sources and pricing. Specifically,

Energy Michigan recommends:

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.

Energy Michigan's comments, pp. 2-3.

The Commission agrees with Energy Michigan that once customer preferences and objectives are known, and VGP programs are better established, providing customers with a menu of options for renewable energy technology type, location, and pricing would be one reasonable approach for Section 61 compliance. Nevertheless, the Commission agrees with MEGA that some utilities may have fewer resources available to develop these programs and will require more flexibility and time to implement more effective VGP tariffs. As I&M observed, "In the short-run, I&M's best opportunity to source a green power program may be market REC purchases. In the long run, customer preference may drive the program toward RECs sourced directly from known assets." I&M's comments, p. 2.

The Commission also agrees with ELPC that location options for VGP generation should be made available. Some customers may wish to support renewable energy generally and thus may not have a preference with respect to where the renewable energy or RECs are sourced. Other customers may prefer options that lead to greater development of renewable energy in Michigan, or even in their own communities. The Commission also agrees with ELPC's and DTE Electric's preferences that the location of Section 61 renewable generation should be in the service territory of the utility providing the VGP program, with DTE Electric's caveat that interconnection, availability of wind or solar resources, and other constraints must be taken into account in renewable energy siting.

Transparency was a significant concern for many of the commenters. EIBC recommends that program pricing should reflect the actual cost of the renewable resource, offset by the benefits, which could result in net savings for the customer. In addition, EIBC recommends that administrative costs should also reflect actual costs to serve customers and utilities should make efforts to lower these costs. ELPC echoes these concerns and emphasizes that:

The most fundamental requirement of a green pricing program is that customers have an opportunity to understand whether the price they're being asked to pay accurately reflects the additional costs and savings they are responsible for under Michigan law, and, depending on the asset or assets used as the basis for their rate, assess the possibility of realizing additional savings or the risk of incurring additional costs. Any subscription fees or credits that are applied to customers must be clearly articulated, and the basis for the amount of the fee or credit must be clearly established with all underlying information accessible to customers. For example, proposals for wind projects have in the past offered utilities the ability to pay one fixed price throughout the life of a contract. This price stability as a hedge against additional costs might be very attractive to some participants.

ELPC's comments, p. 3.

The Commission agrees that any VGP proposal must provide a clear explanation of how all costs, and cost savings, associated with the renewable energy product are derived. As several commenters pointed out, simply providing renewable energy with a set mark-up, which purportedly reflects the additional cost of renewable energy, is insufficient to allow customers to make an informed judgment about the offer. Moreover, as EIBC indicates:

[T]he cost of renewable energy has fallen sharply in recent years, and is now in many cases available at a lower cost than traditional sources, making the premium prices under existing Michigan programs particularly unattractive to customers. According to the latest levelized cost of energy analysis from Lazard, the levelized cost of unsubsidized wind energy has dropped to a range of \$32 to \$62 per MWh, and that of utility-scale solar has dropped to \$46 to [\$]61 per MWh, compared to the levelized cost of energy for gas combined cycle plants at \$48 to \$78 per MWh, and for coal-powered plants, which ranges from \$60 to \$143 per MWh. Since 2010, the average U.S. PPA cost for both wind and solar have dropped by 70%, reaching \$19 per MWh for wind in 2016, and \$41 per MWh for solar in 2015.

EIBC's comments, p. 8 (footnotes omitted).

Page 6 U-18349 *et al*. In addition to the need for transparent pricing with respect to the VGP product offered, the Commission has specific concerns about substantial administrative and marketing costs associated with both existing and future programs. While the Commission will not set a limit at this time on the percentage of customer funds that can be spent on these aspects of VGP programs, it is essential that the utilities provide a detailed breakdown of all costs, including advertising and program administration, in their filings and customer disclosures for each VGP tariff.

The commenters raised three matters concerning RECs created or purchased as part of a VGP program. The first issue was the need to assure that RECs generated from the VGP programs are from new sources of renewable energy, and are not from existing renewables used for renewable portfolio compliance under Section 28 of Act 295. The second, related issue was the need to certify and track VGP RECs to ensure they are not double counted, and the third was whether RECs should be transferred to the participating customer to dispose of or whether they should be retired by the utility on behalf of the customer.

