

February 27, 2024

Dear Renewable Energy Installer/Customer,

On Nov. 28, 2023, Governor Gretchen Whitmer signed Public Act 235 of 2023 (Act 235) into law. Among other things, Act 235 provides for the following changes to our current Distributed Generation ("DG") program, **effective Feb. 27, 2024**:

- **Size limit of eligible electric generators** for DG program participation has **increased from 100% to 110%** of historical 12-month electricity consumption.
- Eligible electric generators include those **capable of generating up to 550 kW**.
 - This allows Level 1, 2 and 3 generators to apply to participate in the DG program.
 - Previously only methane digestors qualified up to 550 kW and solar was limited to solar to no more than 150 kW (Levels 1 and 2).
- **Generator meters are no longer required** for DG participants.
- **DG program availability has increased from 4% to 10%** of our average peak demand for full-service customers during the previous five calendar years.
- Generation credits are now applied to the full Electric Charge, Distribution and Power Supply Cost Recovery (PSCR) line items. On past bills, credits would only apply to the energy charge and a portion of the PSCR line item of the bill.

If you applied prior to the effective date of the new law, your eligibility for the DG program would have been reviewed under previous rules. You may contact us to have your application reviewed under the new law, if eligible and interested.

Act 235 Frequently Asked Questions

Can an "In-Progress" project application status be reviewed again considering the DG program changes? Yes. Projects not in a *Construction* or *Billing* status can be rerouted to a preceding review status. Please email customer.generation@cmsenergy.com or complete a material modification form for your project in PowerClerk for consideration.

Can a project in a Complete/Active status be reviewed considering the DG program changes? Yes. A new application can be submitted for review after Feb. 27, 2024. Applications must include a revised electrical drawing and are subject to any applicable application fee.

Does a project in a "Construction" status prior to Feb. 27, 2024, still require a generation meter? No. However, submitted final designs must reflect current site conditions. For example, if a generation meter was not included in the "as built" construction, then the corresponding pictures and electrical designs should match.



Why do carry forward credits appear lower than previous billing cycles? Implementation of Public Act 235 now allows generation credits to be applied to more electric charges on the bill. The Distribution and PSCR line items are now offset with accumulated credits.

Thank you for your interest and participation in the program. If you have any questions, please call us at 571-788-1432, email customer.generation@cmsenergy.com or visit ConsumersEnergy.com/DG.

Sincerely,

The Consumers Energy Interconnection Team