

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	)	
CONSUMERS ENERGY COMPANY	)	Case No. U-15805
to fully comply with Public Acts 286 and 295	)	
of 2008.	)	
_____	)	

At the March 29, 2016 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman
Hon. John D. Quackenbush, Commissioner
Hon. Norman J. Saari, Commissioner

ORDER

On January 29, 2016, Consumers Energy Company (Consumers) filed an application for *ex parte* approval of four contracts related to the company's Solar Gardens Program for the engineering, procurement, and construction (EPC) of solar facilities. The Solar Gardens Program was approved by the Commission in the May 14, 2015 order in Case No. U-17752. The EPC contracts, which Consumers states were the result of a Request for Qualifications and Request for Proposals process, with subsequent bid evaluations, are between Consumers and: (1) J. Ranck Electric, Inc (J. Ranck) for construction of the facility; (2) Mounting Systems Inc. (Mounting Systems) for solar panel racking; (3) Suniva, Inc., (Suniva) for solar modules; and (4) SMA Solar Technology America, LLC (SMA) for string inverters. The solar facilities referenced in these contracts will be located, in part, on the campus of Grand Valley State University (GVSU).

According to Consumers, the Solar Gardens Program has a total capacity of ten megawatts (MW). While the Mounting Systems, Suniva, and SMA contracts will apply to the entire program up to ten MW, the approval for the construction contract with J. Ranck applies only to the three MW GVSU site. The cost of the total program was expected to be \$2,000 to \$3,000 per kilowatt (kW) installed as initially estimated in Case No. U-17752; however, after finalizing contracts, Consumers now expects the Solar Gardens Program to cost \$2,000 per kW_{ac} installed, with a levelized cost of \$160 per megawatt hour.

Consumers states that the approvals requested in this application 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 these contracts are consistent with the activities, expenses and revenue recovery mechanisms described in Consumers' amended renewable energy plan. Therefore, *ex parte* approval of these contracts is lawful and appropriate.

Discussion

EPC contracts are required to be approved by the Commission pursuant to MCL 460.1033(1)(a) and (3), which state, in relevant part:

At the electric provider's option, up to but no more than 50% of the renewable energy credits shall be from any of the following:

(i) Renewable energy systems that were developed by and are owned by the electric provider. An electric provider shall competitively bid any contract for engineering, procurement, or construction of any new renewable energy systems described in this subdivision. However, an electric provider may consider unsolicited proposals presented to it by a renewable energy system developer outside of a competitive bid process. If the provider determines that such an unsolicited proposal provides opportunities that may not otherwise be available or commercially practical, the provider may enter into a contract with the developer.

* * *

(3) An electric provider shall submit a contract entered into pursuant to subsection (1) to the commission for review and approval. If the commission approves the contract, it shall be considered to be consistent with the electric provider's renewable energy plan.

The Commission has reviewed the contracts and finds that they should be approved. In accordance with MCL 460.1033(1)(a)(i), the company has demonstrated that it has competitively bid the contracts, the contracts provide reasonable terms and conditions, and they are in compliance with Consumers' most recent renewable energy plan. *Ex parte* review and approval is appropriate, because the contracts will not affect rates or rate schedules resulting in an increase in the cost of service to customers. The Commission has all necessary information needed to approve these contracts.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company's request for approval of the construction contract with J. Ranck Electric, Inc. for the Grand Valley State University site is granted.

B. Consumers Energy Company's requests for approval of the contracts with Mounting Systems Inc., Suniva, Inc., and SMA Solar Technology America, LLC, for the Solar Gardens Program are granted.

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

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under 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 mpscedockets@michigan.gov and to the Michigan Department of the Attorney General - Public Service Division at pungp1@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

Sally A. Talberg, Chairman

John D. Quackenbush, Commissioner

Norman J. Saari, Commissioner

By its action of March 29, 2016.

Mary Jo Kunkle, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-15805

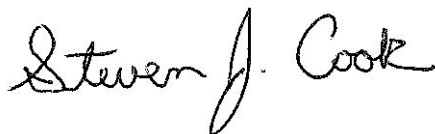
County of Ingham)

Lisa Felice being duly sworn, deposes and says that on March 29, 2016 A.D. she served a copy of the attached Commission order by first class mail, postage prepaid, or by inter-departmental mail, to the persons as shown on the attached service list.



Lisa Felice

Subscribed and sworn to before me
This 29th day of March 2016



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Notary Public, Ingham County, Michigan
As acting in Eaton County
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