

RESIDENTIAL RENEWABLE ENERGY PROGRAM TERMS AND CONDITIONS

DESCRIPTION

The Renewable Energy Program ("Program") provides Consumers Energy Company's ("Company") customers the opportunity to advance the development of renewable energy by offering the ability to match up to 100% of an average household's annual energy use with renewable energy generated from wind or solar resources.

Consumers Energy owns (or contracts with third parties to provide) utility scale solar and wind energy facilities ("Facilities"). The energy produced from these Facilities 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 these Facilities is delivered directly to those participating in the program. Participants are required to pay a subscription fee and in return receive a monthly renewable energy bill credit for the value of resource capacity and energy generated.

This voluntary program is not designed to reduce participants' electric bills. Rather, it offers an opportunity to voluntarily participate in a program that generates clean, renewable energy, which reduces greenhouse gas emissions by displacing fossil-fueled generation. The subscription charges will add to participants' monthly electric bills and the renewable energy bill credits will be applied to the participant's monthly electric bills. The Company makes no assertion, and customers should not expect that the renewable energy bill credits will be greater than the subscription payment. Participants should not enroll in this program with the expectation of financial gain.

DEFINITIONS

Energy Credit: The customer will be provided a dollar per kWh energy credit based on the Midcontinent Independent System Operator ("MISO") settled Day Ahead and Real Time LMP related payments for the renewable energy at the assigned Commercial Pricing Node for the generated output of the Facilities. The Energy Credit also includes a factor to account for avoided line losses attributable to the distribution interconnected Facilities. The credit will be based on the customer's pro rata share of the energy produced from the Facilities and the customer's subscription level.

Capacity Credit: The customer will be provided a dollar per kWh capacity credit based on the value of the auction clearing price in the annual MISO capacity auction from the Facilities for the planning period, as determined by the Company. The annual MISO capacity auction takes place in March with the revenue from system capacity being updated for the next twelve months beginning June 1 of each year. The credit will be based on the customer's pro rata share of the energy produced from the Facilities and the customer's subscription level.

ELIGIBILITY

Available to full service residential metered customers in good standing with the Company that have not received a shut-off notice in the previous nine months.

ENROLLMENT

Customers eligible to participate may complete the online enrollment form to commit to the desired subscription level. Customers will be enrolled on a first-come, first served basis.

SUBSCRIPTION TYPE

Residential: The subscription level is expressed as a percentage of kWh energy based on the average annual residential household usage at the time of enrollment.

SUBSCRIPTION LEVEL

The minimum participation match is 1% for each enrolled customer account with participation levels in 1% increments, up to 100% of the average annual household energy usage.

SUBSCRIPTION CHARGE

The subscription charge is a dollar per kWh monthly charge applied to the portion of energy of the customer's account designated to participate in the Program and is designed to fully recover the costs of the program. The charge is a fixed price determined annually based on the weighted average levelized cost of service for the unsubscribed capacity from the existing and planned Facilities and other Program costs. The customer's subscription charge will be determined at the time of enrollment and shall not change until the end of their enrollment term.

RENEWABLE ENERGY BILL CREDITS

Participants will receive monthly bill credits for the value of resource capacity and energy generated in accordance with the tariff. The bill credit is based on the participant's subscription level and the value of the Energy Credit and Capacity Credit. Monthly energy and capacity credits billed to customers will be based on forecasted energy and capacity value of the Facilities. Customers will be charged or credited for any deficiency or sufficiency in actual subscription payments made to the Company as defined in Annual Credit Reconciliation and True Up.

ANNUAL CREDIT RECONCILIATION AND TRUE UP

An annual reconciliation of the forecasted energy and capacity credit provided to the customer against the actual energy and capacity credit received on behalf of all the Company's Facilities in the Program will be completed in the first quarter of each year for the previous Program year. Customers will be charged or credited for any deficiency or sufficiency in actual subscription payments made to the Company no later than the customer's April bill month. For example, if actual energy and capacity credits received by the Company are less than the forecasted credits that were provided to customer in the Program year, customer will be charged the difference. The Company may adjust its forecasted capacity or energy credits at any time throughout the subscription year to minimize the annual true-up adjustment.

RENEWABLE ENERGY CERTIFICATES (RECS)

Renewable Energy Certificates (RECs) represent the environmental benefits associated with the generation of renewable energy. The RECs generated from the program will be retired annually on behalf of the program.

TERM & FORM OF CONTRACT

Participants shall not be permitted to change their established level of participation until 12 months after date of initial enrollment or at the Company's discretion. Thereafter, customers can choose to change their level of participation monthly or cancel their enrollment. Participants electing to cancel their enrollment may do so by emailing their request to renewableprogram@consumersenergy.com.

Customers are automatically reenrolled in the program at the end of the 12-month period unless they choose to cancel program participation.

Customers who relocate within the Consumers Energy electric service territory will have their subscription transferred to their new premises unless a request for cancellation is submitted to the Company.

TERMINATION

Termination from the program may occur in the following cases:

- (1) Participant enrollment will be discontinued without refund if three consecutive Subscription Payments are delinquent,
- (2) The participant is no longer a full-service electric participant, and/or
- (3) The participant is no longer an electric customer in the Consumers Energy service territory.

Consumers Energy may terminate Renewable Energy Program under the following cases:

- (1) Facilities are unavailable or cannot be procured to serve the program,
- (2) The Renewable Energy Program is cancelled,
- (3) Federal and/or State laws are established that may make the program unnecessary, noncompliant, or in need of revision, or
- (4) For other reasons approved by the MPSC.

RULES AND REGULATIONS

Consumers Energy's Renewable Energy Program is a voluntary program governed by the [tariff, Rule C 10.6](#), which is approved by the Michigan Public Service Commission ("MPSC"). The information contained in this document is a summary of the terms governing participation and is subject to the applicable tariff, including any subsequent tariff amendments.

PROGRAM INFORMATION & QUESTIONS

Visit <https://www.consumersenergy.com/residential/savings-and-clean-energy/renewable-energy/renewable-energy-program> for updated program information or contact us at renewableprogram@consumersenergy.com.