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# State Renewable Energy News

## A Compilation of Renewable Electric Activities in the States

Prepared for the NARUC Renewable and Distributed Resources Subcommittee

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Volume 12, No. 1

Winter 2003

### State Activities

#### Connecticut

##### **Two Green Marketers Cease Operations**

During the past six months, two retail green power marketers (the Connecticut Energy Cooperative and Green Mountain Energy Company) ceased operations in the state citing poor market conditions, such as low “standard offer” prices and a general lack of knowledge of electricity restructuring among the state’s electricity customers.

The marketer actions reinforce the findings of a joint study of the state’s electricity market prepared by the DPUC and the Office of Consumer Counsel (OCC) and submitted to the General Assembly in February 2002. The report concluded that a “competitive retail market has been slow to develop” in the state. Nevertheless, the two agencies determined that although there has been very little retail switching, customers have benefited from rate stability resulting from the long-term, fixed-price contracts for standard-offer energy that were entered into by the default utility suppliers.

#### Florida

##### **PSC Issues Renewables Report**

The PSC, in consultation with the Department of Environmental Protection, issued an assessment of renewable energy in Florida and its potential for electricity generation. The report was mandated by the 2002 Florida Legislature for the purpose of identifying public-policy approaches to increasing the use of renewable resources in the state.

The two agencies found that renewables currently contribute about 680 megawatts of electric supply in the state or 1.6% of

statewide generating capacity, derived primarily from biomass and municipal solid waste resources. They also found that the potential exists to add another 511 MW of renewables capacity in the near-term. The report documents current utility development activities and provides a review of policies and initiatives that other states have adopted to encourage greater use of renewable energy sources.

##### **PSC Contact:**

**Adrienne Vining, (850) 413-6183**

#### New Jersey

##### **Governor Establishes RE Task Force**

By executive order, Gov. James E. McGreevey established a Renewable Energy Task Force and charged it “with strengthening and expanding the renewable energy requirements that the state imposes on suppliers.” The state’s 1999 electricity restructuring law established a renewable portfolio standard (RPS) that requires electricity suppliers to provide 6.5% of all energy sold from renewable energy sources by 2012.

The task force includes representatives from renewable and traditional energy suppliers, utilities, environmental and consumer groups, and other energy experts. Among the duties of the task force will be to examine whether the RPS requirements should be increased and whether a certain percentage of the energy should come from specific renewable sources. The task force will also recommend measures to help electricity suppliers comply with the RPS requirements.

##### **Governor’s Office Contact:**

**Micah Rasmussen, (609) 777-2600**

### **BPU Approves “Green” Pilot Program**

The BPU approved the results of a sealed bid process to secure 200 MW of green energy to meet the electric demands of Jersey Central Power & Light (JCP&L) residential customers who have not selected an alternative supplier. This will be the first time that customers have the option to choose cleaner energy as part of Basic Generation Service (BGS). There will be no difference in price between those who choose to participate in the Green Pilot Program and other residential customers with BGS service. The power will be supplied by FirstEnergy Solutions Corporation.

To qualify as “green” for the bidding process, at least 9.75% of the energy provided must come from renewable sources, such as wind, solar or biomass, which is three times the state RPS standard that retail companies must currently meet. Customers will have the option to join the pilot program; but if too few customers choose to participate, JCP&L will assign them on a random basis. The 150,000 residential customers who can participate in the pilot program represent approximately 7% of JCP&L’s total BGS fixed-price load.

Separately, the BPU approved \$2.7 million in funding to develop renewable energy markets, businesses, and technologies in the state. The board seeks to fund proposals for research, business development, commercialization, and technology demonstrations of innovative products and services that will advance the delivery of renewable energy systems to the marketplace. Eligible technologies include photovoltaics, wind energy, fuel cells that use renewable fuels, wave, tidal, renewably generated hydrogen, and sustainably harvested biomass. Funding for the projects will be provided through a competitive solicitation from the New Jersey Clean Energy Program.

