

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
CONSUMERS ENERGY COMPANY	)	
for approval of a power purchase agreement with	)	Case No. U-21963
Blue Elk Solar I, LLC.	)	
_____	)	

At the January 29, 2026 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On August 15, 2025, Consumers Energy Company (Consumers) filed an application in this case (August 15 application) with supporting testimony and exhibits, requesting approval of a power purchase agreement (PPA) with Blue Elk Solar I, LLC (Blue Elk I) for the output of the Blue Elk I Solar Plant.

In the August 15 application, Consumers explained that the PPA with Blue Elk I is a new PPA following the termination of an original Public Utility Regulatory Policies Act of 1978 PL 95-617; 92 Stat 3117 (PURPA) contract between Consumers and Blue Elk I that was entered into on January 31, 2020 pursuant to a settlement agreement in Case No. U-20615. Consumers stated that on June 24, 2022, Consumers and Blue Elk I executed Amendment No. 1 to the PPA. During the course of development, Consumers provided that Blue Elk I encountered regulatory issues in its permitting process, resulting in delays that impacted Blue Elk I's ability to meet the commercial

operation date (COD) in the PURPA-based PPA. August 15 application, pp. 1-2. Consumers and Blue Elk I therefore agreed to terminate the PURPA-based contract and enter into a new PPA, the subject of the August 15 application, that reflected a PPA structure similar to solar PPAs executed as part of Consumers' competitive solicitation procurements. Consumers contended that the new framework established updated commercial terms and development timelines, providing a more flexible and practical arrangement for project execution, and that this transition aligned with evolving regulatory requirements and advanced the interests of Consumers' customers. *Id.*, p. 2.

Per Consumers, under the new PPA, Blue Elk I will supply 20 megawatts^{Salternating current} of solar-generated electricity, capacity, and the associated environmental attributes to the company with a target COD of May 15, 2027. *Id.*, pp. 2-3.

A prehearing conference was held before Administrative Law Judge James M. Varchetti on October 7, 2025. Consumers and the Commission Staff entered participated in the proceeding. Subsequently, the parties filed a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that the settlement agreement, attached as Exhibit A, is approved.

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, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of January 29, 2026.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the application of	)	
CONSUMERS ENERGY COMPANY	)	Case No. U-21963
for approval of power purchase	)	
agreement with Blue Elk Solar I, LLC.	)	
_____	)	

SETTLEMENT AGREEMENT

On August 15, 2025, Consumers Energy Company (“Consumers Energy” or the “Company”) filed an Application with the Michigan Public Service Commission (“MPSC” or the “Commission”) requesting approval of a Power Purchase Agreement (“PPA”) with Blue Elk Solar I, LLC (“Blue Elk I”) for the output of the Blue Elk I Solar Plant. The PPA with Blue Elk I is a new PPA following the termination of an original PURPA-based contract between the Company and Blue Elk I. The new PPA reflects a structure similar to solar PPAs executed as part of the Company’s competitive solicitation procurements. The Application was supported by the direct testimony and exhibits of Company witness Beth A. Skowronski. Pursuant to the Notice of Hearing, an initial prehearing conference was held in this proceeding before Administrative Law Judge James M. Varchetti on October 7, 2025. At the prehearing conference, the Commission Staff (“Staff”) entered its appearance. A second prehearing was scheduled for November 16, 2025. No other parties intervened.

The parties have discussed the issues in this case and, as a result, decided to resolve all issues by virtue of this Settlement Agreement (“Agreement”).

WHEREFORE, the parties agree to the following:

1. Pursuant to the Settlement Agreement approved by the Commission in its Case No. U-20615 Order, Consumers Energy entered into the PURPA-based PPA with Blue Elk I. During the course of development, Blue Elk I encountered regulatory challenges related to its permitting process, most notably, delays in securing an overhead river crossing distribution line permit from the Michigan Department of Environment, Great Lakes, and Energy. These delays impacted Blue Elk I's ability to meet the Commercial Operation Date ("COD") requirements outlined in the PURPA-based PPA. The Parties agreed to terminate the PURPA-based contract and enter a new PPA with a new framework that establishes updated commercial terms and development timelines, providing a more practical and flexible arrangement for project execution.

2. The Company sought Commission approval of the new PPA pursuant to Section 6j of Act 304, MCL 460.6j and all other applicable law.

