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April 25, 2018

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

Re: MPSC Case No. U-18351

Dear Ms. Kale:

Attached for electronic filing in the above-referenced matter, please find the Direct Testimony of John Domagalski on behalf of Energy Michigan, Inc., as well as Proof of Service. Thank you for your assistance in this matter.

Sincerely yours,

VARNUM

Timothy J. Lundgren

TJL/kc
Enclosures
c. All parties of record.

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
regarding the regulatory reviews, revisions,)
determination and/or approvals necessary for)
CONSUMERS ENERGY COMPANY to comply)
with Section 61 of 2016 PA 342)
_____)

Case No. U-18351

DIRECT TESTIMONY OF
JOHN DOMAGALSKI
ON BEHALF OF
ENERGY MICHIGAN, INC.

JOHN DOMAGALSKI
DIRECT TESTIMONY

1 **Q. Please state your name and business address.**

2 A. My name is John Domagalski. My business address is 20 N. Wacker Drive, Suite 2100,
3 Chicago, Illinois 60606.

4
5 **Q. On whose behalf are you testifying in this proceeding?**

6 A. I am testifying on behalf of Energy Michigan, Inc. ("Energy Michigan").

7
8 **Q. Please state your professional experience.**

9 A. As the Director of Market Analytics, I oversee Constellation's analysis and evaluation of
10 retail growth opportunities and strategic direction, retail market entry and expansion, and
11 competitive market intelligence. I began my career at Constellation in 2004 as a retail
12 energy pricing and product management leader, and then pivoted to product and market
13 development leadership roles in retail energy from 2009 to 2013. Before joining
14 Constellation, I spent over ten years as an international strategy consultant for
15 PricewaterhouseCoopers (PwC), International Business Machines, and Ernst & Young. I
16 took a sabbatical from PwC in 2003 to work for The Office of Gas and Electricity
17 Markets, the UK energy regulator. I received a degree in finance from DePaul University
18 and a joint MBA from Northwestern University's Kellogg School of Management and
19 WHU – the Otto Beisheim School of Management.

20
21 **Q. What is the purpose of your testimony?**

22 A. I am testifying to share Energy Michigan's recommendations that Consumers Energy
23 Company ("Consumers" or "the Company") expand the offerings required under Section

JOHN DOMAGALSKI
DIRECT TESTIMONY

1 61 of Public Act 342 (“Section 61”) beyond what is included in its Application.

2

3 **Q. Are you sponsoring any exhibits?**

4 A. No.

5

6 **Q. What are Energy Michigan's concerns with Consumers' proposal?**

7 A. Section 61, which became law on December 21, 2016, requires that electric providers
8 offer customers the opportunity to participate in a voluntary green pricing program.
9 Overall, Energy Michigan believes that Consumers' proposed program is a good faith
10 attempt by the utility to meet the requirements of Section 61 and the Commission's
11 expressed goals for the program. The Commission has shown interest in having these
12 new tariffs provide an opportunity to innovate and experiment in meeting customer needs
13 for renewable energy, and in providing a menu of options for customers to choose from
14 to meet their renewable energy needs. While Consumers' proposal does contain a menu
15 of options, Energy Michigan believes that one of the most attractive options for large
16 customers has overly restrictive requirements for participation. Specifically, Consumers'
17 Option B of the LC-REP program, which provides the kind of innovative solution to
18 meeting customer renewable energy needs that the Commission called for in its July 12
19 Order, is unfortunately restricted only to "new or expanding load exceeding 3 MW that is
20 not previously served by the Company." Direct Testimony of T. L. VanSumeren, p. 14.
21 I am concerned that such a restriction on participation by users of the Option B
22 effectively bars nearly all of the existing customers of Consumers who otherwise might

JOHN DOMAGALSKI
DIRECT TESTIMONY

1 be interested in such a program for meeting corporate renewable energy or sustainability,
2 or local sourcing goals.

3

4 **Q. What does Energy Michigan recommend instead?**

5 **A.**Energy Michigan recommends that Consumers instead allow all customers of 1 MW and
6 above to participate in the Option B tariff.

7

8 **Q. What are the benefits of this recommendation?**

9 **A.**This proposal would allow Consumers' larger customers, many of whom have corporate
10 sustainability goals to meet and who are sophisticated in procurement of renewable
11 energy resources, to enter into contracts with counter-parties of their choosing, and to
12 have their renewable energy needs satisfied by their preferred type of renewable energy
13 resource, or perhaps a specific renewable resource of their choosing. From a policy
14 perspective, this modification of Consumers' proposal would allow more customers to
15 participate in, and enjoy the benefits of, the voluntary green pricing programs. It would
16 therefore be a vehicle for renewable energy resources to serve a greater amount of the
17 energy needs of electric users in Consumers' service territory.

18

19 **Q. Does this conclude your testimony?**

20 **A.**Yes.

21

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PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

Kimberly Champagne, the undersigned, being first duly sworn, deposes and says that she is a Legal Secretary at Varnum LLP and that on the 25th day of April, 2018, she served a copy of the Direct Testimony of John Domagalski on behalf of Energy Michigan, Inc. upon those individuals listed on the attached Service List via email at their last known addresses.

Kimberly Champagne

SERVICE LIST
MPSC CASE NO. U-18351

Administrative Law Judge

Honorable Martin D. Snider
Michigan Public Service Commission
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