

**The meeting will begin
at 10:05am ET**

Stakeholder Meeting 2023 Integrated Resource Plan Solar Solicitation

September 28, 2023

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.
6. Attendees may submit questions and/or comments/suggestions for consideration via instructions later in the presentation. No questions will be fielded live.

The image shows a registration confirmation email and the WebEx application interface. The email text includes: "Your registration was approved for the following Webex event.", "Host: Sean Perry (sean.perry@enemoc.com)", "Event number (access code): 669 464 694", "Registration ID: This event does not require a registration ID", "Event password: This event does not require a password.", and "Tuesday, March 17, 2020 12:45 pm, Eastern Daylight Time (New York, GMT-04:00)". A green "Join event" button is visible. Below the email, the WebEx application interface is shown with a red box highlighting the "Audio Connection" menu options: "I Will Call In" and "Call Using Computer". A red arrow points from the "I Will Call In" option to a secondary "Audio Connection" dialog box. This dialog box contains the following instructions: "1. Call 1-650-479-3208 (Call-in toll number (US/Canada)) All global call-in numbers", "2. Enter this access code:", and "3. Enter your Attendee ID:".

Introductions

Consumers Energy

- Marco Saucedo, Contracts Mgr
- Garrett Compton, Assoc. Economics Engineer

Enel X

- Chris Jewell, Renewable Energy Procurement Manager
- Brad Bury, Customer Insights, Wholesale & Renewables Procurement

Disclaimer

The information referenced in this presentation is available on www.ConsumersEnergyRFP.com and is **in draft form and subject to change before launch.**

Agenda

- 2023 IRP Solicitation Overview
- Screening Requirements
- Scoring Criteria, including changes from '22 IRP RFP
- Timeline
- Independent Administrator Overview
- Instructions to Submit Comments / Questions

2023 IRP Solicitation Overview

The purpose of this RFP is to:

- 1) solicit offers for Consumers Energy to acquire solar generation projects and/or solar PPAs backed by projects located in that portion of the lower peninsula of the State of Michigan that is serviced by the Midcontinent Independent System Operator, Inc. (“MISO”) and
- 2) solicit offers for PPAs with PURPA QFs 5 MWac and below located within Consumers Energy’s service territory.

Proposals located within this region (MISO’s Local Resource Zone 7) are requested to support Consumers Energy’s IRP. With this RFP, Consumers Energy is seeking to acquire solar generation projects and PURPA QFs that provide the best cost and value to its customers, as determined by the Company’s Scorecard.

2023 IRP Solicitation Overview (continued)

Consumers Energy is seeking competitive bids to acquire solar generation projects and/or PPAs backed by solar projects to support its Clean Energy Plan.

Selection: Proposals will be evaluated based on cost, value, and other non-price criteria as shown on the Scorecard (Appendix O); provisionally awarded proposals will be determined by the highest number of Scorecard points, COD timing, price and size of projects offered

Solicitation Capacity:

- Maximum offer capacity **per project** not to exceed 600 MWac per PY (250 MWac preferred)
- Maximum offer capacity **in aggregate** not to exceed 600 MWac per PY (500 MWac preferred)

Acceptable Contract Types:

- Power Purchase Agreements (PPA)
- Build-Transfer Agreements (BTA) – Milestone and Traditional
- Development Asset Acquisitions (DAA) *PY 2028 only
- Purchase and Sale Agreements (PSA)
- Portfolio combination of Utility Owned/PPA

2023 IRP Solicitation Overview (continued)

Consumers Energy is seeking the following target capacities:

- 204 MWac for PY 2026
- 500 MWac for PY 2027
- 500 MWac for PY 2028

While the above reflects the Company's 2021 IRP Proposed Course of Action as approved by the settlement agreement in that proceeding:

- Projects awarded in this solicitation may differ from target amounts depending on the **amount of bids, the size of projects bid, cost and value, and variations in project CODs**

2023 IRP Solicitation: Screening Requirements

Screening Requirements	Solar Facility
Pre-Qualification	Required
Pre-Bid Security (refundable)	\$1,500/MWac per unique MWac of capacity to be proposed
Max. Offer Capacity per project (per PY)	600 MWac (250 MWac preferred); 5 MWac for PURPA QFs
Max. Offer Capacity in aggregate (per PY)	600 MWac (500 MWac preferred); 600 MWac for PURPA QFs (250 MWac preferred)
Minimum Offer Capacity	1 MWac; 0.15 MWac for PURPA QFs
Location	MISO Zone 7 (\geq 50 kV POI); Consumers Energy Electric Service Territory (\leq 50 kV)
Interconnection Status	See next slide
Feasibility	No Solar Moratorium in Project Location
Site Control	\geq 75% secured
Technology	Solar Resources; Any QF technology for PURPA QFs
Technical Specifications	Utility Owned projects must meet required solar technical specifications

Projects that do not include both non-affiliate, third-party, verified production estimates and a report on fatal flaws or risks will not be eligible to participate in this RFP