#### New Mexico

### **PRC Adopts RPS Rule**

The PRC adopted a rule that requires all jurisdictional utilities in the state to include increasing amounts of renewable energy in

their energy portfolios. The RPS requires that at least 5% of a utility company’s retail sales be generated through renewable energy by January 1, 2006. The requirement then increases by no less than 1% each year until a standard of 10% is attained in 2011. The state’s rural electric cooperatives are exempt from the rule, which takes effect July 1, 2003.

The rule requires all transactions between the public utilities and suppliers of renewable energy to be documented through renewable energy certificates, which may be traded, sold, or otherwise transferred by their owner to any other party. Each kilowatt-hour of electricity generated by biomass, geothermal, landfill gas, or fuel cell technologies will receive double credit toward meeting the RPS and each kilowatt-hour generated from solar technologies will receive triple credit. Electricity generated from all other renewable energy sources will be counted at par value.

The rule also requires all utilities operating in the state to offer a voluntary renewable energy tariff for those customers who want the option to purchase additional renewable energy. It also establishes a formal preference for renewable energy over nonrenewable sources when utilities procure, acquire, or construct new generating facilities.

#### New York

### **Governor Calls for 25% RPS**

In his annual State of the State address to the Legislature, Gov. George E. Pataki called for the PSC to implement a renewable portfolio standard, “which will guarantee that within the next 10 years at least 25 percent of the electricity bought in New York will come from renewable energy resources like solar power, wind power, or fuel cells” in order to “make New York a national leader in renewable energy usage.” The state currently obtains about 17% of its electricity supply from renewables, mostly hydropower.

In response, the PSC has initiated a collaborative process for developing and implementing an RPS. Some of the key issues to be examined include:

- The types of resources that should be considered as “renewable.”
- The entities that should be required to meet the renewable standard (e.g., utilities, municipal electric corporations, competitive energy services companies).
- The appropriateness of a “renewable trading system” and the components of any program that might be developed.
- The appropriateness of including renewable resources from outside the state, such as hydropower from Canada or wind energy from New England.

Process and schedule specifics will be developed at a procedural conference, which is expected to take place in early March.

#### North Carolina

##### **NCUC Approves Statewide Program**

The NCUC approved a stakeholder-developed plan to offer two green power products to utility customers statewide. The first product is a “mass-market” product consisting of a resource mix of new solar, wind, and methane from biomass, which will be offered primarily to residential customers at a cost of \$4.00 per 100-kWh block or 4.0¢/kWh. The second product is a “large-volume” product, which will include a resource mix of new and existing solar, wind, small hydro, and biomass and be offered to larger-volume customers at a “target price” of \$2.50 per 100-kWh block or 2.5¢/kWh.

The primary objective of the *NC GreenPower* program is to promote the use and development of green power generated in North Carolina through a simple purchase option available to all electricity customers, supported by a statewide advertising and communications campaign. Beginning in the summer, the green power products will be offered by all of the state's electric utilities, including cooperatives. The program is being administered by Advanced Energy, a Raleigh-based nonprofit research organization.

**Advanced Energy Contact:**  
**Carl Wilkins, (919) 857-9008**

#### Oregon

##### **No Competition for Residential Customers**

In a report to the Legislature, the PUC concluded that residential customers would not benefit from a choice of competing suppliers. The commission found that only a few states that have opened their retail electric markets to competition have multiple suppliers serving residential consumers, and any reduction in their electric rates is largely the result of requiring competing offers to be lower during a transition period. The PUC also argued that residential customers are not well suited to assess or manage the risks of a competitive retail market for electricity.

Under the state's 1999 electricity restructuring law, commercial and industrial customers of investor-owned utilities (IOUs) have direct access to competitive electricity suppliers. The IOUs are required to provide several different regulated rate options to residential and small nonresidential customers, including a renewable energy supply option. The PUC concluded that the new utility rate options give residential consumers meaningful choices without the risks of a competitive power market.

