

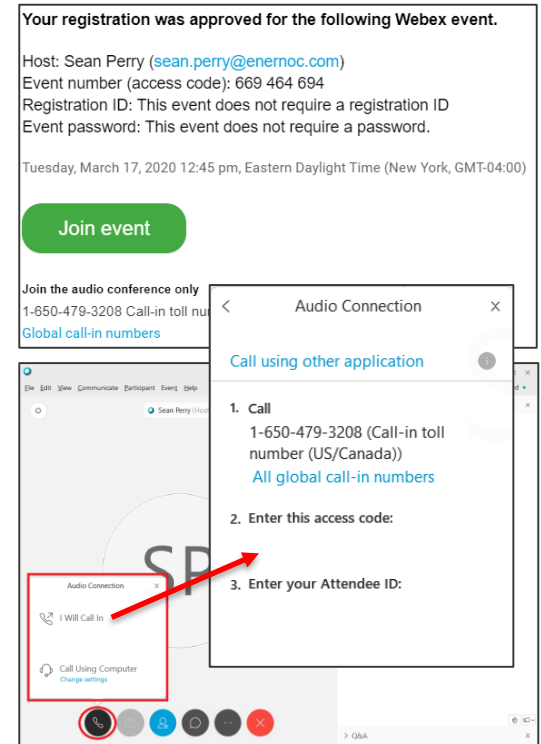
Stakeholder Workshop

2019 Integrated Resource Plan Solicitation

March 20, 2020

WebEx Access Instructions

1. Attendees should have pre-registered for the WebEx event using the link provided by Consumers Energy and/or Enel X.
2. To join the WebEx event, click the “Join event” button within the email received following WebEx registration.
3. Upon launching the WebEx application, you will be able to connect to the audio portion of the workshop by selecting either “I Will Call In” to dial-in using your phone or “Call Using Computer” to use your computer speakers and microphone.
4. Please note that you **must enter both your access code AND attendee ID** if dialing into the workshop and intending to speak.
5. All attendees will be muted by default upon connecting to the audio conference. Parties will be unmuted during the open Q&A windows and comments/suggestions window should they note intent to ask questions or provide comments.
6. Attendees may also submit questions and/or comments/suggestions for consideration via the WebEx Q&A or Chat interface.



Agenda

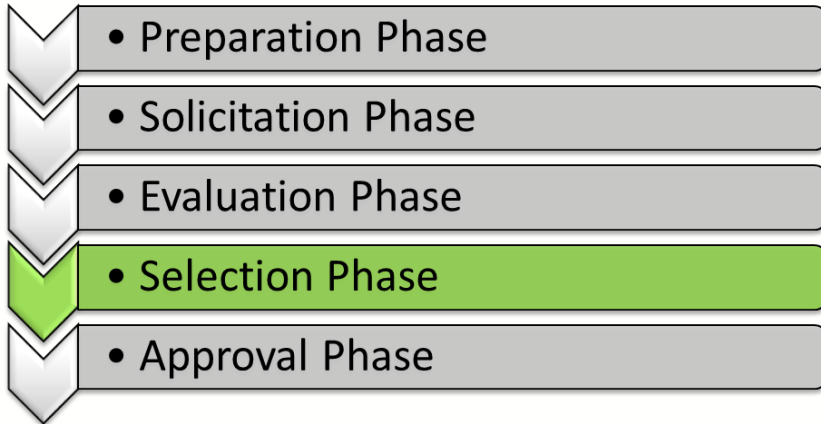
- **Logistics** – Covered by Sean Perry of Enel X
- **Consumers Energy and Enel X Introductions** – Covered by Sean Perry of Enel X
- **Overview of the 2019 and 2020 Solicitation** – Covered by Beth Skowronski of Consumers Energy
- **Overview of Independent Administrator Role and 2019 RFP Results** – Covered by Sean Perry of Enel X
- **Provisional Results of 2019 Solicitation** – Covered by Troy Smith of Consumers Energy
- **Clarifying Questions from the Audience** – Moderated by Sean Perry of Enel X
- **Lessons Learned and Process Improvements** – Covered by Troy Smith of Consumers Energy
- **Independent Administrator Review of 2019 RFP Process, 2020 Plan** – Covered by Sean Perry of Enel X
- **Clarifying Questions from the Audience** – Moderated by Sean Perry of Enel X
- **Comments and Suggestions from the Audience** – Moderated by Sean Perry of Enel X
- **Closing Comments** – Covered by Beth Skowronski of Consumers Energy

