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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State Activities

California

CEC Reports on Renewables Program

The California Energy Commission (CEC) released its year-end report on the state's renewables funding program. The following are some highlights from the program, which helps support renewable generation technologies and market development in the state's restructured electricity market:

- A total of 352 facilities are registered as renewables suppliers.
- Nine new renewables projects, totaling 43.2 MW, have come on-line since the program was initiated.
- At the retail market level, 21 active marketers are registered as renewables providers, offering a total of 35 products containing renewable energy.
- The level of the payment for customer-based renewables purchases was lowered from 1.5¢/kWh to 1.25¢/kWh.

The renewables program is funded by a customer surcharge that will raise $540 million dollars over four years.

CEC Contact:
Marwan Masri, (916) 654-4531

Connecticut

RPS Implementation Delayed

The legislature approved a delay in implementing the state's renewables portfolio standard (RPS) of up to two years if the DPUC finds that the requirements cannot reasonably be met. The state's 1998 electricity restructuring law calls for all suppliers to obtain specified percentages of their power from renewable resources, starting at 6% and rising to 13% on July 1, 2009 (***SREN***, Summer 1998).

In a related matter, the DPUC ruled that the RPS does not apply to the provision of standard offer service, a decision which, if upheld, would dramatically reduce the scope of the RPS. The ruling is being appealed by the Connecticut Office of Consumer Counsel.

OCC Contact:
Guy Mazza, (860) 827-2900

Clean Energy Fund Now Active

Connecticut's Renewable Energy Investment Fund, which was created in the state's restructuring legislation and is funded through the system benefits charge, is now active and being implemented by Connecticut Innovations. The program goals are to establish a market for green power, encourage clean energy companies to locate in-state, and to make the fund self-supporting in the longer term by investing in economically viable projects. The fund is expected to have $13 million available for its first year of operation.

Connecticut Innovations Contact:
John Anderson, (860) 563-5851

Nevada

Retail Competition Delayed Again

Nevada Governor Kenny Guinn again postponed the start of retail competition in the state's electricity market because key implementation issues still have not been resolved. The move marks the second delay in opening the market to competition—retail access was originally scheduled for December 31, 1999 and later pushed back to March 1, 2000. In an attempt to

forge a consensus around unresolved issues, the governor will chair a deregulation "summit" involving key stakeholders. Still being debated are rules pertaining to providers of last resort, distribution system charges, and access to transmission lines. Also, rules for an RPS, which would start at 0.2% in 2002 and rise to 1% by 2010, have yet to be developed.
PUC Contact: *P.K. Sircar, (775) 687-6066*

New York

Governor Announces PV Incentives

Governor George E. Pataki announced that the state has contracted with three photovoltaic (PV) manufacturers to aggressively promote New York's solar energy tax credit and assure homeowners proper access to the utility grid for interconnection and net metering. In 1997, Gov. Pataki signed legislation creating a solar energy income tax credit—up to $3,750—and assuring home-owners the right to utility interconnection (***SREN,*** Fall 1997). The state will provide a total of $1.25 million to the three manufacturers, who will in turn match the funding to lower the cost of solar systems to the consumer. The contracts also call for specific marketing strategies and community edu-cation about solar energy in New York.

Pennsylvania

Customer Switches Top Half-Million Mark

The Pennsylvania Office of Consumer Advocate (OCA) reported that, as of January 1, more than 500,000 consumers were being served by alternative electricity suppliers in the state's Electric Choice program. Under the state's restructuring law, January 1 also marked the date upon which all Pennsylvania customers became eligible to choose an alternative electricity supplier.
OCA contact:
Susan Henry, (717) 783-5048

State Agencies Buy Green Power

The Pennsylvania Department of General Services (DGS) has entered into a contract with GreenMountain.com to purchase green power for more than half a dozen state government accounts, representing about 5% of the DGS aggregated power purchase for 2000. A portion of the 37.5 million kWh annual purchase will be supplied from a 10-MW wind farm currently under construction in Garrett, Pennsylvania. Pennsylvania agencies that will receive cleaner electricity include the Pennsylvania Department of Corrections, Capitol Complex buildings in Harrisburg, state office buildings in Pittsburgh, Scranton, and Reading, and Pennsylvania's 14 universities.