3. The Company and Blue Elk I executed a new PPA on June 23, 2025 ("New PPA") due to the challenges meeting the COD requirements of the prior PPA. The New PPA formalizes the arrangement under which Blue Elk I will supply solar-generated electricity, related capacity, and environmental attributes to the Company. The contract marks a departure from a previous PURPA-based framework, replacing it to align more with Consumers Energy's current competitive Request for Proposal templates. It sets a comprehensive foundation for energy delivery, performance commitments, and compliance expectations across a 20-year term, governed by Michigan law.

4. The New PPA is expected to reduce overall customer costs compared to the prior PURPA-based structure. The Company anticipates total customer savings of approximately \$3.3 million, based on the updated energy rate schedule outlined in Exhibit A-2 (BAS-2). These savings will be passed along to customers through the Power Supply Cost Recovery process

through a reduction in the expenses paid to Blue Elk I. From a financial perspective, the New PPA demonstrates improved cost metrics for PPA payments, including reduced average \$/MWh rates and decreased total costs. However, when considering the transition to the updated Financial Compensation Mechanism (“FCM”) framework and reduction of the price escalation between the PURPA-based PPA and New PPA, the Levelized Cost of Energy (“LCOE”) under the New PPA is slightly higher. Both the average cost and total cost remain lower than those projected under the legacy PURPA-based agreement.

5. The parties agree that the Commission should approve the amended PPA between Consumers Energy and Blue Elk I and specifically indicate that the Commission approves recovery by Consumers Energy of all payments under the PPA for the purposes of Section 6j of 1982 PA 304, MCL 460.6j, and all other applicable law.

6. The parties join in requesting the Commission to issue an order approving this Agreement. The parties agree that approval of this Agreement by the Commission is reasonable and in the public interest.

7. This Agreement has been made for the sole and express purpose of reaching a compromise and an accommodation among the parties to this case. This Agreement shall not in any way prejudice any of the parties’ right to take new and/or different positions in any other proceeding. All offers of settlement and discussion relating to this Agreement shall be considered privileged under MRE 408. If the Commission approves this Agreement without modification, neither the parties to this Agreement, nor the Commission shall make any reference to, or use the Agreement, or the order approving it as reason, authority, rationale, or example for taking any action or position or making any subsequent decision in any other case or proceeding; provided

however, such references or use may be made to enforce this Agreement and the order approving it.

8. For the sole purpose of submitting this Agreement to the Commission, the parties waive compliance with the provisions of Section 81 of the Administrative Procedures Act of 1969, MCL 24.281.

CONSUMERS ENERGY COMPANY

By:  Digitally signed by
Evan B. Keimach
Date: 2025.11.04
12:38:34 -05'00'

Evan B. Keimach (P-83418)
Bret A. Totoraitis (P-72654)
Attorneys for Consumers Energy
One Energy Plaza
Jackson, MI 49201

Date: November 4, 2025

**MICHIGAN PUBLIC SERVICE
COMMISSION STAFF**

By:  Anna Stirling
2025.12.23
11:27:50 -05'00'

Anna B. Stirling (P-84919)
Daniel E. Sonndeveldt (P-58222)
Assistant Attorneys General
7109 West Saginaw Highway
Lansing, MI 48917

Date: December 23, 2025

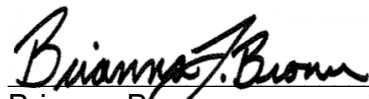
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STATE OF MICHIGAN)

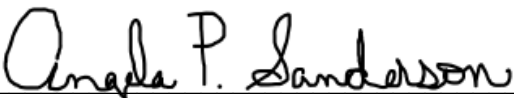
Case No. U-21963

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on January 29, 2026 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 29th day of January 2026.


Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21963

Name	On Behalf Of	Email Address
Anna B. Stirling	MPSC Staff	stirlinga1@michigan.gov
Bret A. Totoraitis	Consumers Energy Company	bret.totoraitis@cmsenergy.com
Consumers Energy Company (1 of 2)	Consumers Energy Company	mpsc.filings@cmsenergy.com
Consumers Energy Company (2 of 2)	Consumers Energy Company	kelly.hall@cmsenergy.com
Evan B. Keimach	Consumers Energy Company	evan.keimach@cmsenergy.com
James M. Varchetti	ALJs - MPSC	varchettij@michigan.gov