



CONSUMERS ENERGY COMPANY

REQUEST FOR PROPOSALS - Solar and Wind Generation Projects

Enel X On-Line Solicitation

Final Proposals Due: May 31, 2022

Issued:

March 17, 2022

Solicitation Website: [TBD – website will be provided upon RFP launch]

NOTICE: Respondents are prohibited from referencing or otherwise associating the Company's name in connection with any particular project that may be offered into this RFP. This includes, but is not limited to, any communications with landowners or governmental officials regarding any such project.

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1. **Introduction**

1.1 **Solicitation**

Consumers Energy Company ("Consumers Energy" or the "Company") is seeking competitive bids in response to this Request for Proposals ("RFP") from participants in the MISO Energy Market or interconnecting to Consumers Energy's electric distribution system in accordance with the Company's expansion of the Voluntary Green Pricing ("VGP") program in its Renewable Energy Plan. Enel X North America, Inc. ("Enel X") will administer a solicitation ("Solicitation") through its solicitation website ("Solicitation Website") on Consumers Energy's behalf in accordance with this RFP. With this RFP, Consumers Energy is soliciting proposals for solar or wind generation projects. Solar and wind generation projects may be in the form of Build-Transfer Agreements ("BTA"), Development Asset Acquisitions ("DAA"), or Purchase and Sale Agreements ("PSA"). **Responses to this RFP will only be accepted through the Solicitation Website.**

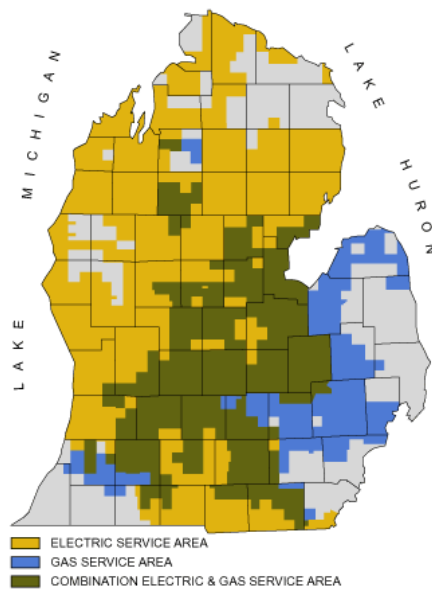
The general schedule for the RFP process is shown below (See also Subsection 3.6):

Issue RFP	March 17, 2022
Respondent & Project Qualification Applications Due	March 31, 2022
Respondent and Project Fees Due	March 31, 2022
Phase 1 Notices to Proceed Issued	May 6, 2022
Binding Respondent Bidding Affidavits Due	May 16, 2022
Pre-Bid Security Due	May 16, 2022
Phase 2 Notices to Proceed Issued	May 23, 2022
Sealed Bid Event	May 31, 2022

1.2 **Consumers Energy Company**

Consumers Energy is the principal subsidiary of Jackson-based CMS Energy Corporation and is Michigan's largest energy provider, providing electricity and/or gas to almost 7 million of the state's 10 million residents in all 68 counties in the Lower Peninsula. Consumers Energy provides electric service to 1.9 million customers. The Company operates five coal-fueled generating units, two oil/gas-fueled and six gas-fueled generating units, 13 hydroelectric plants, a pumped storage electric generating plant, four wind-powered energy parks, four solar photovoltaic generation systems and several combustion-turbine plants that produce electricity when needed during peak demand periods. The Company also purchases power from several independent power producers through long term Power Purchase Agreements. More information about Consumers Energy is available by visiting www.consumersenergy.com

Consumers Energy Service Territory



1.3 Consumers Energy Solar and Wind Energy Experience

Consumers Energy’s solar and wind energy experience includes, but is not limited to:

Utility Owned Solar & Wind Energy Resources	Size
Crescent Wind Park	166.0 MW
Cross Winds Energy Park I	111.0 MW
Cross Winds Energy Park II	43.7 MW
Cross Winds Energy Park III	75.9 MW
Gratiot Wind Farm	150.0 MW
Lake Winds Energy Park	100.8 MW
Circuit West Solar	0.5 MW
GVSU Solar	3.0 MW
WMU Solar	1.0 MW
Cadillac Solar	0.5 MW

2. Purpose / Desired Product

2.1 Purpose and Background

The purpose of this RFP is to solicit offers for Consumers Energy to acquire solar and/or wind generation assets located in the lower peninsula of the State of Michigan that is serviced by the Midcontinent Independent System Operator, Inc. (“MISO”).

The structure of submitted proposals that will be considered in order to accomplish the Company’s goals are described in detail within this RFP.

2.2 Product Description

Consumers Energy is seeking to add up to 1,000 MW of nameplate capacity over approximately the next three years to support the Company's expansion of the VGP Program in its Renewable Energy Plan.

The Solicitation is the first in a planned series which will add wind or solar generation resources to support the VGP program. Consumers Energy is seeking facilities, existing or developed, with a maximum nameplate capacity of [250] MWac to bid into tranches based on commercial operation dates ("COD") as outlined below. Maximum total capacity awarded through the Solicitation will be dependent on Large Customer Renewable Energy Plan (LC-REP) customer demand and is not to exceed 1,000 MW ac.