Although Section 61 is not explicit on this point, the language in this section referring to a customer's option to obtain more than 50% of total energy requirements from renewable sources through the program, and thus exempting the customer from surcharges for incremental costs of compliance, makes clear the intent that Section 61 renewable energy is in addition to the 15% renewable mandate under Section 28.<sup>1</sup>

The Commission agrees that some system, such as MIRECS, should be used to track RECs under the VGP programs. Using the same system to track RECs under Section 61, as is used to

<sup>&</sup>lt;sup>1</sup> A customer wishing to source 100% of his energy from renewables would only need to subscribe for an additional 85% renewables under a green pricing program after 2021, because after that date, 15% of the providers' total generation must be from renewable resources.

track RECs under Section 28 of Act 295, should simplify the task of ensuring that RECs generated under the VGP programs are properly assigned and retired and that RECs are not double-counted. Nevertheless, other certification and tracking systems, such as Green-e certification offered by CRS, would also be an option. Insofar as the party retiring the RECs is concerned, the Commission agrees that for most participants it would be preferable for the utility to ensure that RECs are properly tracked and retired. However, for some large commercial and industrial participants, it may be advantageous to provide an option for the customer to own and retire any RECs generated under the program.

Several commenters raised issues concerning whether there should be limits on purchases of renewable energy through these programs. Alpena, for example, suggested that its VGP program should be limited to the number of RECs that it purchases from Consumers to satisfy its renewable energy requirements under Act 295. Other commenters pointed out that the purpose of Section 61 is to augment the 15% renewable portfolio requirements under Section 28 of Act 295 for customers who request additional renewable energy. Some utility commenters suggest that VGP programs should be available on a first come, first served, basis and capped at a certain number of RECs or megawatt-hours of renewable energy.

The Commission finds, as discussed above, that the purpose of Section 61 is to add to the 15% amount of renewable energy now required under Act 295. Thus, Alpena's proposal does not comport with MCL 460.1061. In addition, the Commission finds that, for now, there is no need to set any limit on the amount of renewable energy to be obtained under the Act 61 programs and tariffs. In the future, if a provider encounters difficulties with a VGP program that is expanding too quickly, or that may become too large, the provider may file a request to amend the program and tariff to cap participation or otherwise modify the program offering.

Finally, several providers recommend that VGP programs and tariffs contain minimum time periods during which customers are required to remain enrolled. Conversely, several business commenters urge the Commission to ensure that VGP tariffs contain reasonable terms and conditions in the event that a customer must withdraw from the program. The Commission agrees that minimum terms for enrollment are reasonable for planning purposes and may provide long-term advantages in terms of energy price hedging for the participating customer. Accordingly, the Commission will review the requirements for enrollment terms and withdrawal from a VGP program as part of its review of the programs and tariffs submitted in October. Required enrollment periods and termination clauses should be reasonable and transparent.

In a related concern, several providers suggest that unsubscribed portions of any Section 61 program should be reallocated to the provider's renewable energy plan (REP) under Section 28 of Act 295. The Commission agrees that this is reasonable, provided there is proper accounting of the costs when the transfer is made. However, the Commission is not determining at this time whether an asset initially constructed or acquired as part of Section 61 program, then transferred to a provider's REP, can subsequently be removed from the REP and repurposed as a VGP asset if customer interest increases.

2. What should be the minimum requirements of the green pricing programs offered by electric service providers?

As discussed above, most commenters recommend that all of the costs associated with the VGP programs be recovered from program participants, that the costs and benefits of the programs be clearly spelled out to potential participants, and that there should be assurance that RECs under the green pricing program are not double counted under the provider's REP.

EIBC, Edison Energy, Apex, ELPC, and MCP recommend that all VGP programs should provide an option that allows for large commercial and industrial customers to negotiate directly with renewable energy providers to obtain a renewable energy power purchase agreement (PPA). According to EIBC, this type of program:

allows large customers to purchase renewable energy from an offsite facility, with the power purchase agreement (PPA) contract sleeved through that customer's local utility. Customers and renewable energy developers should be allowed to negotiate directly to set the terms of such a contract, subject to utility approval and agreement. Allowing third-party developers to compete to meet customer needs will ensure that renewable energy sourced under voluntary purchasing programs will be competitively priced. This option is key to meet the needs of large corporate customers, and should be included regardless of which additional options are implemented. An alternate variation that utilities may also consider to enable large, offsite purchases is a "market-based" rate that customers can use in conjunction with a virtual PPA.

EIBC's comments, p. 4. MCP concurs with EIBC's proposal and adds that "As [PPA]

arrangements continue to be sleeved through the utility, any load connected with such transactions

should not count against any retail open access participation caps." MCP's comments, p. 7.