Integrated Resource Plan Approved June 2019

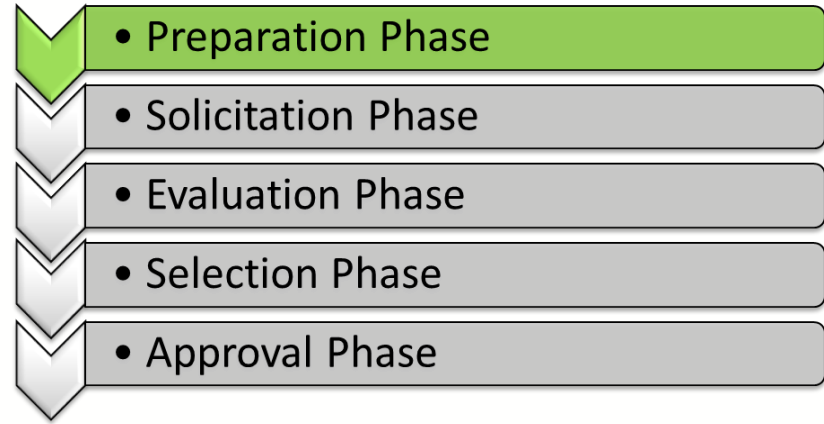
- 2nd Stakeholder Workshop to be held after results of the First Competitive Solicitation
- “By April 1, 2020, the Company shall commence a second stakeholder workshop to share, at a minimum, information on bids received and selected, the impact of the FCM on PPA bids, the costs and benefits to ratepayers, the role of the independent evaluator, criteria used to rank proposals, and any other criteria deemed to be important. At the second stakeholder process, interested parties will have an opportunity to discuss the information the Company provides and ask questions.”

Status of Solicitations

2019 Solar RFP



2020 Solar RFP



Screening and Evaluation Criteria

Screening Criteria	Evaluation Criteria	Company-owned Project Specifications
<ol style="list-style-type: none">1. Pre Qualification/Security2. Min/Max Capacity Offer3. Contract Length4. Location - MISO Zone 7 (≥ 138 kV) CE Electric Service Territory (< 138 kV)5. Feasibility- No Solar Moratoriums6. Site Control Status7. Technology8. Creditworthiness9. Interconnection Status	<ol style="list-style-type: none">1. Capacity Value \$/MWh2. Energy Value - \$/MWh	<ol style="list-style-type: none">1. Major Equipment2. Balance of Plant3. Civil Engineering4. Collection System5. AC Collection Substation (If Applicable)6. Communication Systems and Cyber Security7. Performance & Warranty

Appendix I - Value Added Criteria

Value Add	Eligibility Criteria	Bonus
1) Brownfields	<ol style="list-style-type: none"> 1. Site is a brownfield, but contamination only exceeds Residential Criteria and not Non-Residential Criteria 2. Contamination present on the site can be managed with due care only (e.g., soil management, deed restrictions) 3. A No Further Action has been obtained from Department of Environment, Great Lakes, and Energy 4. The site is restored with 50% pollinator habitat 	<ol style="list-style-type: none"> 1. \$0.18/MWh \$0.25/MWh 2. \$0.10/MWh \$.15/MWh 3. \$0.18/MWh \$0.25/MWh 4. \$0.05/MWh \$.10/MWh
2) Distributed Generation Connect for Supply Value	1.27% Line Loss benefit when connected on Consumers Energy's distribution line at 46kV and below.	\$0.50/MWh