Four tranches will be available to bid into based on COD ranges:

- Existing – 12/31/2022
- 1/1/2023 – 12/31/2024
- 1/1/2025 – 12/31/2025
- 1/1/2026 – 12/31/2026

3. Information and Schedule

3.1 Consumers Energy's Representative

Any communications related to this RFP or the Solicitation Process must be submitted through the links provided to the Solicitation Website. The Solicitation Website can be viewed by all registered users of the Enel X platform at the following website:

[TBD – website will be provided upon RFP launch]

3.2 Information Provided to Potential Respondents

This RFP and all of its appendices and forms are anticipated to be available in final form as of March 17, 2022 on Enel X's Solicitation Website. Interested parties are expected to be able to download the RFP with its required forms and complete the forms in Microsoft Word, Excel, PDF, or other designated formats. Enel X also anticipates sending an electronic mail notice on or before March 17, 2022 to parties that both Consumers Energy and Enel X consider being likely Respondents to this RFP. The preparation of a proposal may be started at any time provided that such preparations are done in accordance with the instructions found in this RFP.

3.3 Respondent Certification

By submitting a proposal in response to this RFP, the Respondent certifies that it has not divulged, discussed, or compared any commercial terms of its proposal, and has not colluded whatsoever, with any other party believed to be a prospective Respondent. Each Respondent must disclose the nature of any material relationships and/or affiliations that it has with other prospective Respondents, Enel X, and/or Consumers Energy.

3.4 **Information on Enel X's Solicitation Website**

The information on Enel X's Solicitation Website will contain the following:

- (a) This RFP and all associated appendices
- (b) Questions and answers about this RFP

3.5 **Questions**

All questions regarding this RFP should be submitted to the RFP Submission Email Address VGPRFP@enel.com. All questions and answers of a non-trivial nature will be posted on Enel X's Solicitation Website on a periodic basis.

3.5.1 Any Respondents who discover inconsistencies or errors in, or who are in doubt as to the meaning or intent of any part of, the RFP documents shall request an interpretation from Enel X via the RFP email address: VGPRFP@enel.com

3.5.2 If a Respondent fails to notify Enel X of a known error or an error that reasonably should have been known prior to the final submission date, the Respondent shall assume any and all risk, and shall not be entitled to change its proposal after the submission due date.

3.5.3 In the event that Enel X receives a question that it is unable to answer due to the question's technical complexity or material effect on the solicitation results, Enel X reserves the right to contact Consumers Energy for clarification. In contacting Consumers Energy for clarification, Enel X will not disclose information to Consumers Energy that would reveal the Respondent or project related to the question.

3.6 **Schedule**

The following schedule and deadlines apply to this RFP. Enel X and Consumers Energy reserve the right to extend or otherwise modify any portion of this schedule at any time or terminate the RFP process at its sole discretion.

3.6.1 Eastern Prevailing Time ("EPT") means Eastern Standard Time ("EST") or Eastern Daylight Savings Time ("EDST"), whichever is in effect in Jackson, Michigan on any date specified.

3.6.2 Schedule Table

Step	Timetable
Pre-Bid Conference Held	2:00 pm EPT, March 23, 2022
Respondent and Project Qualification Application (Appendix A-1) Submission Window Closes / Applications Due	5:00 pm EPT, March 31, 2022
Project Application Fees Due	5:00 pm EPT, March 31, 2022

Respondent and Project Qualification Application (Appendix A-1) Clarifying Questions, Remediation Requirements Distributed	April 14, 2022
Phase 1 Notice to Proceed Issued to Pre-Qualified Respondents and Outlining Pre-Qualified Projects (see Sections 7.2 and 7.3)	May 6, 2022
Binding Respondent Affidavits, Agreement to Non-Negotiable Contract Template Items Due	5:00 pm EPT, May 16, 2022
Pre-Bid Security Due	5:00 pm EPT, May 16, 2022
Phase 2 Notices to Proceed Issued (see Section 7.4)	May 23, 2022
Sealed Bid Event(s) Conducted on Solicitation Platform	May 31, 2022
Consumers Energy Proposal Evaluation Completion Target	June 28, 2022
Conditional Agreements Execution Target	October 2022
MPSC Submittal Target	November 2022

4. **Solicitation Process**

Bids shall only be accepted via the Solicitation Website to be held per the Schedule posted on the Solicitation Website. The Solicitation for Consumers Energy shall be held at [TBD – website will be provided upon RFP launch]. All approved Respondents shall be provided a password to access the Solicitation Website. **Respondents who fail to timely satisfy applicable prerequisite requirements as outlined within this RFP or otherwise communicated may be denied access to the Solicitation Website and proposal submittal portal.**

This RFP, additional documentation related to this RFP, and additional information regarding the Solicitation, including, but not limited to, the structure, format, and timing of the Solicitation, shall be posted on the Solicitation Website. Consumers Energy and/or Enel X shall not be liable to a Respondent for any consequences arising out of or relating to a Respondent's use of outdated information. Respondents are encouraged to check the Solicitation Website frequently to ensure that they have the latest documentation and information.

A teleconference call to discuss the terms of Consumers Energy's RFP will be held per the Schedule posted on the Solicitation Website. Respondents are required to register for the Pre-bid call using the link on the Solicitation Website in accordance with the scheduled deadline also posted on the Solicitation Website. Questions will not be accepted during the Pre-bid call, although Respondents are encouraged to submit any questions or requests for clarification following the conclusion of the call.