As of October 1, 2002, about 30,000 residential customers (2.8% of all eligible customers) had chosen one of the new options, with the majority of these customers purchasing the renewable energy option.

##### **PUC Contact:**

**Jack Breen, (503) 378-5942**

#### Rhode Island

##### **State Announces Green Power Incentives**

The Rhode Island Renewable Energy Fund announced a second round of incentives for green power marketers and renewable energy suppliers. The fund is providing \$1.36 million for rebates to encourage enrollment of Rhode Island residential and small-business customers in green power programs and \$500,000 to support green power purchases by large electricity customers including business, government, and institutional

groups. Finally, \$1.25 million in funding will be used to encourage the development of renewable energy projects located in Rhode Island and New England.

The residential customer rebates amount to \$125 each for the first 5,000 residential sign-ups and \$75 per customer thereafter. For small-business customers, the rebates are \$250 each for the first 1,000 customers and \$125 thereafter. The funds are provided from the state's system benefits charge on electricity sales.

**State Energy Office Contact:**  
**Janice McClanaghan, (401) 222-3370**

#### Texas

##### **PUC Reports on Retail Competition**

The PUC issued a report to the Legislature documenting the results of the first year of retail electric competition in the state and recommending certain changes to both the state's Public Utility Regulatory Act and Gas Utility Regulatory Act. These changes would increase the commission's ability to enforce the law and market rules developed to implement restructuring, as well as enhance competition in the electric market.

After nearly one full year of competition, the PUC found that "competitive forces appear to be working to reduce the electricity rates paid by consumers in Texas." The PUC estimates that residential customers have saved approximately \$900 million on electric bills in 2002 as compared to 2001 and that commercial and industrial customers paid approximately \$645 million less in 2002 compared to their 2001 bills. According to the PUC, many of these larger customers—especially cities and other government entities—have achieved savings by successfully aggregating with other customers.

The PUC reported that customers in all user classes have taken advantage of the opportunities to switch providers, with the percentages ranging from more than 85% for the largest customers to 6% of residential customers. The PUC also noted that

construction of renewable energy facilities has proceeded significantly faster than required in the restructuring law. As of October 1, 2002, approximately 1,000 MW of new renewables capacity had been installed compared to the 400 MW required under the legislative mandate.

**PUC Contact:**  
**Brian Lloyd, (512) 936-7376**

#### Washington

##### **UTC Reports on Green Pricing Progress**

The UTC and the Department of Community, Trade and Economic Development (CTED) reported to the state Legislature on the progress of green pricing in the state, pursuant to a state law requiring electric utilities to offer a voluntary green pricing product to their customers.

Among the findings after the first nine months of implementation are:

- Each of the 16 utilities covered by the law offer a green power product to their customers.
- On average, 0.55% of customers had signed up to participate in the utility programs, but participation is expected to grow.
- A total of 12.4 million kWh (1.4 aMW) of green power was sold to program participants.
- Nearly all of the public utilities affected, as well as seven smaller public utilities that do not offer green power programs to their customers, have added renewable resources to their utility system mix above and beyond the levels required to supply the green power option.

Key challenges identified by utility program managers included the difficulty of marketing green power when base rates are increasing and the high rates charged for transmission of intermittent resources in the Pacific Northwest.

**CTED Contact:**  
**Elizabeth Klumpp (360) 956-2071**

## **Information Links:**

### **Joint Study of the DPUC and OCC Regarding Electric Deregulation in Connecticut:**

[http://www.dpuc.state.ct.us/FINALDEC.NSF/2b40c6ef76b67c438525644800692943/bfaaff120475df9c85256b6100705132/\\$FILE/011206-021502.doc](http://www.dpuc.state.ct.us/FINALDEC.NSF/2b40c6ef76b67c438525644800692943/bfaaff120475df9c85256b6100705132/$FILE/011206-021502.doc)

### **Report: *An Assessment of Renewable Electric Generating Technologies in Florida***

[http://www.psc.state.fl.us/industry/electric\\_gas/Renewable\\_Energy\\_Assessment.pdf](http://www.psc.state.fl.us/industry/electric_gas/Renewable_Energy_Assessment.pdf)