Texas

RPS Rule Finalized

The final rule to implement the state's RPS was adopted in December 1999. The RPS was established in the state's electricity restructuring law to ensure that an additional 2,000 MW of renewable generating capacity is installed in Texas by 2009. The rule establishes a renewable energy credits trading program to help "ensure that the new renewable energy capacity is built in the most efficient and economical manner." Suppliers and retailers with insufficient credits are subject to a penalty of $50 per MWh or 200% of the average cost of credits traded during the year.
PUC Contact:
Eric Schubert, (512) 936-7017

Wisconsin

Groups Seek Green-Pricing Accreditation

A group of Wisconsin stakeholders has become the first to pursue accreditation for utility green-pricing programs under a process recently announced by the Center for Resource Solutions (CRS). The accreditation program is designed to recognize utility programs that use "best practices" in offering green electricity options to customers in noncompetitive markets. To receive accreditation, utilities have to meet stringent standards regarding renewable resource content, product pricing, marketing activities, and information disclosure. Accredited utilities will also be required to undergo an annual, independent verification process to document their green power deliveries.

Four Wisconsin utilities currently offer some type of green power product to their customers: Madison Gas and Electric, Wisconsin Electric, Wisconsin Public Service, and Dairyland Power Cooperative, which offers green power to its 27 member distribution cooperatives.
CRS Contact:
Seth Baruch, (415) 561-2100

Other Activities

NAAG Adopts Marketing Guidelines
The National Association of Attorneys General (NAAG) adopted a resolution finalizing its Environmental Marketing Guidelines for Electricity. In the resolution, NAAG "urges the electric power industry to conform its advertising of electricity products and companies to the Guidelines" and "encourages each Attorney General, in the absence of relevant state law, to promote use of the Guidelines as a model for legislation and rulemaking." The Guidelines, which apply to marketing claims concerning the environmental attributes of electricity products offered for sale, establish general principles for determining whether advertising claims are misleading or deceptive.

NAAG issued the Guidelines after nearly two years of deliberation, which included public workshops and comment periods. Any further issues of interpretation and enforcement of the Guidelines will be handled at the state level by the various Offices of Attorney General.
NAAG Contact:
Emily Myers, (202) 326-6015

Federal Production Tax Credit Extended
On December 17, President Clinton signed HR 1180 into law, extending the federal production tax credit for wind energy by 30 months. The 1.5¢/kWh credit, which was created by the Energy Policy Act of 1992 but expired on June 30, 1999, will be effective retroactively through December 31, 2001. The tax credit was also extended for "closed-loop" biomass facilities and, for the first time, will apply to poultry-waste facilities.
AWEA Contact:
Jaime Steve, (202) 383-2500

Internet Links:

California Energy Commission Renewables Program Reports:
http://www.energy.ca.gov/renewables/documents/index.html
Connecticut Clean Energy Fund:
http://www.ctinnovations.com/initiatives/ini-renewable.html
Pennsylvania Electricity Shopping Statistics:
http://www.state.pa.us/PA_Exec/Attorney_General/Consumer_Advocate/cinfo/instat.html
Texas RPS Summary:
http://www.puc.state.tx.us/rules/rulemake/20944/20944.cfm
Texas RPS Rulemaking:
http://www.puc.state.tx.us/rules/subrules/electric/25.173/20944.cfm
Center for Resource Solutions Green Pricing Accreditation Program:
http://www.resource-solutions.org/CRSprograms/greenpricing.html
National Association of Attorneys General Marketing Guidelines:
http://www.eren.doe.gov/greenpower/naag_0100.shtml

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Comments can be directed to Blair Swezey, National Renewable Energy Laboratory, at (303) 384-7455 or Blair_Swezey@nrel.gov
Previous newsletters are available at: http://www.nrel.gov/analysis/emaa/projects/sren/

The NARUC Subcommittee Chairman is the Honorable Roger Hamilton, Commissioner, Oregon Public Utility Commission.