The Solicitation Platform for this RFP is the Enel X Exchange. For the purpose of this RFP, a public Solicitation Website (accessible without a username and password) will be hosted on the Solicitation Platform. The Solicitation Website will contain all relevant RFP materials, forms, and documents as well as contact information for the Enel X Independent Administrator team. Respondents that are granted Phase 1 Notices to Proceed will receive unique usernames and passwords to access the Solicitation Platform. Respondents that are granted Phase 2 Notices to Proceed will have their Solicitation Platform user accounts configured with the functionality that will be used to submit final pricing proposals. Bidding instructions and Solicitation Platform demonstration materials will be posted on the Solicitation Platform. There will be a demonstration of the proposal submission process held per the Schedule posted on the Solicitation Website.

5. RFP Screening Requirements

Screening Requirements	Solar/Wind Facility
Phase 1 and Phase 2 Pre-Qualification	Required
Project Application Fee <i>(non-refundable)</i>	\$300
Pre-Bid Security <i>(refundable)</i>	\$1,500/MWac per unique MWac of capacity to be proposed
Maximum Offer Capacity	[250] MWac for single or aggregate facility
Minimum Offer Capacity	1 MWac
Maximum Bid Price	[TBD]
Location	MISO Zone 7 (≥ 50 kV POI); Consumers Energy Electric Service Territory (≤ 50 kV)
Interconnection Status	See Section 6.4
Feasibility	No Solar/Wind Moratorium in Project Location
Site Control	$\geq 75\%$ secured
Technology	Solar/Wind resources
Technical Specifications	Projects must meet required specifications referenced in Appendices G-1 and G-2

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.

6. **General Proposal Requirements**

6.1 **Size**

All solar and wind generation projects proposed in accordance with this RFP must have a nameplate capacity rating of at least 1 MWac but no greater than [250] MWac. Respondents may bundle and offer multiple facilities within an aggregate proposal as long as the aggregate capacity is no greater than [250] MWac.

6.2 **Proposal Quantities and Pricing**

This RFP requests proposals that consist of firm quantities and firm prices. All prices must not be tied to any contingencies other than as specified herein. For purposes of this Solicitation, the sale of generation projects to Consumers Energy must include the transfer of all applicable permits, licenses, equipment, and contracts.

6.3 **Valid Proposal Duration**

Proposal pricing must be valid until August 31, 2022 upon which time proposals shall expire unless the Respondent has been notified and selected as a provisional award recipient. Respondents selected for provisional contract award are further bound by their Bids through the execution of Definitive Agreements or November 30, 2022, whichever comes first.

6.4 **Location and Interconnection**

This RFP requests proposals from new or existing transmission-connected solar or wind generation projects that are, or will be, located in the lower peninsula of the State of Michigan served by MISO. This RFP also requests proposals from new or existing distribution-connected projects interconnected with Consumers Energy's electric distribution system. All projects proposed in a response to this RFP must have the capability of being registered by Consumers Energy or the Respondent as a generation resource within MISO. Transmission-connected projects must have, or receive, Network Resource Interconnection Service ("NRIS") as such term is defined by MISO.

For each project offered into this RFP, Respondents must include identification of proposed interconnection points and the status of the interconnection (e.g., application received by Interconnection Entity, study agreement executed, executed interconnection and operating agreement) as identified in Appendices D-1, D-2, and D-3: BTA, DAA, and PSA Pricing and Technical Bid Forms. Projects must have a completed engineering review (if interconnected with Consumers Energy), complete Definitive Planning Stage ("DPP") Entry (if interconnected at transmission voltage) in DPP-2021-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.

6.5 **Location Feasibility**

Proposals will only be considered for projects that are feasible based on qualitative risk assessments. Projects determined to be infeasible in the sole discretion of Enel X or

Consumers Energy will be removed from consideration, including, but not limited to: projects located within a moratorium or other zoning condition that otherwise does not permit the construction and operation of the facility, projects with significant shading or potential shading (if solar projects), or projects that will not have site control for the duration of the project design life.

6.6 **Site Control**

Proposals will only be considered for projects that have obtained and demonstrated sufficient site control for at least 75% of the Project Site by May 31, 2022. Site Control can be achieved through a lease, easement, purchase, an option to lease or purchase, or a combination of these methods for the Project Site that provides for the construction and continuous operation of the facility for the duration of the project design life. Projects must be 100% available for Consumers Energy with no shared facilities that are needed as part of a larger project or additional phase.

6.7 **Affiliates**

Affiliates of Consumers Energy (e.g., CMS Enterprises) are not permitted to submit proposals into this Solicitation. Consumers Energy reserves the right to allow the Company's self-performed proposals to be submitted into this Solicitation.

6.8 **Technical Specifications**

In order for a project to be considered, the project must meet Consumers Energy's relevant Technical Specifications found in Appendix F-1, F-2, and F-3. The applicable Technical Specifications for a selected project will be included in the execution of any project proposal. The Respondent is required to identify any exceptions to the Technical Specifications utilizing Appendix F-3: Exceptions to Utility Owned Technical Specifications. Many items are non-negotiable; Enel X and Consumers Energy reserve the right to remove any proposal from consideration based on the Respondent's list of exceptions. The Company's Technical Specifications are designed for the safety of its employees and the public and the reliability of the project which will be owned and operated by Consumers Energy. **All Respondents must fill out the required Technical Specifications Exception form for consideration.**

6.9 **Term Sheets and Contract Templates**

Term Sheets and Contract Template forms have been provided for each asset acquisition structure. Respondents will be able to submit for consideration term sheet modifications within an Excel template alongside submitted Intent to Bid forms. If no suggested modifications to the term sheet are provided, the Respondent, if selected, will be committing to executing a term sheet substantially the same as the contract template forms initially provided. Since the terms of any contract template forms for project proposals have an effect on project pricing, and proposal pricing must be compared on a similar basis, proposed modifications shall not materially modify the template. Consumers Energy reserves the right to remove any proposal from consideration based on unacceptable material modifications to the templates.