Appendix I - Value Added Criteria

Value Add	Eligibility Criteria	Bonus
3)Michigan Content	50% or greater sourced from Michigan companies and manufactured or assembled in Michigan.	\$1.70/MWh
4)Michigan Labor	80% or greater for construction in field labor hours, Michigan Residents	\$0.90/MWh
5) Prevailing Wage(Union Labor)	For construction labor only	\$0.90/MWh
6)Dispatchable	<ol style="list-style-type: none"> 1. 100% available, 24 hours, 7 days a week at direction of Consumers Energy, and 2. At least 70% available, 24 hours, 7 days per week at direction of Consumers Energy 	\$1.12/MWh
7)Located in Designated Low-Income Area	100% Located within a county within Consumers Energy's service territory that has 40% or greater population that is at 200% of poverty.	\$0.50/MWh
8)Existing Facilities	<ol style="list-style-type: none"> 1. Existing Site 2. Eligible in Combination with Value Add 1 and/or 2 	\$0.50/MWh

Independent Administrator Role

Enel X, as the Independent Administrator for the CEC IRP solicitations, will support stakeholders through RFP development, independently and without bias administer fair and transparent solicitations, provide individualistic support to respondents, collect and score proposals, produce scored shortlists, and provide regulatory support post-solicitation.

Independent Administrator Deliverables



Primary Deliverables – Five Stage/Phase RFP Process

1. Preparation Phase

- Review and provide comments to CEC IRP documents, materials
- Attend stakeholder workshop and provide support to stakeholders
- Draft solicitation advertisements

2. Solicitation Phase

- Issue notice, solicitation, and launch solicitation website
- Provide support to respondents, collect participation prerequisites

3. Evaluation Phase

- Conduct initial screen of proposals, prepare initial evaluation results
- Prepare final evaluation results and two short lists of proposals

4. Selection Phase

- Field CEC award selections, identify potential affiliate transactions
- Develop draft and final Independent Administrator reports

5. Approval Phase

- Support inquiries from MPSC Staff regarding bid validation and confirmation of the fairness and transparency of the solicitation process

**Independent
Administrator
Summary of 2019
RFP Process**

Overview of 2019 RFP – Proposals Received/Selected



Solicitation Phase

- Hundreds of individuals engagement via RFP notices, culminating in a total of 23 submitted Respondent Notices of Intent
 - Over 3,000 MW of project capacity and 80 unique projects outlined in submitted Notices of Intent
- 42 unique questions were submitted and addressed across three issuances of a centrally hosted Questions and Answers log

Summary of Results

- 13 Respondents submitted proposals covering 34 unique projects and representing nearly 2,000 MW of project capacity
- Smallest project capacity offered: 1.60 MW
- Largest project capacity offered: 150.00 MW
- Economic value of best ranked PPA proposal: (\$20.62)/MWh
- Economic value of best ranked BTA proposal: (\$15.94)/MWh

Award Status

- CECo is currently conducting due-diligence reviews and negotiating contracts with selected parties/proposals

Notice of Intent Summary

Criteria	Value
Total Number of Respondents Submitting Notices of Intent	23
Total Number of Proposed Projects	80
Number of PURPA QF (Up to 20 MW)	48
Number of Solar Generation Facilities (Greater than 20 MW)	32
Total Amount of Proposed Capacity (MW)	3,148.21
PURPA QF Capacity (MW)	632.51
Solar Generation Facilities (Greater than 20 MW) Capacity (MW)	2,515.70

Submitted Proposals

Criteria	Value
Total Number of Respondents Submitting Proposals	13
Total Number of Proposals Submitted	49
BTA Proposals Submitted	24
PPA Proposals Submitted	25
Total Number of Submitted Projects	34
Number of PURPA QF (Up to 20 MW)	15
Total Number of Non-Solar Projects (Landfill Gas)	1
Number of Solar Generation Facilities (Greater than 20 MW)	19
Total Amount of Submitted Capacity (MW)	1,883.33
PURPA QF Capacity (MW)	222.08
Solar Generation Facilities (Greater than 20 MW) Capacity (MW)	1,661.25

Additional Detail on Submitted Proposals



PPA Proposals

- 14 of 27 PPA proposals were deemed economic with a negative Economic Value (Net Total Cost & Value, Including Value Added Criteria), while 13 PPA proposals were deemed un-economic with positive Economic Values
 - 1,513 MW of economic proposals
 - 203 MW of un-economic proposals
- 18 of 27 PPA proposals had claimed Value Added Criteria
 - The average Value Added Criteria claim resulted in a (\$1.13)/MWh discount during proposal evaluation
 - The maximum discount claimed was (\$3.60)/MWh