2023 IRP Solicitation: Screening Requirements

Interconnection Status

- **For projects with COD on or before June 1, 2026**, projects must have a completed system impact study (if interconnected with Consumers Energy), completed Definitive Planning Phase (“DPP”) Entry (if interconnected at transmission voltage) in DPP-2022-Cycle or earlier DPP Cycles, or show no materially adverse impact within the Interconnection Study for Surplus Interconnection Service requests process (if interconnected at transmission voltage), prior to the Proposal Due Date to be eligible to participate in this Solicitation.
- **For projects with COD from June 2, 2026 through June 1, 2028**, projects must have submitted a request for a system impact study (if interconnected with Consumers Energy), have a definitive plan to complete DPP Entry (if interconnected at transmission voltage) in DPP-2023-Cycle or earlier DPP Cycles, or show no materially adverse impact within the Interconnection Study for Surplus Interconnection Service requests process (if interconnected at transmission voltage), prior to the Proposal Due Date to be eligible to participate in this Solicitation.

2023 IRP Solicitation: Scoring Criteria

Projects will be ranked based on score as determined by the Scorecard criteria

Winning proposals will be determined by the highest number of Scorecard points, amount of bids, the size of projects bid, and variations in project CODs

Evaluation based on Company's Triple Bottom Line: People, Planet, and Michigan's Prosperity

Scorecard (Appendix O) and Scorecard Guidance (Appendix N) are resources to support making scoring claims

Some rating items cannot be verified until project completion (e.g., Michigan Labor %, etc.):

- Claims in these categories will require an attestation to be submitted to support commitment
- Verification of claims will be made to determine adherence
- A penalty of \$5,000 per MW per Scorecard point will be levied if the commitment is not met prior to the project's commercial operation date

2023 IRP Solicitation: Scoring Criteria - People

Rating Items	Description and % Points Determination Reference Scorecard Guidance for additional information	Maximum Points Available	Category Score	Supporting information REQUIRED to earn points. Specify location of supporting information, e.g. Submittal Page #, Attachment, or other.
	(% Points) x (Maximum Points Available) = Category Score			Comments
People				
1.1 Michigan Content (MC) (%) - Equipment, Materials *	100% Points: MC Greater or equal to 50% Partial Points = (MC%)/(50%)	0.50		[Respondent to complete]; always awarded 0 Points for Solar DAAs**
1.2 Michigan Labor (ML) (%) - Construction Labor *	100% Points: Michigan Labor is Greater or equal to 80% Partial Points: Michigan Labor Less than 80%: Points % = (Michigan Labor %)/(80%)	0.50		[Respondent to complete]; always awarded .25 Points for DAAs**
1.3 Union Labor (Construction) *	100% Points: Union Labor ≥80% of total project hours Partial Points: Union Labor < 80%: Points % = (Labor%)/(80%)	1.00		[Respondent to complete]; always awarded 1 Point for DAAs**
1.4 Low-Income Counties *	100% Points: Development is entirely in a "Low-Income County" 50% Points: Development is partially in a "Low-Income County" 0% Points: Development is not in a "Low-Income County"	0.50		[Respondent to complete]
1.5 Diverse / Women and Minority Owned Businesses Enterprise (WMBE) and Michigan Based (MBB) *	100% of points: Developer and/or EPC Contractor is Diverse and MBB 50% of points: Developer and/or EPC Contractor is Diverse or MBB No Points: Developer and/or EPC Contractor is not Diverse or MBB	0.50		[Respondent to complete]
1.6 % Cost-to-Value (Independent Administrator Use Only)	100% Points: Project with the lowest Cost-to-Value Ratio Partial Points: Lowest Cost-to-Value received divided by Proposal Cost-to-Value 0% Points: Cost-to-Value Ratio >150%	93.00		Will be determined by Enel X using Economic Model

Change from '22 IRP RFP

- Cost to Value points increased from 75 to 93 pts
- Points reduced for all non-pricing categories

• For all scorecard rating items that require a commitment (e.g., they cannot be verified at time of bid evaluation), a penalty of \$5,000 per MW per Scorecard point will be levied if the commitment is not met

2023 IRP Solicitation: Scoring Criteria - Planet

Change from '22 IRP RFP

- Pollinator was combined into Land Use category
- Points reduced for all non-pricing categories

Planet				
2.1 Land Use (Brownfield, Grayfield, Farmland, and Pollinator) *	See Scorecard Guidance	0.50		[Respondent to complete]
2.2 Carbon Intensity / Life Cycle Analysis *	100% Points: Accredited analysis with CO2 at Ultra Low Carbon Alliance 450 kg CO2e / kWp using French Tender + ultra low carbon about 60% or less of dirty coal markets 50% Points: Accredited analysis with CO2 at 550 kg CO2e/kWp as a French Tender midpoint, about 70% or less of dirtiest coal markets 25% Points: Accredited analysis with CO2 equivalent to the China-based supply chain for polysilicon 750 kg CO2e/kWp 0% Points: No accreditation, no life cycle analysis, so assume they're over > 750 kg CO2e/kWp	0.50		[Respondent to complete]; always awarded 0 Points for Solar DAAs**