6.10 **Supplier Diversity**

Consumers Energy is committed to the development of diverse businesses including, but not limited to, minority-owned, women-owned, veteran-owned, disabled and LGBT business enterprises (“Diverse Suppliers”) and to returning spend dollars to vendors in the state of Michigan. Consumers Energy’s expectation is that Respondents will share in these goals and offer Diverse Suppliers and Michigan-based suppliers maximum practicable opportunities to participate in any subcontracts awarded by Respondent.

In addition, when Consumers Energy has an annual spend that exceeds \$3 million with any supplier, Consumers Energy requires that supplier to document their spend with Diverse Suppliers and Michigan-based Suppliers (“Tier II Spend”) associated with the execution of work. Consumers Energy shall identify and advise selected Respondents as to the format for such reporting. Reporting may be for specific goods and services that directly support the fulfillment of Consumers Energy work (direct spend) or as a ratio of the Respondent’s total sales and/or revenue to that associated with Consumers Energy (indirect spend). Respondents with annual spend less than \$3 million are not required but are invited to self-report their Tier II spend.

7. RFP Participation Requirements, Pre-Bid Requirements

7.1 Respondent and Project Qualification Process Overview

To be eligible to submit final proposals through this Solicitation on May 31, 2022, Respondents must comply with a two phase qualification process, as fully detailed within Subsections 7.2 and 7.3 below, and be fully qualified by Enel X. The qualification process consists of a Respondent and Project Qualification Phase (Phase 1, Subsection 7.2) and a Contracts and Bid Security Qualification Phase (Phase 2, Subsection 7.3).

The two-phase qualification process is designed to ensure that:

1. Respondent organizations have sufficient capabilities to support to-be-proposed projects,
2. Proposed projects are able to meet or exceed all minimum requirements outlined within this RFP, and
3. Respondents are able to
 - a. Sufficiently cover proposal exposure with adequate pre-bid security,
 - b. Attest to having met applicable RFP requirements, and
 - c. Honor all non-negotiable sections of the Consumers Energy contract templates.

Respondents that timely and fully satisfy all relevant prerequisite requirements associated with each phase of the qualification process will receive formal Notices to Proceed leading up to the final proposal submission window on May 31, 2022. Respondents that ultimately receive Phase 2 Notices to Proceed will be granted permissions to submit final proposals for shortlist consideration.

Projects that have changed ownership during the Solicitation Process may still be eligible to participate. Enel X will determine eligibility on a case-by-case basis.

7.2 Respondent and Project Qualification Phase (Phase 1)

Respondents must be pre-qualified and meet all relevant participation pre-requisites outlined within this RFP and communicated by Enel X in order to participate in the RFP process. Respondent organizations must complete and submit a completed Appendix A-1: Respondent and Project Qualification Application and Appendix A-2: Project Qualification Database by the submission date outlined within the Solicitation Schedule detailed in Subsection 3.6.

Respondents must also submit non-refundable Project Application Fees of \$300 per each proposal submitted for consideration within their Respondent and Project Qualification Applications. Project Application Fee remittance instructions are contained within the Respondent and Project Qualification Application. Project Application Fees must be remitted to the designated holding account within three (3) business days of the Respondent and Project Qualification Application submission deadline.

Following the Respondent and Project Qualification Application submission deadline, a formal remediation period will begin. Within the remediation period, Enel X will provide Respondents with a list of both requests for clarifications and any open remediation needs. Respondents will have an opportunity to provide clarifying guidance and/or cures to any identified remediation need(s) prior to the determination and ultimate issuance of Phase 1 Notices to Proceed.

Respondents that meet all relevant requirements of the Respondent and Project Qualification Stage will receive a Phase 1 Notice to Proceed and will be provided with detailed information regarding the next steps within the Solicitation Process.

7.3 **Contracts and Bid Security Qualification Phase (Phase 2)**

Qualified Respondents with Qualified Projects will be required to post Pre-Bid Security (as further detailed in Subsection 7.4, Pre-Bid Security) and execute both Appendix B agreements (one Binding Bid Agreement per Respondent organization and one Binding Respondent Affidavit per proposed project). Appendix B agreements are to be issued and executed via the DocuSign e-signature platform, with Respondents having received Phase 1 Notices to Proceed to be issued Appendix B agreements via DocuSign within two (2) business days following the issuance of Phase 1 Notices to Proceed. The Appendix B agreement set has been made available as a PDF document for reference, though Respondents are not permitted to physically sign or execute Appendix B agreements. Further, no changes or modifications of any kind will be permitted to either Appendix B agreement. Submission deadlines for Phase 2 requirements are outlined within the Solicitation Schedule detailed in Subsection 3.6.

Respondents that have sufficiently met all requirements within Phase 2 on behalf of at least one (1) of their pre-qualified project(s) will be granted a Phase 2 Notice to Proceed along with executable bidding permissions on the Solicitation Website. Within the Phase 2 Notice to Proceed, Respondents will receive a detailed summary of the qualified projects that they are approved to submit within the offer portal. Respondents will not be permitted to propose any projects that are not included within the Phase 2 Notice to Proceed.