BTA Proposals

- 17 of 26 BTA proposals were deemed economic with a negative Economic Value (Net Total Cost & Value, Including Value Added Criteria), while 9 BTA proposals were deemed un-economic with positive Economic Values
 - 1,618 MW of economic proposals
 - 201 MW of un-economic proposals
- 22 of 26 BTA proposals had claimed Value Added Criteria
 - The average Value Added Criteria claim resulted in a (\$1.61)/MWh discount during proposal evaluation
 - The maximum discount claimed was (\$3.77)/MWh

FCM Impact on PPA Proposals



FCM Values

- The CECo PPA Economic Model utilized the following default FCM values:
 - FCM %: 5.88%
 - FCM Cap: \$57.49
- All PPA proposals received the same FCM treatment within the Economic Model used to evaluate results and develop ranked shortlists

FCM Cap Impact

- 2 out of 27 proposals were below the FCM capped rate (the top two ranked economic proposals) and were evaluated based on calculated FCM values
- 25 of 27 proposals were above the FCM capped rate and were evaluated based on capped FCM value (using the \$57.49/MWh value)

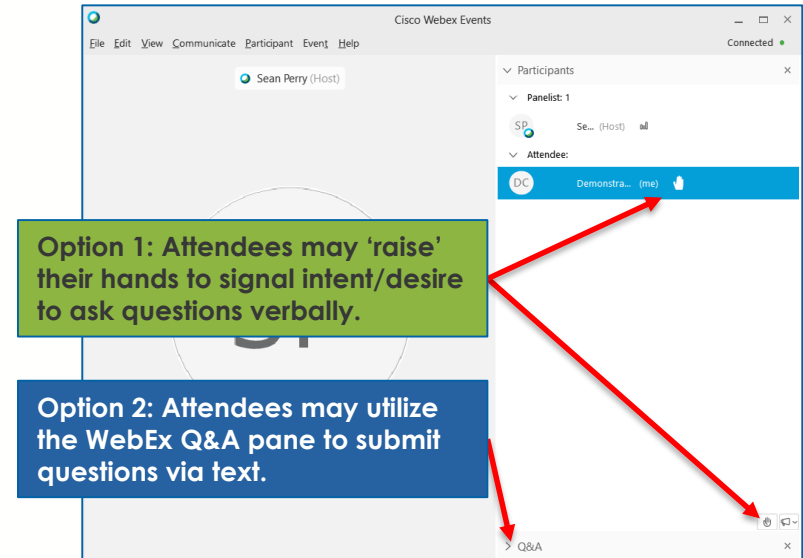
Provisional Results of 2019 Solar Solicitation

Cost and Benefits to Rate Payers

- Projects are viable
- Solicitation was competitive
- Projects priced lower than projected market prices

Questions and Answers Session 1 of 2

1. All attendees are invited to submit questions to both Consumers Energy and Enel X
2. Questions will be accepted during two Questions and Answers sessions. Please focus questions based on content reviewed in the slides preceding each Questions and Answers session.
3. Attendees that wish to ask questions may 'raise' their hand to signify intent to ask questions. Enel X will moderate the Questions and Answers windows and will unmute parties that raise their hands and call them out by name to prompt question submittal. Attendees may also submit questions via text using the WebEx Q&A system.
4. Attendees asking questions are strongly encouraged to be as detailed as possible when conveying questions.
5. General comments and suggestions should be withheld until the Comments, Suggestions submittal window.



