

Green Generation program Terms & Conditions

Summary of Participation Terms for Consumers Energy's Green Generation Renewable Energy program.

Green Generation is governed by the Renewable Resources Program tariff which is approved by the Michigan Public Service Commission (MPSC) and the information contained in this document is a summary of the terms governing customer participation in the Renewable Resources Program. The Renewable Resources Program (RRP) offers Consumers Energy's full-service electric customers the opportunity to participate in a voluntary program that promotes the development of renewable resources in Michigan. The RRP is authorized by the Michigan Public Service Commission and participation in the program is subject to the provisions contained in Consumers Energy's Electric Rate Schedules Rule C10 and the RRP tariff as applied to the customer's applicable rate schedule. Consumers Energy is purchasing renewable energy from a number of qualified renewable generating facilities in the state of Michigan. The energy produced from these suppliers is placed on the electric grid together with the energy being supplied from all other generation sources. Consumers Energy makes no representation that energy from specific facilities is delivered directly to customers participating in the RRP. Customers who voluntarily choose to participate in Consumers Energy's RRP will receive a notice of enrollment and will have ten business days following receipt of the notice to cancel their enrollment by calling Consumers Energy's Customer Service Center at 1-800-241-3368 or by visiting the Company's website at www.consumersenergy.com, or by writing to the address below:

Green Generation program
Royal Oak Room 240
Consumers Energy
One Energy Plaza
Jackson, MI 49201-2276

Customer Eligibility

All Full-Service electric customers of the Company are eligible to take service under the RRP.

A customer's eligibility to take service under the RRP is subject to the full satisfaction of any payment term or condition imposed by pre-existing contracts or tariffs with the Company. The following customers are not eligible to take service under the RRP:

- (1) A customer who received a shutoff notice within the nine months preceding the customer's request to be enrolled in the RRP, and/or
- (2) A customer who receives a shutoff notice after enrolling in the program. Such customer will be de-enrolled and restricted from participating in the RRP program for a minimum of nine months contingent upon not receiving any shut-off notices within that nine-month period.

Customer Participation

Customers requesting to take service under the RRP will be enrolled on a first-come, first-served basis.

After a customer elects to take service under this program, or change the level of participation, the customer shall not be permitted to exit the program, or change the newly established level of participation, until at least 12-months have elapsed. The Company, depending on the amount of energy secured from Renewable Energy Suppliers, may refuse to allow a customer to increase the level of participation in the program until sufficient energy supplies become available.

In the event renewable energy resources are unavailable or cannot be procured to serve the program, the Company will return customers to the tariff or tariffs under which they took service immediately prior to participating in the RRP. The Company will provide notice to the customer of this change in service.

In the event the RRP is oversubscribed, the customer's name will be maintained on a Company list in the order under which they were received and the customer will be enrolled on a first-come, first-served basis.

A RRP participating customer relinquishes any rights to market or sell Green Tags or Renewable Energy Certificates (RECs) associated with the customer's participation in the RRP under this tariff. There is no provision to provide Green Tag certificates or RECs to participating customers under this tariff.

The Company may secure a third-party marketer to assist in marketing the RRP, soliciting customers and/or performing other functions on behalf of the Company. The contracted third-party marketer may contact the Company's customers directly. Under this condition, the Company would provide the contracted third-party marketer with limited customer information necessary for the sole purpose of promoting and administering the RRP on behalf of the Company. The Company will require any third-party marketer to hold customer information confidential and restrict its use to only that as authorized by the Company.

2008 PA 295 mandates that the Company shall recover its incremental cost of complying with Renewable Energy Standards through the use of an itemized monthly charge to all Full-Service electric customers of the Company not to exceed \$3.00 per meter for residential customers, \$16.58 per meter for commercial secondary customers, and \$187.50 per meter for commercial primary or industrial customers. While customers that participated in the Green Generation program at the time the new statute was enacted may be exempt from a portion of the per meter charge until October 6, 2009, a Customer initiating participation in the Green Generation program after October 6, 2008 shall be responsible for the full amounts of both the Green Generation charge and the per meter charge. Additionally, a customer renewing participation in the Green Generation program after October 6, 2008 shall be responsible for the full amounts of both the Green Generation charge and the per meter charge after October 6, 2009.

Payment Options and Pricing

Customers may participate in the RRP by voluntarily enrolling in an RRP payment option. The customer's payment options through the RRP shall be specified on the customer's applicable rate schedule. The price for renewable electric energy is dependent on the cost of purchasing renewable electric energy from successful energy bidders in the RFP process described in Consumers Energy's Electric Rate Schedules, Rule C10 and the RRP tariff on the customer's applicable rate schedule.

