

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission’s own motion,	)	
regarding the regulatory reviews, revisions,	)	
determinations, and/or approvals necessary for	)	Case No. U-15805
<b>CONSUMERS ENERGY COMPANY</b> to fully	)	
comply with Public Act 295 of 2008.	)	
_____	)	

At the January 26, 2012 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman  
Hon. Orjiakor N. Isiogu, Commissioner  
Hon. Greg R. White, Commissioner

**OPINION AND ORDER**

On October 6, 2008, Public Acts 286 and 295 of 2008 were signed into law, which amended MCL 460.1 *et seq.* and created MCL 460.1001 *et seq.* (Act 295), respectively. On October 21, 2008, the Commission commenced this case to facilitate Consumer Energy Company’s (Consumers) obtaining the regulatory reviews, determinations, and approvals necessary for it to fully comply with the new acts.

In its July 27, 2010 order (July 27 order) in this case, the Commission approved four Consumers long-term, renewable energy purchase agreements (REPAs) with Michigan Wind 2, LLC, WM Renewable Energy, L.L.C. (Pine Tree Acres), Harvest II Windfarm, LLC, and Blissfield Wind Energy, LLC for a total of 243.2 megawatts (MW) nameplate capacity. On January 9, 2012, Consumers filed an application requesting *ex parte* approval of an amendment to

the contract between Consumers and Blissfield Wind Energy originally approved in the July 27 order. The amendment is dated December 22, 2011.

According to Consumers, the amendment will not result in any increase in cost compared to the original contract. The contracts will still result in 80.1 MW of energy, capacity, and renewable energy credits from wind farm development. However, the amendment moves the location of the wind farm and guarantees that Consumers will pay no more for the energy, capacity, and renewable energy credits than the amount agreed upon in the original contract regardless of whether the project qualifies for tax credits. Originally, the project was to be made up of turbines located in Riga, Palmyra, and Ogden Townships in Lenawee County. Consumers stated in its application that a zoning ordinance made further development of the project in Lenawee County unlikely. To continue development of the project, the developer has planned a relocation of the project to either Ionia County or Gratiot County.

Consumers states that the requested approval will not result in “an alteration or amendment in rates or rate schedules” and “will not result in an increase in the cost of service to customers” because the amendment is consistent with the planning activities, expenses, and revenue recovery mechanisms and surcharges described in Consumers’ amended renewable energy plan approved by the Commission on May 10, 2011 in Case No. U-16543. Therefore, Consumers’ application may be authorized and approved without notice or hearing pursuant to MCL 460.6a(1).

### Discussion

The Commission considered the factors in Section 37 of Act 295 and finds that the amendment should be approved. The Commission agrees to provide assurance that the full costs of the amended REPA will be recoverable through the combined application of the transfer price mechanism and application of the renewable energy surcharges.

The Commission finds that *ex parte* review and approval is appropriate because the amendment will not affect rates or rate schedules resulting in an increase in the cost of service to customers. As stated in the Commission's December 4, 2008 order in Case No. U-15800, the Commission intends to do a thorough, yet timely, review of requests for contract approval in order to encourage development of the most cost-practical and highest-quality renewable energy resources. The Commission has all necessary information needed to approve the amendment. The Commission finds no prohibition against *ex parte* approval of the amendment in Act 295.

THEREFORE, IT IS ORDERED that the amendment to the contract between Consumers Energy Company and Blissfield Wind Energy, LLC dated December 22, 2011 is approved as in compliance with Act 295 of 2008.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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John D. Quackenbush, Chairman

By its action of January 26, 2012.

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Orjiakor N. Isiogu, Commissioner

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Mary Jo Kunkle, Executive Secretary

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Greg R. White, Commissioner