7.4 **Pre-Bid Security**

All Respondents must post pre-bid security, in United States Dollars (“USD”), by 5:00 p.m. EPT on May 16, 2022. Respondents must remit cash collateral to satisfy pre-bid credit requirements. Pre-bid credit posting requirements for cash deposits are detailed below and on the Solicitation Website. **Interest will not be paid on any pre-bid credit provided.** Failure to provide a cash deposit shall result in Respondent’s disqualification from bidding in this RFP. Pre-bid credit for parties selected for provisional award, whether selected initially or subsequently, will be held through the execution of definitive agreements. Pre-bid credit for parties not selected for award will be returned following the conclusion of the Valid Proposal Duration.

- a. Pre-bid cash collateral will be collected and held in a holding account at Silicon Valley Bank controlled by Enel X, as an agent of Consumers Energy.
- b. Respondents must have their funds received by the Enel X holding account by no later than 5:00 p.m. EPT on May 16, 2022. Respondents will receive detailed instructions for submitting cash by wire transfers. Details will include the Receiving Bank address, Originating Bank Information, Beneficiary name and account number, and ABA routing number.
- c. Respondents must also complete and submit the Wire Transfer Remittance Form, currently hosted on the Solicitation Website, to Enel X by 5:00 p.m. EPT on May 16, 2022. Pre-bid cash collateral will be returned to respondents for proposals not provisionally awarded within five business days following the conclusion of the Valid Proposal Duration window.

7.5 **Attestations**

Attestations, part of the Respondent and Project Qualification Application (Appendix A-1), Binding Bid Agreement and Binding Respondent Affidavit (Appendix B and as made within submitted proposal materials and affidavits represent legal acknowledgements and warrants with regards to certain requirements, procedures, information provided and any other related submittal documentation pertaining to this RFP.

8. **Proposal Content Requirements**

This section describes Consumers Energy’s expectations and requirements for the RFP bids for all proposals. Consumers Energy expects Respondents to provide any information that could impact the Respondent’s ability to deliver the project(s) as offered. If it appears that certain information is inadvertently omitted from a proposal, Enel X may contact the Respondent to obtain the information.

All proposals must include a table of contents and provide concise and complete information on all of the following topics:

8.1 **Respondent’s Information**

Proposals must include information on the Respondent’s corporate structure (including identification of any parent companies, corporate bidding affiliations or affiliations with Enel X or Consumers Energy), a copy of the Respondent’s most recent quarterly report containing unaudited consolidated financial statements that is signed and verified by an authorized officer of Respondent attesting to its accuracy, a copy of Respondent’s most

recent annual report containing audited consolidated financial statements and a summary of Respondent's relevant experience. Financial statements, annual reports and other large documents may be referenced via a web site address. If the project is financed through an equity investor, the Respondent shall include similar information on said investor as part of the proposal.

8.2 **Executive Summary**

Provide an executive summary of the project's characteristics and timeline, including any unique aspects and benefits such as community engagement activities the Respondent implemented in order to build local community acceptance of the project.

8.3 **Facility Information**

Proposals must include narratives containing adequate detail to allow Enel X and Consumers Energy to evaluate the merits and credibility of the proposed resources. In addition, relevant Bid Form(s) for each project proposal **must** be fully completed. Respondents must address the following topics:

8.3.1 **Size:** Generation projects must have a nameplate rating of at least 1 MWac and not more than [250] MWac. Projects must be 100% available for Consumers Energy with no shared facilities that are needed as part of a larger project or additional phase. Respondents may offer in multiple facilities as part of the same bid as long as aggregate capacity is no greater than [250] MWac.

8.3.2 **Project Feasibility:**

Solar

Proposals shall include written reports from qualified external consultants that are unaffiliated with Respondent which cover:

1. Project fatal flaws or risks, and
2. Solar studies which include (but are not limited to) monthly average energy output analysis of the project, including the average hourly solar production profile of the facility during each calendar month of an average year, historical and projected solar irradiance, solar shading, and annual energy output estimate during each year of the useful life of the project solar farm (estimated to be 35 years). Annual solar energy output must be provided using a P50, P75, and P90 study. Also, provide the contact information, resume and experience of the external, unaffiliated consultant(s) engaged to prepare the above reports.

Wind

Proposals shall include written reports from qualified external consultants which cover:

1. Project fatal flaws or risks, and
2. Wind studies which include (but are not limited to) monthly average wind speeds or energy output analysis of project turbines, and average wind speed, shear calculation and annual P50, P75, and P90 energy production estimates during each year of the useful life of the project wind farm (estimated to be 30 years). Also, provide the contact information, resume and

experience of the external, unaffiliated consultant(s) engaged to prepare the above reports.

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.