In the event that available resources are inadequate to provide the Company with total recovery of the cost incurred to procure renewable electric energy, the Company will either reduce payments to Renewable Energy Suppliers, or apply to the MPSC to increase the RRP tariff price paid by participating customers to defer and recover these costs.

Customer contracts for participation in the RRP shall be available to any eligible customer as described in the Company's Electric Tariff, Rule C10, Renewable Resources Program, who desires to participate in the RRP. In addition to the prices under this rate schedule, a customer who has agreed to participate in the RRP shall elect one of the following payment options:

Payment Option 1

The customer may pay a \$0.01667 per kilowatt-hour (kWh) renewable resources premium applicable to an amount equal to 100% of the customer's total monthly energy consumed. Participation cost is in addition to the customer's normal monthly electric charges billed under their applicable tariff.

Payment Option 2

The customer may purchase RRP Participation Certificates in the amount of \$2.50 per certificate per month. Participation cost is in addition to the customer's normal monthly electric charges billed under their applicable tariff. Each certificate (also referred to as RRP block) shall represent 150 kWh of renewable electric energy procured by the Company in the RRP. Customers may purchase any number of RRP Certificates. In the event the amount of energy represented in the customer's RRP Participation Certificates exceeds the customer's actual kWh consumption for the billing period, no reconciliation shall be made on the customer's billing. If the amount of energy represented by the customer's selected RRP Participation Certificates exceeds the customer's actual kWh consumption for three consecutive billing periods, the customer may modify the number of RRP Participation Certificates selected.

Payment Option 3

Customers who purchase 100 or more RRP Participation Certificates a month may purchase certificates for \$2.00 per certificate per month. Participation cost is in addition to the customer's normal monthly electric charges billed under their applicable tariff. The 100 block minimum must be applied to the customer's single billing account. To qualify for the discounted certificate price, the number of certificates (totaling a minimum of 100) to be billed against the customer's billing account must be specified in advance by the customer in a written agreement. In order to maximize the number of customers eligible to participate in the RRP, the Company may limit the number of RRP Participation Certificates available for the discounted premium to 25% of the total renewable electric energy procured for the RRP. In the event the amount of energy represented in the customer's RRP Participation Certificates exceeds the customer's actual kWh consumption for the billing period, no reconciliation shall be made on the customer's billing. If the amount of energy represented by the customer's selected RRP Participation Certificates exceeds the customer's actual kWh consumption for three consecutive billing periods, the customer may modify the number of RRP Participation Certificates selected, but the number shall not be less than 100 RRP Certificates per month.

Proceeds from the renewable resources premium as described in Payment Option 1 and proceeds from the RRP Certificates as described in Payment Options 2 and 3 shall be used solely for the RRP as set forth in the Company's Electric Tariff, Rule C10, Renewable Resources Program. A customer who participates in the RRP is subject to the provisions contained in Rule C10, Renewable Resources Program. Service under the RRP shall require a written contract with a minimum term of one year and a maximum term of ten years.

Customer Termination from the RRP

Customer termination from the RRP may occur in the following cases:

- (1) The RRP is cancelled and customers are no longer authorized to take service under the RRP,
- (2) The customer has met the minimum term of service under the RRP and/or contract and has provided the Company with 60 days written notice to terminate service under the RRP,
- (3) The customer has not met the payment terms and conditions as required under the RRP, in which case the customer shall remain liable for contracted amounts,
- (4) The customer selects an alternate energy supplier after meeting all contract terms executed under the RRP,
- (5) The customer is no longer a customer in the Company's service territory and/or
- (6) Following an MPSC-approved price increase in the per kWh or fixed participation "block" renewable resource premium within 60 days of receipt of price-increase notice.

Company Termination of the RRP

Company termination of the RRP may occur under the following cases:

- (1) Renewable Energy Resources are unavailable or cannot be procured to serve the program,
- (2) The expenses of the RRP exceed the revenues collected from the RRP Fund or any other RRP pre-established revenue sources,
- (3) Federal and/or State laws are established that may make the RRP unnecessary, noncompliant, or in need of revision,
- (4) Insufficient interest and/or participation by customers as compared to the time and costs involved in offering the RRP, and/or
- (5) Other reasons not contemplated, discussed with the MPSC, and agreed upon as sufficient to terminate the RRP.