As an example, several commenters pointed to an arrangement between Dominion Virginia

Power (Dominion) and Amazon that was recently approved by the Virginia State Corporation

Commission. Apex described the special contract in its comments:

[Dominion,] the incumbent utility, will provide retail service to global high-tech firm Amazon data centers for Amazon-owned wholesale power. The arrangement, dubbed the "Special Rate Contract," is structured so that the utility is positioned to act as both retail supplier and power broker for Amazon's investment in new renewable power.

In this instance, Amazon signed an agreement to buy renewable power sold into the wholesale market. Dominion, as the incumbent utility, will provide management and market settling services for the wholesale power produced by Amazon's renewable assets. Amazon's retail rate will be determined by the price of power sold on the wholesale market and Dominion will provide retail service to Amazon.

Apex's comments, p. 3. MCP adds that the Dominion-Amazon contract, "protects non-

participating customers against cross-subsidization by allocating long-term cost risk to Amazon by pegging energy purchases to wholesale market prices, with Amazon paying the same transmission and distribution costs they otherwise would have paid." MCP's reply comments, p. 4.

Other commenters pointed to the "virtual" PPA, a financially-based arrangement between a renewable energy generator and a customer, with the customer owning the RECs. Under a virtual PPA arrangement, the generator and the customer do not need to be in same regional market. In a typical virtual PPA, the customer signs a PPA with a renewable energy generator at an agreed take-off rate, generally for a long period (10-20 years). The generator then sells the renewable energy into the wholesale market, on a merchant basis, and the customer and generator periodically true up payments to each other based on the generator's revenues. Given long-term trends in renewable energy costs compared to the variability in wholesale market prices, virtual PPAs provide both an attractive price hedge to buyers as well as an opportunity to meet sustainability goals. Apex described a virtual PPA it arranged with Steelcase, Inc., as follows:

In 2016, Apex partnered with Steelcase, located in Grand Rapids, Michigan, on a 12-year power purchase agreement for 25 megawatts of wind power from an Apexdeveloped project in the state of Oklahoma. At the time, this investment made up nearly half of Steelcase's renewable energy purchases and further diversified Steelcase's renewable energy portfolio. Apex's work with Steelcase highlights the corporate desire for long-term price certainty from clean sources in Michigan. Such successes can also be encouraged in Michigan's regulated utility market through properly structured green pricing programs.

Apex's comments, p. 1.

DTE Electric objects to any recommendation wherein a customer would be permitted to negotiate directly with a supplier, noting that it strongly prefers that any special contract, PPA, or other arrangement be negotiated by the company, not the customer. DTE Electric further contends that special contracts or PPAs must comply with MCL 460.10a, which limits the amount of energy

Page 11 U-18349 *et al*. that can be provided by alternative electric suppliers to 10% of the previous year's weathernormalized sales.<sup>2</sup>

Recognizing that the preferences and objectives of many commercial and industrial customers are perhaps more easily satisfied with an approach that allows independent contracting between customers and third-party renewable energy providers, the Commission encourages utilities to work in cooperation with these customers to source and contract for renewable energy that meets individual corporate sustainability goals at a competitive price. As was noted by Ceres, MCP, Edison Energy, and EIBC, there are myriad ways that a VGP program, contract, or tariff can be structured in a regulated market and the Commission recommends the providers explore various opportunities in collaboration with interested customers.<sup>3</sup>

Finally, MCP recommends that large customers with multiple locations should have the ability to aggregate load to meet eligibility requirements, if such requirements exist. DTE Electric indicated that it was amenable to considering this option, provided that the administration of such a program was not unduly burdensome. The Commission agrees that, when feasible, combining load from different sites should be an option for participants.

3. How should rates for the green pricing programs be calculated?

All of the commenters recommended that green pricing programs be cost-of-service based and structured to avoid any subsidization by non-participants. The Commission agrees. With respect

<sup>&</sup>lt;sup>2</sup> The Commission notes that, despite DTE Electric's claims to the contrary, the limits on electric choice do not apply to virtual PPAs or to self-service power under MCL 460.10a(4). *See*, DTE Electric's reply comments, p. 5.