Lessons Learned/Challenges

- Lumpiness of Project Size – Desired Capacity
- COD Dates - Bring forward is possible
- Compressed Timeline
- Continuous Improvement – Value Added Criteria
- Evaluation Models – Challenges with Fixing Fields (Apples to Apples/Oranges)
- Standardized Contract Terms – Red Lines
- Accuracy of Proposals – Affidavits

Independent Administrator Review of 2020 RFP Process

RFP Process Enhancements for 2020



Primary Process Enhancements for 2020 RFP

- 1. Expanded, Extended RFP Timeline, Schedule (RFP issued early-July 2020, Bidding events mid-October 2020)**
 - A full tentative RFP schedule will be covered in the following slides.
- 2. Multi-Phase Notice to Proceed Process**
 - Three distinct phases to support the review and approval of bidding organizations, projects, and contracts
- 3. Proactive Document, Material Collection**
 - All supporting bid forms and proposal appendices will be collected across the Bidder and Project qualification phases
- 4. Contract Redline Review and Pre-Approval**
 - Respondents will be permitted to submit redlines to select sections of CECo's PPA and BTA contract templates for review and pre-approval prior to submitting proposals
- 5. Live Reverse Auction Format for PPA Proposals**
 - Bids for PPA contracts will be submitted via live online reverse auctions hosted on the Enel X Solicitation Platform. Additional detail regarding the bidding process and 1-on-1 training sessions will be provided later in the RFP process.

Timeline – RFP Issuance to Phase 2 Conclusion

Working Draft Timeline – All Dates Subject to Change



ID	RFP Milestone	Date	Involved Parties
1	Notification of Upcoming RFP Issued via Email to Potential Respondents	Wednesday, July 1, 2020	Enel X
2	RFP Issued, Solicitation Website, Documents Go-Live	Wednesday, July 8, 2020	Enel X
3	RFP Advertisements Published	Wednesday, July 8, 2020	Enel X
4	Questions and Answers Window Opens	Wednesday, July 8, 2020	Enel X
5	Respondent Qualification Application Submission Window Opens	Wednesday, July 8, 2020	Enel X, Respondents
6	Pre-Bid Conference Call Held	Tuesday, July 14, 2020	CEC, Enel X, Respondents
7	Respondent Qualification Application Submission Window Closes	Thursday, July 16, 2020	Respondents
8	Initial Review of Submitted Respondent Qualification Applications Begins	Thursday, July 16, 2020	Enel X, CEC
9	Initial Review of Respondent Qualification Applications Concludes, Remediation Notices/Requests for Clarification Distributed	Tuesday, July 21, 2020	Enel X
10	Respondent Qualification Application Remediation Materials/Responses to Clarifying Requests Due	Friday, July 24, 2020	Respondents
11	Final Review of Respondent Qualification Applications Completed, Approvals Determined	Monday, July 27, 2020	Enel X, CEC
12	Phase 1 Notices to Proceed Issued to Pre-Qualified Respondents (Respondent Organizations Pre-Qualified)	Tuesday, July 28, 2020	Enel X
13	Respondent Intent to Bid Form Submission Window Opens for Pre-Qualified Respondents	Tuesday, July 28, 2020	Enel X, Respondents
14	Intent to Bid Form Submission Window Closes	Tuesday, August 11, 2020	Respondents
15	Initial Review of Submitted Intent to Bid Forms, Supporting Documents Begins	Tuesday, August 11, 2020	Enel X
16	Initial Review of Intent to Bid Forms Concludes, Remediation Notices/Requests for Clarification Distributed	Friday, August 21, 2020	Enel X
17	Respondent Intent to Bid Form Remediation Materials/Responses to Clarifying Requests Due	Friday, August 28, 2020	Respondents
18	Final Review of Respondent Intent to Bid Forms Completed, Approvals Determined	Wednesday, September 2, 2020	Enel X, CEC
19	Phase 2 Notices to Proceed Issued to Pre-Qualified Respondents (Respondent Projects Pre-Qualified)	Thursday, September 3, 2020	Enel X

