

Customer Generation Program System Modification & Energy Storage Policy

Pursuant to Consumers Energy Company's ("Consumers Energy", "the Company") Electric Rate Book ("Rate Book") C11.2 and C11.3, the below procedure provides the review processes for Customer Generation Program eligibility in the Distributed Generation and Legacy Net Metering programs with energy storage devices and for modifying an existing generating facility.

Per Rate Book C11.3C, an existing Legacy Net Metering Customer will be subject to the terms and conditions of the Distributed Generation Program if an increase to aggregate generation occurs. An increase to aggregate generation includes one of the following:

1. A building located on the premise or site has added an additional generation system.
2. An existing generator has been modified to increase the AC or DC nameplate rating.

Additional consideration(s) to maintain Legacy Net Metering eligibility status may be reviewed at the Company's discretion for modifications involving:

1. Added generation to the DC nameplate dedicated solely for backup energy storage.
2. Added generation to the DC nameplate with inoperable ability to provide energy to the electric grid.

Energy storage devices in both the Legacy Net Metering and Distributed Generation programs must:

- ✓ Be UL 1741 certified.
- ✓ Be wired to prohibit the ability to provide energy to the grid.
- ✓ Operate in an acceptable storage mode (see below).
- ✓ Include Specification Sheets or Manufacturers Guide with application submission.
- ✓ Meet any other Legacy Net Metering, Distributed Generation, or interconnection requirements as indicated in the Rate Book, Michigan Public Service Commission ("MPSC") rules, the Interconnection and Parallel Operating Agreement, the Generator Interconnection & Operating Agreement, the Consumers Energy Company Generator Interconnection Procedures, the Michigan Generator Interconnection Requirements, and other relevant law or regulation.

Acceptable storage device modes are:

1. Export Only Mode – The Energy Storage System ("ESS") may export active power to the utility during discharging but shall not import active power from the utility for charging purposes.
2. Import Only Mode – The ESS may import active power from the utility for charging purposes, but the ESS shall not discharge when on-site generation is exporting active power to the utility.
3. No Exchange Mode – The ESS shall not exchange active power with the utility for charging or discharging purposes.

Failure to adhere to the Company's policies regarding energy storage devices may result in the Customer being removed from the Company's Legacy Net Metering or Distributed Generation program as detailed in Rate Book sections C11.2K and C11.3L.