<sup>&</sup>lt;sup>3</sup> See, e.g., Emerging Green Tariffs in U.S, Regulated Electricity Markets, Tawney, et al., World Resources Institute, September 2016, available at: <u>http://www.wri.org/sites/default/files/Emerging\_Green\_Tariffs\_in\_US\_Regulated\_Electricity\_Markets.pdf</u>

to how the renewable energy is priced, most commenters also recommended that projects for the VGP programs should be obtained through a competitive bidding process, however, DTE Electric maintains that program credits should be cost-based rather than market-based. DTE Electric also pointed out that if program resources were competitively bid every two years, as recommended by ELPC, it could lead to stranded assets or subsidization if future costs are lower.

The Commission agrees that the process for acquiring additional renewable energy under Section 61 should mirror the competitive bidding processes for acquisition of renewable energy under Act 295, and that costs to participants should include all administration and marketing costs for these programs. With respect to the valuation of program benefits, the Commission will make this assessment on a case-by-case basis as programs and tariffs are filed.

4. What are the factors that should be considered in evaluating the merits of the proposed programs?

There was a general consensus among the commenters that the Commission should consider all of the following: (1) whether the program complies with Michigan law; (2) whether the program is cost-of-service based and does not require non-participating customers to provide subsidies; (3) the degree to which the program provides accurate price signals; (4) the degree of interest in the programs and customer enrollment; and (5) whether the program meets the goals and objectives of interested customers.

The Commission agrees generally with these criteria; however, certain factors, such as customer interest and enrollment, cannot be fairly evaluated as part of the initial program filings in October. Thus, for the initial round of proposals, the Commission will consider at a minimum: (1) taking into account the size and capability of the provider, the extent to which the VGP programs include offers available to different customers with different preferences and objectives; (2) the reasonableness and transparency of the calculation of the cost of the VGP products; (3) the extent to which program fees are used for marketing and administration versus the VGP product offered; and (4) whether the accounting for the program is clear and whether the program is based on cost-of-service principles.

5. How often should the green pricing programs and rates be updated?

As an initial matter, several of the providers point out that for programs based on renewable projects, the cost would be based on the levelized cost of the technology implemented and would be defined for the program life, without any updates to the cost. Conversely, ELPC recommends that tariffed rates be updated every two years based on the results of a competitive bidding process. In response, DTE Electric maintains that such updates, especially if costs decrease, could result in stranded assets. Other commenters recommended annual or biannual filings either as stand-alone cases, as part of an REP review, or in a rate case.

At this point, the Commission finds that VGP programs and tariffs should be revisited as needed (*e.g.*, whenever a new program or tariff is proposed) or every two years at minimum, beginning in October 2019. The Commission also finds that utilities should structure programs to avoid the creation of stranded costs. The Commission agrees that in the interim, providers should file quarterly reports in the assigned dockets containing information on the number of enrollments and enrollment size, in each of the programs, cost of renewable energy for each program (incremental and total), and cost of marketing and administration (incremental and total).

6. Are previously-approved green pricing programs in compliance with Section 61?

Most of the electric providers indicate that all or the majority of their current programs are compliant with Section 61. DTE Electric commented that its pilot MIGreen Power program,

which was approved on October 11, 2016 in Case No. U-18076, is in compliance with this section. However, many of the commenters representing business customers contend that no current utility green tariff meets the needs of corporate customers. The Commission finds that in light of the guidance provided in this order, providers may need to make changes to their existing programs and should refile these proposals in October in accordance with the filing schedule set forth in Attachment A to this order.

#### 7. Other issues

MEGA states its view that, given the limited detail in Section 61 of Act 295, especially compared to the highly prescriptive language contained in other parts of the 2016 amendments to various energy laws, the Legislature intended that VGP programs should be undertaken with minimal regulatory input or oversight. MEGA recommends that once programs are better established, the Commission might consider promulgating rules governing Section 61 programs.

EIBC, MPS, and ELPC raise concerns about the process for developing VGP programs and tariffs, contending that a collaborative stakeholder process would lead to improved results and programs that better serve customer preferences and objectives. DTE Electric agrees that customer input is important, noting that it has engaged customers through surveys and focus groups. The company nevertheless emphasizes that the responsibility for program design should lie with the utility. The Commission agrees with DTE Electric that it is incumbent on the providers to assess their customers' preferences and objectives and design programs accordingly. Although a collaborative process may add unnecessary complexity to the process, the Commission nevertheless may ask for comments or may direct a contested proceeding in cases involving a program that draws significant criticism, does not comply with Section 61, or that may be unsuccessful due to anticipated low subscription rates.