Timeline – Phase 3 to Preliminary Award Issuance

Working Draft Timeline – All Dates Subject to Change



ID	RFP Milestone	Date	Involved Parties
20	Invoices for RFP Application Fees Issued to Respondents	Thursday, September 3, 2020	Enel X
21	Redline Submission Window for Negotiable Contract Items Opens	Thursday, September 3, 2020	Enel X, Respondents
22	Redlines to Negotiable Contract Items Due	Tuesday, September 15, 2020	Respondents
23	RFP Application Fees Due	Tuesday, September 15, 2020	Respondents
24	Guidance on Submitted Redlines Provided to Respondents, Contract Templates Updated (If Warranted)	Tuesday, September 29, 2020	CEC
25	Electronic Versions of LoCs or Wire Transfer Remittance Forms Due	Friday, October 2, 2020	Respondents
26	Binding Respondent Affidavits, Agreement in Principle to Utilize Contract Templates Due	Wednesday, October 7, 2020	Respondents
27	Pre-Bid Financial Security (Hard-Copy LoCs or Cash Deposits) Due	Wednesday, October 7, 2020	Respondents
28	Final Respondent and Project Approvals Determined	Thursday, October 8, 2020	Enel X
29	Phase 3 Notices to Proceed Issued (Non-Negotiable Contract Items Addressed, Bid Security Posted)	Friday, October 9, 2020	Enel X
30	Questions and Answers Window Closes	Friday, October 9, 2020	Enel X
31	PPA Live Reverse Auctions Run on Enel X Solicitation Platform	Tuesday, October 13, 2020	Enel X, Respondents
32	BTA Sealed Bid Event Run on Enel X Solicitation Platform	Thursday, October 15, 2020	Enel X, Respondents
33	Initial Respondent/Proposal Eligibility Screening Period Concludes	Tuesday, October 20, 2020	Enel X
34	Respondents Notified of Ineligible Proposals	Tuesday, October 20, 2020	Enel X
35	PPA, BTA Offer Shortlists, Proposal Rankings Provided to Consumers Energy	Wednesday, October 21, 2020	Enel X
36	Consumers Energy Provides Enel X with Selected Proposals from PPA, BTA Lists	Thursday, November 5, 2020	CEC
37	Preliminary Award Decisions, Statuses Distributed by Enel X	Friday, November 6, 2020	Enel X

Timeline – Preliminary Award Issuance to Conclusion

Working Draft Timeline – All Dates Subject to Change



ID	RFP Milestone	Date	Involved Parties
38	Enel X Provides Consumers Energy with Details of Selected Proposals, Respondents	Friday, November 6, 2020	Enel X
39	Consumers Energy Begins Due Diligence Review of Selected Proposals, Respondents, Initiates Contracting Phase	Monday, November 9, 2020	CEC
40	Consumers Energy Informs Enel X of Need for Alternate Proposals, Respondents	Wednesday, December 9, 2020	CEC
41	If Applicable; Consumers Energy Provides Enel X with Selected Alternate Proposals from PPA, BTA Lists	Wednesday, December 9, 2020	CEC
42	If Applicable, Secondary Award Decisions, Statuses Distributed by Enel X	Thursday, December 10, 2020	Enel X
43	If Applicable; Enel X Provides Consumers Energy with Details of Alternate Proposals, Respondents Selected	Thursday, December 10, 2020	CEC
44	If Applicable; Consumers Energy Begins Due Diligence Review of Selected Alternate Proposals, Respondents, Initiates Contracting Phase	Friday, December 11, 2020	CEC, Respondents
45	Pre-Bid Credit for Unawarded Respondents Cancelled, Returned (Valid Proposal Duration Concludes)	TBD	Enel X
46	Agreements, Contracts for Selected Proposals Finalized, Executed	-	CEC
47	Pre-Bid Credit for Awarded Respondents Cancelled, Returned	Following Contract Execution	Enel X
48	Contracts, Agreements Submitted to MPSC	-	CEC

Enel X Contact Information



Central Independent Mailbox for RFP Correspondence (**C**onsumers **E**nergy **C**ompany
Independent **A**dministrator):

CECIA.enelxnorthamerica@enel.com

Primary Enel X Independent Administrator Support Staff:

Sean Perry

T: 617-688-1322

Jason Hughes

T: 443-743-1983

Mike Simari

T: 617-692-2451

George Todd

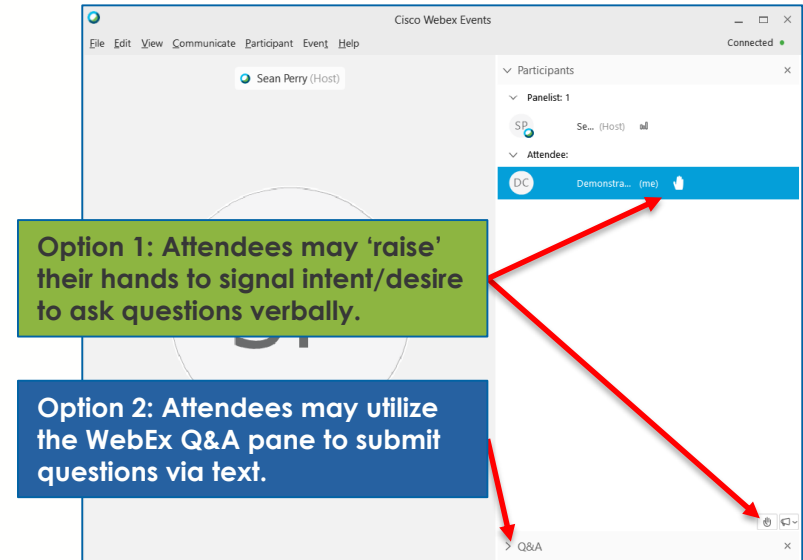
T: 865-599-7254

Brad Bury

T: 248-794-5676

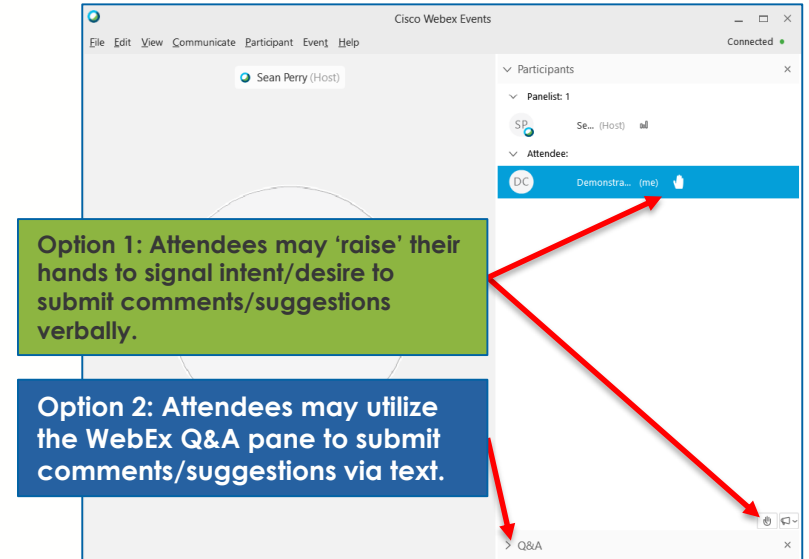
Questions and Answers Session 2 of 2

1. All attendees are invited to submit questions to both Consumers Energy and Enel X
2. Questions will be accepted during two Questions and Answers sessions. Please focus questions based on content reviewed in the slides preceding each Questions and Answers session.
3. Attendees that wish to ask questions may 'raise' their hand to signify intent to ask questions. Enel X will moderate the Questions and Answers windows and will unmute parties that raise their hands and call them out by name to prompt question submittal. Attendees may also submit questions via text using the WebEx Q&A system.
4. Attendees asking questions are strongly encouraged to be as detailed as possible when conveying questions.
5. General comments and suggestions should be withheld until the Comments, Suggestions submittal window.



Stakeholder Comments, Suggestions

1. All attendees are invited to submit comments and suggestions to both Consumers Energy and Enel X
2. Attendees that wish to submit comments and/or suggestions may 'raise' their hand to signify intent to submit. Enel X will moderate the gathering of comments and suggestions and will unmute parties that raise their hands and call them out by name to prompt comment/suggestion submittal. Attendees may also submit comments and suggestions via text using the WebEx Q&A system.
3. Attendees submitting comments/suggestions should limit their remarks only to matters related to Consumers Energy IRP solicitations.



Thank you for Participating Today!!

- The Company will receive comments and suggestions via email at pwr-rfp@cmsenergy.com.
- Materials presented today will be posted on the Company website. www.consumersenergy.com/electricpowernotices
- Within 35 calendar days of the second stakeholder process, the Company and interested parties will have an opportunity to file comments about the reasonableness of the Company's competitive bidding procedures and to recommend changes and additions. Parties will then have 21 calendar days to file responses. Docket U-20165.