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February 16, 2018

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

RE: MPSC Case No. U-18393 – In the matter of the application of CONSUMERS ENERGY COMPANY for approval to amend its Renewable Energy Plan to include a Voluntary Large Customer Renewable Energy Pilot Program.

Dear Ms. Kale:

Enclosed for electronic filing, in the above-captioned case, please find Consumers Energy Company's Voluntary Large Customer Renewable Energy Pilot Program Report. This is a paperless filing and is therefore being filed only in PDF.

Sincerely,

Gary A. Gensch, Jr.

Consumers Energy Company's Voluntary Large Customer Renewable Energy Pilot Program 90 Day Report – February 16, 2018

Overview

The August 23, 2017 Order of the Michigan Public Service Commission (“MPSC” or the “Commission”) in Case No. U-18393 directed Consumers Energy Company (“Consumers Energy” or the “Company”) to, beginning 90 calendar days after the date of the order (and every 90 days thereafter), file a report providing an update on the progress of the Voluntary Large Customer Renewable Energy Pilot (“LC-REP”) Program.

Enrollment

LC-REP Program enrollment began on September 22, 2017. The enrollment form became available at 9:00 a.m. Eastern Standard Time via Consumers Energy’s Electric Standard Customer Forms website¹. To enroll in the pilot, customers were asked to submit a request to reserve the amount of electrical usage they would like to match with renewable energy. This was done to ensure the Company did not over commit the amount of renewable energy it could provide under the pilot.

Two large energy customers have completed the enrollment process, and have contracts with the Company to match a portion of their electric usage with renewable energy. Combined, these two customers have fully subscribed the 115,000 MWh of renewable energy authorized for this pilot. The Company plans to fully implement the pilot in February 2018.²

Locational Marginal Price and Capacity Forecast

The value of the sale of energy for the LC-REP Program will be reflective of the Midcontinent Independent System Operator, Inc. (“MISO”) assigned Load Node for the generated output of the designated wind facility. The MISO Locational Marginal Price (“LMP”) for the Market Index Provision will be the Real Time LMP at the Consumers Energy Zonal Load Node in addition to a Market Settlement Fee of \$0.002 per kWh.

Renewable Energy Credit Price

Renewable Energy Credits (“RECs”) are expected to be retired on the customers’ behalf or transferred to those customers who request this option. The second quarter and third quarter 2017 Midwest Market Notes produced by Clear Energy Brokerage & Consulting, LLC indicate the average of the “Bid” and “Ask” prices is \$0.925 per Michigan REC. The wind facility providing the generation for the LC-REP Program is expected to be registered in the Michigan Renewable Energy Certification System by early spring 2018.

¹ <https://www.consumersenergy.com/residential/billing-and-payment/electric-standard-customer-forms>

² The wind facility supporting the LC-REP Program had a commercial operation date of January 2, 2018. In January, the facility generated approximately 18,661 MWh of energy.