

38. Based upon the surcharges collected for renewable energy in Michigan, what percentage of the renewable energy funding in Michigan is provided by each rate class? (residential, commercial, industrial)? How does this compare with other jurisdictions?

The following is a breakdown of renewable energy surcharges provided by each rate class in Michigan:

Residential: 66%

Commercial Secondary: 26%

Commercial Primary/Industrial: 8%

| State  | RPS Cost Recovery – Michigan and Neighboring States   |
|--|---|
| Illinois   | Traditional Cost Recovery   |
| Indiana  | Utilities that participate in the program and meet the program goals are eligible for incentives which are used to pay for the compliance projects.   |
| Michigan   | Non-traditional cost recovery. Surcharge and transfer price methodology for electric providers with incremental cost of compliance. Surcharge cost recovery: Residential: 66%, Commercial Secondary: 26%, Commercial Primary/Industrial: 8% |
| Minnesota  | Traditional Cost Recovery   |
| Ohio   | Traditional Cost Recovery – No recovery for Alternative Compliance Payment costs  |
| Pennsylvania   | Can be recovered through rate base. Compliance costs can be recovered on ratepayers' bills through the automatic energy adjustment clause as a cost of generation supply. ACP costs are not recoverable                                     |
| Wisconsin  | Traditional Cost Recovery   |
| Source: RPS Edge <a href="http://mjbeck.emtoolbox.com/index.cfm?page=Members_Area">http://mjbeck.emtoolbox.com/index.cfm?page=Members_Area</a><br>DSIRE: <a href="http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=IN12R">http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=IN12R</a> |   |