### **New Jersey Gov. McGreevey's News Release on Renewable Energy Task Force:**

[http://www.state.nj.us/cgi-bin/governor/njnewsline/view\\_article.pl?id=1028](http://www.state.nj.us/cgi-bin/governor/njnewsline/view_article.pl?id=1028)

### **New Jersey Clean Energy Program Web Site:**

<http://www.njcep.com/>

### **New Mexico Renewable Portfolio Standard Rule:**

<http://www.nmprc.state.nm.us/3619finalrule.pdf>

### **New York Gov. Pataki's State of the State Address:**

<http://www.state.ny.us/03sosaddress/sos2003text.html>

### **North Carolina Green Power Program Plan:**

[http://www.advancedenergy.org/root/greenpower/program\\_plan\\_revised.pdf](http://www.advancedenergy.org/root/greenpower/program_plan_revised.pdf)

### **Oregon PUC Report on Competitive Access for Residential Customers:**

<http://www.puc.state.or.us/agenda/pmemos/2002/120302/reg4att.pdf>

### **Rhode Island Renewable Energy Fund Web Site:**

<http://www.riseo.state.ri.us/riref.html>

### **Texas PUC Report: *Scope of Competition in Electric Markets in Texas***

[http://www.puc.state.tx.us/electric/reports/scope/2003/2003scope\\_elec.pdf](http://www.puc.state.tx.us/electric/reports/scope/2003/2003scope_elec.pdf)

### ***Green Power Programs in Washington: A Report to the Legislature***

<http://www.energy.cted.wa.gov/Papers/Green%20Power%20Report%202012-19-02.pdf>

This newsletter is prepared for the Renewable and Distributed Resources Subcommittee of NARUC's Energy Resources and the Environment (ERE) Committee to promote the sharing of information on state-level renewable electric activities.

Comments can be directed to Blair Swezey, National Renewable Energy Laboratory, at (303) 384-7455 or [Blair\\_Swezey@nrel.gov](mailto:Blair_Swezey@nrel.gov) Past issues are available at: <http://www.nrel.gov/analysis/sren>

The Subcommittee Chair is the Honorable Phyllis Reha, Commissioner, Minnesota Public Utilities Commission.

REPORT DOCUMENTATION PAGE			Form Approved OMB NO. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.				
1. AGENCY USE ONLY (Leave blank)	2. REPORT DATE March 2003	3. REPORT TYPE AND DATES COVERED Newsletter - Analysis		
4. TITLE AND SUBTITLE State Renewable Energy News – Volume 12, No. 1, Winter 2003			5. FUNDING NUMBERS TA: 6210.5001	
6. AUTHOR(S) Compiled by Blair Swezey and NARUC Renewable and Distributed Resource Committee				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) National Renewable Energy Laboratory 1617 Cole Blvd. Golden, CO 80401-3393			8. PERFORMING ORGANIZATION REPORT NUMBER NREL/BR-620-33598	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) National Renewable Energy Laboratory 1617 Cole Blvd. Golden, CO 80401-3393			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES				
12a. DISTRIBUTION/AVAILABILITY STATEMENT National Technical Information Service U.S. Department of Commerce 5285 Port Royal Road Springfield, VA 22161			12b. DISTRIBUTION CODE	
ABSTRACT (Maximum 200 word). This issue, a compilation of renewable electric activities in the states, is prepared for the National Association of Regulatory Utility Commissioners (NARUC). It includes news from Connecticut, Florida, New Jersey, New Mexico, New York, North Carolina, Oregon, Rhode Island, Texas, Washington.				
14. SUBJECT TERMS Blair Swezey, NARUC, RPS, green marketers, green power, solar rebates, wind, tax credit, Connecticut, Maryland, Minnesota, Nevada, New Mexico, New York, Vermont, West Virginia.			15. NUMBER OF PAGES	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UL	