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July 20, 2018

Ms. Kavita Kale
Executive Secretary
Michigan Public Service Commission
7109 W. Saginaw Highway
P.O. Box 30221
Lansing, MI 48909

Re: MPSC Case No. U-18351

Dear Ms. Kale:

Attached for electronic filing in the above-referenced matter, please find the Reply Brief of the Michigan Energy Innovation Business Council, the Institute for Energy Innovation, and Advanced Energy Economy. Thank you for your assistance in this matter.

Sincerely yours,

VARNUM

Timothy J. Lundgren

TJL/kc

Enclosures

c. All parties of record.

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
regarding the regulatory reviews, revisions,)
determination and/or approvals necessary for)
CONSUMERS ENERGY COMPANY to comply)
with Section 61 of 2016 PA 342)
_____)

Case No. U-18351

**REPLY BRIEF OF THE
MICHIGAN ENERGY INNOVATION BUSINESS COUNCIL,
INSTITUTE FOR ENERGY INNOVATION,
AND ADVANCED ENERGY ECONOMY**

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I. INTRODUCTION

This Reply Brief is filed on behalf of the Michigan Energy Innovation Business Council (“Michigan EIBC”), the Institute for Energy Innovation (“IEI”), and Advanced Energy Economy (“AEE”) by its attorneys, Varnum LLP. Failure to address any issues or positions raised by other parties should not be taken as agreement with those issues or positions.

II. ARGUMENT

A. Consumers’ Objections to Near-Term Expansion of the LC-REP Option B Program Should Not Override Customer Desire for Access to Such a Program.

Michigan EIBC, IEI, and AEE affirm the positions taken in their Initial Brief and the recommendations found there. In addition, we would note that Consumer Energy's objections to the expansion of the Option B program as proposed by us and other parties to this proceeding are mainly based on speculative concerns about the possibility of additional administrative costs

or unspecified "unintended consequences." Consumers Initial Brief pp. 15-16. In weighing these concerns, the Commission should balance against Consumers' perhaps overly cautious approach, the documented and pent-up customer demand for access to a program such as Consumers has proposed here and consider the requirement of Section 61 that the utility offer its customers the opportunity to participate in its VGP programs¹. MCL 460.1061. In this situation, an overly cautious approach may prevent the statutory goals from being achieved.

We disagree with Staff on how to best address this customer need. Staff seems content to await changes for the next biennial filing, while we believe that Consumers should actively work to expand this program and should re-file the LC-REP program with expanded availability within six months. See Staff Brief, p. 7; Michigan EIBC, IEI and AEE Initial Brief, p. 13. In particular, Option A has very limited remaining availability and while continuing to restrict the LC-REP Option B to new load may aid in its serving as an economic or business development tool, it does nothing to aid existing customers or to help meet their current needs. Nor do we believe that customers should have to wait until 2019 for Consumers' next filing in order to see if they will be able to have access to this program. We therefore respectfully request that the Commission instruct Consumers to refile within six months an expanded and slightly revised version of the LC-REP Option A program and an expanded Option B that at a minimum removes the requirement that to be applicable to new load.

¹ Customer interest in programs like the proposed LC-REP Option B is discussed in our Initial Brief at pages 4 to 9. Staff also notes in their Initial Brief their belief "that customers want more options." Staff Initial Brief, p. 7.

III. CONCLUSIONS AND PRAYER FOR RELIEF

WHEREFORE, for the reasons set forth herein, as well as those set forth in its Initial Brief, the Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy Economy hereby respectfully request that the Commission grant conditional approval of Consumers' application, with the stipulation that the Company make adjustments to the LC-REP program to ensure that Consumers' application fully complies with the requirement in Section 61, and with the criteria set forth by the Commission in its July 12 Order, as such adjustments are set forth more fully in our Initial Brief.

Respectfully submitted,

Varnum LLP
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and Advanced Energy Economy

July 20, 2018

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PROOF OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF INGHAM)

Kimberly Champagne, the undersigned, being first duly sworn, deposes and says that she is a Legal Secretary at Varnum LLP and that on the 20th day of July, 2018, she served a copy of the Reply Brief of the Michigan Energy Innovation Business Council, Institute for Energy Innovation, and Advanced Energy Economy upon those individuals listed on the attached Service List via email at their last known addresses.

Kimberly Champagne

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MPSC CASE NO. U-18351

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