State	**State Renewable Energy Portfolio and Funding Policies** (**RPS =** Renewables Portfolio Standard, **SBC** = System Benefits Charge)
CA	**SBC** — Total of $540 million over four years to fund a mix of production incentives, project financing support, and customer rebates for renewables purchases.
CT	**RPS** — Total of 6% from renewables at outset, rising to 13% on July 1, 2009; delineation of renewable resource types as Class I and Class II (implementation delayed up to two years). **SBC** — Minimum 0.05¢/kWh charge at outset of competition for Renewable Energy Investment Fund. Rises to 0.075¢/kWh on July 1, 2002 and to 0.1¢/kWh on July, 1, 2004. Expected to raise $14 million per year in 2000 and $30 million per year in 2004 and thereafter.
IL	**SBC** — 5¢/month surcharge on residential customers for 10 years for renewables development fund; expected to raise about $5 million per year.
IA	**Set-Aside** — Statute requires utilities to purchase a total of 105 MW of renewable power.
ME	**RPS** — 30% of retail sales to be provided by renewable resources, including hydro, fuel cells, and municipal solid waste in conjunction with recycling.
MA	**RPS** — 1% of electricity sales from new renewables starting in 2003, rising by an additional 0.5% per year through 2009 (to 4%), and increasing 1% each year thereafter. **SBC** — 0.075¢/kWh from all customers, beginning in 1998, to support the development and promotion of renewable energy projects. The charge increases to 0.1¢/kWh in 1999 and 0.125¢/kWh in 2000, and decreases to 0.1¢/kWh in 2001 and 0.075¢/kWh in 2002, and to a fixed 0.05¢/kWh thereafter. Fund is expected to raise about $26 million per year.
MN	**Set-Aside** — State law requires Northern States Power to procure up to 475 MW of renewables-based capacity by the end of 2002. **SBC** — $4.5 million in 1999 for renewable energy projects, increasing to $8.5 million annually by 2003.
MT	**SBC** — 2.4% of 1995 utility revenues for energy conservation, renewables, and low-income energy assistance. Expected to raise about $2 million per year from 1999-2003.
NV	**RPS** — 0.2% of total consumption, rising to 1% by 2010, to be obtained from in-state renewable resources, half of which must come from solar power.
NJ	**RPS** — 2.5% of all kilowatt-hours sold in 2001 must be from qualifying renewable energy sources, increasing to 6.5% in 2012; delineation of renewable resource types as Class I and Class II. **SBC —** $117 million per year in ratepayer-subsidized energy conservation measures and renewable energy funding, growing to $140 million per year after four years.
NM	**SBC** — 0.3 mills/kWh for consumer education, low-income customer assistance, renewable energy, and Native American tribes without electric service; approximately 45% of the funds go toward renewables (maximum of $4 million per year).
NY	**SBC** — $11.5 million over three years, beginning in 1998, to fund renewable energy initiatives, including wind, photovoltaics, and biomass projects.
OR	**SBC** — 3% "public purpose charge" for 10 years for energy conservation programs, low-income weatherization assistance, and the development of new renewable resources. Expected to raise $9 million to $10 million per year for renewables. Utilities must offer a green power option to residential customers.
PA	**RPS** — Utility settlement agreements require competitive default providers to obtain up to 2% of their electricity supply from nonhydro renewables in 2001, increasing 0.5% per year thereafter. **SBC** — Individual utility settlements establish Sustainable Energy Funds estimated at $11 million per year.
RI	**SBC** — 0.23¢/kWh for a minimum of five years to fund renewables and DSM programs, with approximately $3.5 million per year going to renewables.
TX	**RPS** — All for-profit retail sellers of electricity are required to obtain 3% of their electricity supply from renewable sources by 2009.
WI	**RPS** — Requires 0.5% of retail energy sales to come from renewable resources in 2001, increasing to 2.2% in 2011. **SBC** — State-administered public benefits program for low-income assistance, energy efficiency, renewable energy, and environmental research; renewables portion estimated to be $3.5 million per year beginning in 1999.