- 8.3.3 **Licenses and Permits**: Proposals shall include a description of all licenses and permits required to construct and operate the solar generation resource and the status of acquiring and/or completing such licenses and permits.
- 8.3.4 **Name and Location**: Proposals shall include the name of the generating facility and project location, the merits of the selected site, and the proposed land rights. Proposals shall include: (1) a map of the site highlighting fully executed leases, easements, or purchase option agreements to lease property or convey land rights to the Respondent, (2) boilerplates of any/all definitive agreements Respondent is using or would intend to use to secure the site identified in item (1) above, and (3) an affidavit signed by an officer of the Respondent attesting to the validity and duration of items (1) and (2) above.
- 8.3.5 **Project Layout**: Proposals shall include anticipated placement of solar panels, turbines, or any other project facilities, including transmission layouts and the Point of Interconnect (“POI”).
- 8.3.6 **Project and Construction Schedule**: Schedules shall include major milestones such as completion of permitting, financing, regulatory requirements, major construction, commissioning and regulatory testing, COD, etc. Consumers Energy requires COD on or before December 31, 2026. Project COD will determine the tranche the project qualifies for.
- 8.3.7 **Financing Plan**: Respondents shall include a proposed financing plan for the project, including but not limited to any form agreement(s) it has utilized in similar past transactions.
- 8.3.8 **Acquisition Date**: Respondents shall state the proposed date upon which acquisition of the facility would be completed.
- 8.3.9 **Acquisition Price**: Respondents shall submit an acquisition price that is inclusive of all monetary consideration for the generating assets, ancillary facilities (including, but not limited to, interconnection facilities, transmission network upgrades, and maintenance buildings) and all contractual arrangements. See Appendices D-1 (Development Asset Acquisition Template), D-2 (Development Asset Acquisition Term Sheet), and D-3 (Development Asset Acquisition Pricing and Technical Bid Form).
- 8.3.10 **Environmental Screening**: Due to the risks and liabilities associated with environmentally sensitive sites, proposals will not be accepted for projects that are designated as Superfund sites, or similar classification, by an enforcement agency where remediation is still required. Respondents must include within their proposals affidavit(s) signed by an officer of the Respondent attesting that the project site is not designated as a Superfund site, or similar classification.

8.3.11 **Interconnection Status:** Due to systemic network upgrade delays, Respondents are required to provide evidence of Interconnection construction schedules and may be requested to provide updates periodically during and after the solicitation.

8.4 **Acquisition Structure**

8.4.1 **Required Structure(s):** Consumers Energy will only consider proposals that include one or more of the following acquisition structures, with no order of preference:

A. BTA – Consumers Energy acquires ownership of the Project Assets in accordance with the following Milestone BTA or Traditional BTA deal structures. Consumers Energy will accept proposals for Milestone BTA and/or Traditional BTA structures.

- A Milestone BTA is a contract for the development and construction of a project where ownership is transferred to the buyer as incremental project milestones are completed, and generally with more applicable milestones than a Traditional BTA.
- A Traditional BTA is a contract for the development and construction of a project where ownership is transferred after mechanical completion is achieved, but prior to energization (including the production of test energy) and has a more limited number of milestones than a Milestone BTA.

B. DAA – Consumers Energy acquires ownership of the project prior to construction beginning. DAA is an asset purchase agreement for solar and wind development assets, which may include, but are not limited to, land rights, contracts, data, equipment, special land use permits, or other developmental studies.

C. PSA – Consumers Energy acquires ownership of an existing project post-COD.

8.4.2 **Federal Tax Credits:** All Respondents submitting proposals must provide appropriate documentation defining the amount of Federal Investment Tax Credit or Federal Production Tax Credits to be secured for the project, including a detailed explanation of how it will be qualified. Enel X reserves the right, in its sole discretion, to evaluate each project based on the likelihood of the project achieving the level of Federal Investment Tax Credit or Federal Production Tax Credits claimed in any Respondent's proposal.

8.4.3 **Alternative Structures for Consideration:** Consumers Energy is willing to consider suggestions from Respondents on alternative Utility Owned proposal structures beyond those outlined in this RFP and its appendices that would result in a lower price to Consumers Energy and/or increase the speed of executing binding definitive agreements. In order to be considered for further discussion following any applicable bid being shortlisted, any alternative structures may only be provided in addition to a Utility Owned proposal structure that is consistent with the terms of this RFP, and must include quantifiable detail regarding the anticipated cost savings and/or improved timeline. Consumers Energy reserves the right to consider or disregard any proposed alternative structures in making its shortlist decisions, and shortlisting of a bid that contains any alternative structures is not an indication that Consumers Energy will agree to any such

structures. Enel X will not take any alternative structures into account when compiling the shortlist.

8.5 **Checklist of Required Proposal Contents**

All Respondents must submit the below checklist of required proposal contents and provide a reference to the location within their proposal package of each required proposal item contained within the checklist.

- Information on the Respondent's corporate structure (including identification of any parent companies, corporate bidding affiliations or affiliations with Enel X or Consumers Energy)
- Respondent's most recent quarterly report containing unaudited consolidated financial statements that is signed and verified by an authorized officer of Respondent attesting to its accuracy
- Respondent's most recent annual report containing audited consolidated financial statements
- Summary of Respondent's relevant experience
- Executive summary of the project's characteristics and timeline, including any unique aspects and benefits such as community engagement activities the Respondent implemented in order to build local community acceptance of the project
- Narratives containing adequate detail to allow Enel X to evaluate the merits and credibility of the proposed resources
- Fully completed Bid Form(s) for each project proposal
 - Acquisition price(s) noted within must be inclusive of all monetary consideration for the generating assets, ancillary facilities (including, but not limited to, interconnection facilities, transmission network upgrades, and maintenance buildings) and all contractual arrangements.
- Written reports from qualified external consultants that are unaffiliated with Respondent which cover project fatal flaws or risks
- Resource Output Studies, Reports
 - Wind: Studies which include (but are not limited to) monthly average wind speeds or energy output analysis of project turbines, and average wind speed, shear calculation and annual P50, P75, and P90 energy production estimates during each year of the useful life of the project wind farm (estimated to be 30 years).
 - Solar: Studies which include (but are not limited to) monthly average energy output analysis of the project, including the average hourly solar production profile of the facility during each calendar month of an average year, historical and projected solar irradiance, solar shading, and annual energy output estimate during each year of the useful life of the project solar farm (estimated to be 35 years). Annual solar energy output provided using a P50, P75, and P90 study.
- Form containing contact information, resume and experience of the external, unaffiliated consultant(s) engaged to prepare resource output studies, reports
- Description of all licenses and permits required to construct and operate the solar generation resource and the status of acquiring and/or completing such licenses and permits
- Description of the name of the generating facility, project location, and the merits of the selected site
- Detailed summary of project site land rights, including:

- Map(s) of the site highlighting fully executed leases, easements, or purchase option agreements to lease property or convey land rights to the Respondent
- Boilerplates of any/all definitive agreements Respondent is using or would intend to use to secure the site
- Affidavit(s) signed by an officer of the Respondent attesting to the validity and duration of project site land rights
- Detailed maps showing anticipated placement of solar panels, turbines, or any other project facilities, including transmission layouts and the Point of Interconnect (“POI”)
- Detailed schedule outlining major milestones such as completion of permitting, financing, regulatory requirements, major construction, acquisition date, commissioning and regulatory testing, COD, etc.
- Project financing plan for the project, including but not limited to any form agreement(s) Respondent has utilized in similar past transactions.
- Affidavit(s) signed by an officer of the Respondent attesting that the project site is not designated as a Superfund site, or similar classification, by an enforcement agency where remediation is still required
- Affidavit(s) signed by an officer of the Respondent attesting that 1) the project site is not located within a moratorium or other zoning condition that otherwise does not permit the construction and operation of the facility and 2) if a solar project, the project site is not with significant shading or potential shading
- Evidence of Interconnection construction schedules
- Documentation defining the amount of Federal Investment Tax Credit or Federal Production Tax Credits to be secured for the project, including a detailed explanation of how it will be qualified
- Documentation that shows an acceptable level of development, credit, and technology risk
- Appendix J (Scorecard) and Appendix K (Pollinator Scorecard) if applicable
- Redlined versions of contract templates for submitted proposals (if not able to utilize contract templates as provided)

8.5 **Project Scoring Criteria**

Proposals will be evaluated based on cost, commodity value, and other qualitative criteria such as social and environmental impact, as outlined in Section 10: Proposal Evaluation and Contract Negotiations. **Respondents must complete and submit Appendix J (Scorecard) and Appendix K (Pollinator Scorecard) as applicable.** Appendix J (Scorecard) details the structure and items of which points will be awarded in order to determine project scores as well as the required deliverables to achieve awarded points for use by Enel X in the evaluation and proposal ranking process. Respondents shall attach, to each proposal, any information necessary to support its claim for awarded points. Appendix I (Scorecard Guidance) details scoring criteria.

Any awarded points to a selected project that involves a future obligation or commitment of the Respondent (e.g. use of Michigan labor, use of Michigan materials, etc.) will be included in the project contract. In the event that such obligation or commitment is not met by the project’s COD, the developer shall be responsible to compensate Consumers Energy and its customers by \$1,400 per MW per Scorecard point awarded but not obtained.

8.6 **Clarification of Proposals**

While evaluating proposals, Enel X may request additional information about any item in the proposal. All requests will be made in writing via email, and the Respondent will be required to respond to the request within three (3) business days of receipt of such request or Enel X may choose to remove the Respondent's proposal from further consideration. This includes requests for updated Interconnection construction timelines issued by the provider.

9. **Minimum Eligibility Requirements**

This section outlines the minimum requirements that all proposals must meet to be eligible to participate in this RFP. Subject to Subsection 10.1 below, Proposals not meeting the following criteria may be deemed to be ineligible and may not be considered for further evaluation.

- Respondents must meet the General Proposal Requirements in accordance with Section 6 of this RFP.
- Proposals must include all applicable content requirements described in Section 8 of this RFP, including all requested information and completed forms.
- Proposals must provide documentation that shows an acceptable level of development, credit, and technology risk, as determined by Enel X's bid evaluation team.

10. **Proposal Evaluation and Contract Negotiations**

10.1 **Initial Proposal Review**

After the proposal submittal due date, as detailed in Subsection 3.6, Enel X will review all responses for completeness, responsiveness and compliance with the minimum bid eligibility requirements specified in this RFP and provided Solicitation materials. Enel X will not accept updated pricing from Respondents during the evaluation period. Preliminary due diligence will also be conducted at this stage to identify any flaws associated with the proposal that are unacceptable to Enel X. Enel X reserves the right to screen out proposals from consideration based on non-pricing factors, including, but not limited to, project or developer risk, reduction/loss of Respondent creditworthiness, and community opposition. As a result of this screening, Enel X may, at its sole discretion, either eliminate proposals from further consideration, or contact applicable Respondents to clarify information or request additional information.

- 10.1.1 **Clarification of Proposals**: While evaluating proposals, Enel X may request additional information about any item in the proposal. All requests will be made in writing via email, and the Respondent will be required to respond to the request within three (3) business days of receipt of such request or Enel X may choose to remove the Respondent's proposal from further consideration.