* For all scorecard rating items that require a commitment (e.g., they cannot be verified at time of bid evaluation), a penalty of \$5,000 per MW per Scorecard point will be levied if the commitment is not met

2023 IRP Solicitation: Scoring Criteria - Michigan's Prosperity

Michigan's Prosperity				
	100% Points: SLUP issued 50% Points: SLUP application submitted with public hearing scheduled 20% Points: No SLUP issued, applied for, or required, but positive community support exists	1.50		[Respondent to complete]
3.1 Special Land Use Permit (SLUP) & Local Support				
3.3 Distribution System Connected	100% Points: Distribution System Connected 0% points: Transmission System Connected	0.50		[Respondent to complete]
3.4 Interconnection Agreement Status	<u>Transmission Connected:</u> 100% Points: Executed interconnection agreement 50% Points: DPP Phase 2 Complete 25% points: DPP Phase 1 Complete No Points: Project hasn't completed DPP Phase 1 <u>Distribution Connected:</u> 100% Points: Executed interconnection agreement 50% Points: Distribution and facilities study No Points: Project hasn't completed distribution and facilities study	1.00		[Respondent to complete]

Change from '22 IRP RFP

- Added No SLUP required category
- Removed module procurement category
- Points reduced for all non-pricing categories

2023 IRP Solicitation: Draft Timeline

Milestone	Date
Solicitation Issued	October 31, 2023
Pre-Bid Conference Held	10:00 am EPT, November 2023
Respondent and Project Qualification Applications Due	5:00 pm EPT, December 6, 2023
Binding Respondent Affidavits Due	5:00 pm EPT, January 17, 2024
Pre-Bid Security Due	5:00 pm EPT, January 17, 2024
Notices to Proceed Issued	January 19, 2024
Sealed PPA Bid Event Conducted on Solicitation Platform	3:00 PM EPT, January 24, 2024
Sealed BTA/Portfolio Bid Event Conducted on Solicitation Platform	3:00 PM EPT, January 25, 2024
Consumers Energy Proposal Evaluation Completion Target	February 20, 2024
Conditional Agreements Execution Target	September 2024
MPSC Submittal Target	November 2024

2023 IRP Solicitation: Stakeholder Feedback

While CE and Enel X welcome comments from Stakeholders on all the materials released and the process as described in today's session, we also have a few specific topics for comment that we'd like to highlight:

- The proposal launch date is expected to be October 31, 2023 and bid events are January 24 & 25, 2024. Please let us know if you have concerns regarding not having enough time to put together an RFP response.
- Comments or suggestions on interconnection screening criteria
- Comments or suggestions on scorecard criteria

Independent Administrator Role

Independent Administrator

Role Overview, Conflict of Interest Statement



Any communications related to this RFP or the Solicitation process must be submitted to Consumers Energy's Independent Administrator, Enel X, through the links provided on the Solicitation Website within the 'Questions' section.

Please note that Enel X is a distinct and independent operating company from Enel Green Power (a renewable energy developer). Enel X does not have a renewable energy development arm or ability/intent to participate within the Consumers Energy RFP process. While both separate entities share part of a common name and holding company, there are no overlapping components between each entity and absolutely no preferential treatment(s), reciprocal or otherwise, given between Enel X and Enel Green Power.

Enel X, as the Independent Administrator, does not, and will not share the sensitive information provided by respondents with affiliates of Enel or other Enel Group companies. Further, Enel X will conduct and manage all facets of the Consumers Energy RFP process with the utmost transparency while ensuring that all respondents are treated fairly, equitably, and without bias (real or perceived). Enel X takes both our partners' and respondents' confidentiality and the establishment of a level playing field for all respondents seriously and has detailed protocols to ensure that all confidential information remains confidential and that all administered RFPs afford equal opportunity to every respondent.

Enel X employees must observe an obligation of confidentiality and neutrality while performing Independent Administrator services, and may not disclose confidential information outside of Enel X (including employees of other companies of the Enel Group, respondents, other customers, etc.) or provide preferential treatment to any respondent. For this purpose, Enel X has established:

- Physical separation of databases belonging to different companies within the Enel group;
- Regulation of access to the Enel X Solicitation Website; and
- Signature of a specific confidentiality and neutrality declaration by each Enel X employee providing these services in order to define a general duty of confidentiality and neutrality in the performance of their activities.

In addition to following protocols outlined within the RFP document regarding the treatment of confidential information, Enel X is also willing to establish non-disclosure agreements between its organization and Respondents.

Charter



Enel X, as the Independent Administrator for the IRP RFP 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 ranked 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

Instructions to Submit Comments / Questions

Thank you for your participation today!

Please submit formal comments, suggestions, and questions via email at CECIA.enelxnorthamerica@enel.com by **October 6, 2023**. These comments, suggestions, and questions will be provided to Consumers Energy without stakeholder identifying information.

Based on the submittals, Consumers Energy will provide written Q&A on the website below prior to solicitation launch.

Materials presented today will be posted on the Company website:
www.consumersenergy.com/electricpowernotices