

31. What impact has Michigan's retail market structure had on compliance with the renewable energy standard?

Michigan's first compliance year is 2012 and the first compliance reports are due at the end of June, 2013. Based on renewable energy plan filings, all alternative electric suppliers are expected to meet the renewable energy credit requirements of the RPS.

All alternative electric suppliers report that they have signed contracts to purchase unbundled renewable energy credits to meet the standard. If Michigan were to experience a shortage of unbundled renewable energy credits in the future, and the MWh of customer choice were to significantly increase, compliance may become more difficult. The Alternative Electric Supplier business model may not be compatible with signing long term power purchase contracts to support development of new renewable energy projects.