10.2 Blind Shortlist Development

Enel X will first prescreen all proposals per Section 5, RFP Screening Requirements, to remove ineligible proposals from consideration. Next, Enel X will evaluate all eligible proposals to meet pricing and renewable energy needs. Proposals will be evaluated based on projected costs, projected commodity value, and non-price criteria. The economic evaluation will consist of first calculating the total projected cost of a proposal via the Economic Model corresponding to the proposed contract structure. Second, the projected value of the commodities provided by the proposed project will be calculated via the Economic Model. The resulting cost and value metrics will be used to calculate the Cost-to-Value Ratio for the proposal. Lastly, the cost, value, and other non-price criteria will be evaluated in the Scorecard (Appendix J). Eligible projects will then be ranked on the appropriate COD-based blind shortlist based on their total scorecard points. The four COD tranches are:

- Existing – 12/31/2022
- 1/1/2023 – 12/31/2024
- 1/1/2025 – 12/31/2025
- 1/1/2026 – 12/31/2026

Enel X will provide four COD-based blind shortlist ranking of proposals to the Company for review and selection. Consumers Energy will make its provisional selections based on the blind ranking as soon as possible after the bid events. The Company will select winning proposals determined by those which score the highest number of points given customer demand thresholds for COD timing and pricing.

The Company will provide Enel X confirmation of the provisionally selected proposals by June 28, 2022. The Company will provisionally select more renewable energy than what is required to fulfill the total renewable energy sought in this solicitation as referenced in Section 2.2. Upon confirmation of the final selected proposals from the Company, Enel X will reveal details of the selected proposals to the Company. The Company will be responsible for final due diligence, fatal flaw review, and negotiation of necessary contract details of the selected proposals with the respective Respondents that submitted the selected proposals. The Company may make subsequent provisional or partial selections for remaining renewable energy as needed to fill needs as described in Subsection 2.2.

10.3 Contract Negotiations

Consumers Energy may initiate contract negotiations for potential project purchases with one or more Respondents whose proposals Consumers Energy has selected pursuant to Subsection 10.2 above. If Consumers Energy determines that the Respondent and Consumers Energy cannot (or will not be able to) agree to acceptable terms within the schedule set forth in Subsection 3.6, Consumers Energy reserves the right to eliminate the Respondent from further consideration and enter negotiations with another project in the blind shortlist. **Respondents are strongly encouraged to utilize the Consumers Energy agreements in their current form and to limit redline changes. The Company will not accept material modifications to the provided Utility Owned template contracts, including but not limited to, essential provisions such as, COD and regulatory disallowance.**

Consumers Energy's commencement of and participation in negotiations shall not be construed as a commitment to execute a contract. As described in Subsection 10.2, the Company intends to provisionally select proposals for more renewable energy than it will ultimately execute definitive agreements for in an effort to ensure a timely, successful conclusion to this RFP. As such, a Respondent that receives a provisional selection shall expect that the Company is also pursuing alternative proposals which may be preferable to the Respondent's proposal. Only execution of a definitive agreement by both Consumers Energy and the Respondent on mutually acceptable terms will constitute a "winning proposal".

11. Reservation of Rights

Enel X reserves the right, without qualification, to reject any or all proposals and to waive any irregularity in submitted information. There is no assurance, expressed or implied, that any contract will be executed pursuant to this RFP. Enel X also reserves the right to evaluate all proposals received in any manner it elects to employ, to solicit additional proposals if it is deemed necessary to do so and the right to submit additional information requests to Respondents during the proposal collection and evaluation process.

Consumers Energy reserves the right, without qualification, to reject any or all proposals and to waive any irregularity in submitted information as part of its due diligence review of any project selected from the blind shortlist provided by Enel X. There is no assurance, expressed or implied, that any contract will be executed pursuant to this RFP. Consumers Energy also reserves the right to evaluate all proposals received in any manner it elects to employ, to solicit additional proposals from Enel X's identified shortlist provided under Subsection 10.2 if it is deemed necessary to do so and the right to submit additional information requests to Respondents during the bid evaluation process.

12. Liability with Respect to RFP

This RFP shall not, by itself, give any right to any party for any claim against Consumers Energy and/or Enel X. Furthermore, by submitting a proposal, Respondent shall be deemed to have acknowledged that Consumers Energy assumes no liability in any fashion with respect to this RFP or any matters related thereto. By submission of a proposal, the Respondent, for itself as well as for its successors and assigns (if any), agrees that, as between Respondent and Consumers Energy, Respondent is to be solely responsible for all claims, demands, accounts, damages, costs, losses and expenses of whatsoever kind in law or equity, known or unknown, foreseen or unforeseeable, arising from or out of this RFP.

13. Confidentiality of Information

All proposals submitted in response to this RFP become the property of Consumers Energy and/or Enel X upon submittal. Consumers Energy and Enel X will take commercially reasonable precautions and use commercially reasonable efforts to maintain the confidentiality of all proposals submitted. Respondents shall clearly identify each page of information considered to be confidential or proprietary. Consumers

Energy reserves the right to release any selected proposal(s) to its agents or consultants for purposes due diligence, contract negotiations, and quality assurance. Consumers Energy's disclosure policies and standards will automatically bind such agents or consultants. **Regardless of the confidentiality claimed, all such information may be subject to review by the appropriate state authority, or any other governmental or regulatory authority or judicial body with jurisdiction relating to these matters and may be subject to discovery.** Under such circumstances, Consumers Energy and Enel X will make all commercially reasonable efforts to protect Respondent's confidential information.

14. Proposal Costs

Each Respondent shall assume any and all costs/expenses required for or in connection with its proposal.