

GREEN GENERATION PROGRAM TERMS AND CONDITIONS

Summary of Participation – Terms for Consumers Energy’s Green Generation Program

Green Generation is governed by the 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 Green Generation Program. The Green Generation Program 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 and the Midwest. The Green Generation Program is authorized by the MPSC, and participation in the program is subject to the provisions contained in Consumers Energy’s Electric Rate Book, Rule C10.2, Green Generation Program.

Consumers Energy is purchasing renewable energy from a number of qualified renewable generating facilities in the state of Michigan. Supply for the Green Generation Program is produced in Michigan and is made up of approximately 70% wind, 30% biomass.

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 Green Generation Program. Renewable Energy Credits (RECs) will be retired annually in an amount equal to the generation associated with customer participation.

In order to maximize the number of customers eligible to participate in the Green Generation Program, the Company may limit the number of Green Generation Program Participation Certificates, otherwise referred to as Blocks, available for the discounted premium to 25% of the total renewable electric energy procured for the Green Generation Program. In the event the amount of energy represented by the customer’s selected number of Green Generation Program Blocks exceeds the customer’s actual kWh consumption for the billing period, no reconciliation shall be made on the customer’s billing.

In the event of a shortfall in supply of renewable energy not expected to exceed more than six months duration, the Company and the customer may mutually agree in writing to continue the customer’s participation in the program by temporarily suspending the customer’s participation until additional renewable energy supplies or RECs become available, or by temporarily reducing the amount of monthly Green Generation Program Participation to a level that can be reasonably supplied by the Company.

Customers who voluntarily choose to participate in Consumers Energy’s Green Generation Program 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 800-241-3368, emailing greenpower@cmsenergy.com, or by writing to the address below: Green Generation Program, One Energy Plaza, Jackson, MI 49201-2357

Customer Eligibility

All Full-Service electric customers of the Company are eligible to take service under the Green Generation Program. A customer’s eligibility to take service under the Green Generation Program 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 Green Generation Program:

- (1) A customer who received a shutoff notice within the nine months preceding the customer’s request to be enrolled in the Green Generation Program, 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 Green Generation 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 Green Generation Program 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 Green Generation Program. The Company will provide notice to the customer of this change in service. In the event the Green Generation Program 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. The Company may secure a third-party marketer to assist in marketing the Green Generation Program, 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 Green Generation Program 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. Participating customers shall be responsible for renewable energy surcharges under PA 295 in addition to any charges under the Green Generation Program. A Customer initiating or renewing participation in the Green Generation Program shall be responsible for the full amounts of both the Green Generation charge and the per meter charge.

Payment Options and Pricing

Customers may participate in the Green Generation Program by voluntarily enrolling in a Green Generation Program payment option. To participate, the option must be specified in advance by the customer in a written agreement.

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 Green Generation Program tariff price paid by participating customers to defer and recover these costs. In addition to the prices under their applicable rate schedule, a customer who has agreed to participate in the Green Generation Program shall elect one of the following payment options:

Green Team Residential

Customers who elect to match 100% of their monthly electric use with Green Generation renewable sources will pay a rate based on their monthly energy use. Customer’s energy use that is less than 15,000 kWh/month shall pay a \$0.01 per kilowatt-hour (kWh) renewable resource premium applicable to an amount equal to 100% of the customer’s total monthly energy consumed.

Green Blocks

The customer may purchase Green Generation Program Blocks (also referred to as a Certificate in the tariff) in the amount of \$1.50 per Block per month. Each Block shall represent 150 kWh of renewable electric energy procured by the Company in the Green Generation Program. Customers may purchase any number of Blocks. If the amount of energy represented by the customer’s selected Blocks exceeds the customer’s actual kWh consumption for three consecutive billing periods, the customer may modify the number of Blocks selected.

Green Business – Option 1

Customers who purchase 100 or more Green Generation Program Blocks a month will pay at a rate of \$1.275 per Block per month. The 100 block minimum must be applied to the customer’s single billing account. If the amount of energy represented by the customer’s selected Blocks exceeds the customer’s actual kWh consumption for three consecutive billing periods, the customer may modify the number of Blocks selected, but the number shall not be less than 100 Blocks per month.

Green Business – Option 2

Customers who purchase 8,000 or more Green Generation Program Blocks a month will pay at a rate of \$1.05 per Block per month. A 4,000 block minimum will

be billed each month regardless of usage. To qualify for this option, the number of Blocks, in order to maximize the number of customers eligible to participate in the Green Generation Program, must be specified in advance by the customer in a written agreement. Customers who elect this option must receive advanced approval from the Company prior to enrollment.

Green Business – Option 3

Customers who elect to match 100% of their monthly electric use with Green Generation renewable sources will pay a rate based on their monthly energy use. Customer’s energy use that is more than or equal to 15,000 kWh/month shall pay a \$0.0085 per kWh renewable resource premium applicable to an amount equal to 100% of the customer’s total monthly energy consumed.

Green Business – Option 4

Customers who elect to match 100% of their monthly electric use with Green Generation renewable sources will pay a rate based on their monthly energy use. Customer’s energy use that is more than 1,200,000 kWh/month shall pay a \$0.007 per kWh renewable resource premium applicable to an amount equal to 100% of the customer’s total monthly energy consumed. Customers who elect this option must receive advanced approval from the Company prior to enrollment.

Customer Termination from the Green Generation Program

Participation in the Green Generation Program requires a written contract with a minimum term of one year and shall automatically be renewed each year after that unless otherwise notified. Customer termination from the Green Generation Program may occur in the following cases:

- (1) The Green Generation Program is cancelled and customers are no longer authorized to take service under the Green Generation Program,
- (2) The customer has met the minimum term of service under the Green Generation Program and/or contract and has provided the Company with 60 days written notice to terminate service under the Green Generation Program,
- (3) The customer has not met the payment terms and conditions as required under the Green Generation Program, 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 Green Generation Program,
- (5) The customer is no longer a customer in the Company’s service territory and/or
- (6) Following an MPSC-approved price increase, the Company will implement a per kWh or fixed participation “block” renewable resource premium price increase within 60 days of the receipt of the price-increase notice.

Company Termination of the Green Generation Program

Company termination of the Green Generation Program 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 Green Generation Program exceed the revenues collected from the Green Generation Program Fund or any other Green Generation Program pre-established revenue sources,
- (3) Federal and/or State laws are established that may make the Green Generation Program 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 Green Generation Program, and/or
- (5) Other reasons not contemplated, discussed with the MPSC, and agreed upon as sufficient to terminate the Green Generation Program.