Page 15 U-18349 *et al*. WEPCo requests that it be excused from the requirements of Section 61 because it currently has only two Michigan customers under special contracts that are ending in 2019. At that point, WEPCo will no longer serve customers in Michigan and will no longer be subject to compliance with Section 61. While the Commission recognizes that WEPCo's request is reasonable under that company's specific circumstances, the Commission lacks authority to waive statutory requirements.

Finally, the Commission finds that electric providers should have some additional time to develop their respective green pricing programs. Accordingly, the Commission has adjusted the filing deadline to October 18, 2017, as set forth in Attachment A attached to this order.

THEREFORE, IT IS ORDERED that Alpena Power Company, Consumers Energy Company, DTE Electric Company, Indiana Michigan Power Company, Northern States Power Company, Wisconsin Electric Power Company, Upper Michigan Energy Resources Corporation, Upper Peninsula Power Company, shall file proposed voluntary green pricing programs by October 18, 2017, in accordance with MCL 460.1061 and the guidance provided by this order. The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Norman J. Saari, Commissioner

Rachael A. Eubanks, Commissioner

By its action of July 12, 2017.

Kavita Kale, Executive Secretary

#### Attachment A Voluntary Green Pricing Program

Company	Program Due Date	Program Case Number
Alpena Power Company	October 18, 2017	U- 18350
Consumers Energy Company	October 18, 2017	U- 18351
DTE Electric	October 18, 2017	U- 18352
Indiana Michigan Power Company	October 18, 2017	U- 18353
Northern States Power Company-Wisconsin	October 18, 2017	U- 18354
Upper Peninsula Power Company	October 18, 2017	U- 18355
Upper Michigan Energy Resources Corporation	October 18, 2017	U- 18356
Wisconsin Electric Power Company	October 18, 2017	U- 18357

# PROOF OF SERVICE

STATE OF MICHIGAN )

Case No. U-18349 et al

County of Ingham

)

Angela McGuire being duly sworn, deposes and says that on July 12, 2017 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).

angela Milluire

Angela McGuire

Subscribed and sworn to before me this 12th day of July 2017

isa Felice

Lisa Felice Notary Public, Eaton County My Commission Expires April 15, 2020

Service List for U-18350 Name Alpena Power Company

Email Address akb@alpenapower.com Service List for U-18351 Name Consumers Energy Company

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## **GEMOTION DISTRIBUTION SERVICE LIST**

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ITC **Energy Michigan Energy Michigan** Mid American **Noble Americas** Cloverland Cloverland Village of Baraga Linda Brauker Village of Clinton **Tri-County Electric Co-Op Tri-County Electric Co-Op** Tri-County Electric Co-Op Aurora Gas Company **Citizens Gas Fuel Company Consumers Energy Company** SEMCO Energy Gas Company Superior Energy Company **Upper Peninsula Power Company** Upper Peninsula Power Company **Upper Peninsula Power Company** Midwest Energy Coop **Midwest Energy Coop** Midwest Energy Coop Alger Delta Cooperative **Cherryland Electric Cooperative Great Lakes Energy Cooperative** Great Lakes Energy Cooperative Great Lake Energy Cooperative Liberty Power Delaware (Holdings) **Stephson Utilities Department Ontonagon County Rural Elec** Presque Isle Electric & Gas Cooperative, INC **Thumb Electric** Bishop Energy **AEP Energy** CMS Energy **Just Energy Solutions Constellation Energy Constellation Energy Constellation New Energy** DTE Energy First Energy MidAmerican Energy

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My Choice Energy **Calpine Energy Solutions** Santana Energy Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp) **Xcel Energy** City of Escanaba **City of Crystal Falls** Lisa Felice Michigan Gas & Electric City of Gladstone **Integrys Group** Lisa Gustafson **Tim Hoffman** Interstate Gas Supply Inc **Thomas Krichel** Bay City Electric Light & Power Lansing Board of Water and Light Lansing Board of Water and Light Marguette Board of Light & Power Premier Energy Marketing LLC City of Marshall Doug Motley Dan Blair Marc Pauley **City of Portland** Alpena Power Liberty Power Wabash Valley Power Wolverine Power Lowell S. Integrys Energy Service, Inc WPSES **Realgy Energy Services** Volunteer Energy Services **First Energy Solutions** Hillsdale Board of Public Utilities Michigan Gas Utilities/Upper Penn Power/Wisconsin Michigan Gas Utilities/Qwest Zeeland Board of Public Works **Direct Energy Direct Energy Direct Energy Direct Energy** Realgy Corp. Jim Weeks

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