
State Renewable Energy News

A Compilation of Renewable
Electric Activities in the States

Prepared for the NARUC Subcommittee on Renewable Energy

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State Activities

California

All Customers Can Choose on January 1

The CPUC decided that all customers of investor-owned utilities, regardless of customer class or the amount of electricity used, will be able to choose their energy supplier when California's electric services market becomes competitive on January 1, 1998. California's electric restructuring legislation (AB1890) called for direct access to be phased in over four years.

At the same time, the CPUC authorized competitors to provide metering and billing services, noting that "by allowing energy suppliers to provide consolidated electric bills if they want to, customers who wish the convenience of paying only one bill have it, and energy suppliers can reinforce their business identity and customer communications, as well as reduce bill preparation and processing costs."

CPUC Contact:

Diane Dienststein, (415) 703-2423

CEC Submits Renewables Report

The California Energy Commission (CEC) delivered its policy report to the state legislature outlining recommendations for the allocation of \$540 million to help renewable energy producers compete in the competitive market ([SREN, Winter 1997](#)). The four-year fund was established in the state's restructuring legislation. The CEC proposed that the fund be used for a mix of production incentives, project financing support, and customer rebates for existing, new, and emerging renewables. [The full report can be downloaded from the CEC web site.](#)

CEC Contact:

Claudia Chandler, (916) 654-4989

Maine

Legislature Adopts Portfolio Standard

On May 29, 1997, Governor Angus S. King signed into law a bill to restructure the state's electric power industry. As of March 1, 2000, the state's investor-owned utilities will no longer own power plants. These utilities will continue to be regulated as transmission and distribution providers, and retail customers will be able to choose their electricity provider in a competitive market. Recovery of stranded costs has been referred to the PUC for adjudicatory proceedings by July 1, 1999.

The law establishes a renewable portfolio standard as a component of power provider licensing, which requires each competitive electricity provider to include no less than 30% of its supply from renewable resources, including hydro. The law also requires the PUC to establish information disclosure standards for competitive electricity providers so that consumers can make informed market choices and to establish a program allowing retail customers to make voluntary contributions to fund renewables-related research and development (R&D).

PUC Contact:

Faith Huntington, (207) 287-1373

Massachusetts

System Benefits Charge Recommended

The Massachusetts Renewable Energy Collaborative delivered the Consensus Report to the Legislature on the Proposed Renewable Energy Fund. The report explains why a "renewable energy fund," as proposed by the Joint Committee on Electric Utility Restructuring, is an appropriate mechanism to support renewable energy resources in a restructured electric utility industry.

The expressed goal of the fund is to increase the availability, affordability, and use of renewable energy by Massachusetts electricity consumers by: (1) supporting increased demand for renewable energy resources via market development in the Commonwealth; (2) supporting the continued survival, development, and growth of renewable energy projects, enterprises, and related institutions in the Commonwealth and region; and (3) supporting the expansion of renewable energy expertise at all levels in the Commonwealth.

Some of the Collaborative's recommendations include: (1) creating two interrelated funds, one for market development support and the other for investment support; (2) explicitly encouraging the leveraging of fund dollars from other public and private sources; and (3) encouraging public participation and oversight by further empowering an advisory committee and broadening its representation.

Collaborative Contact:

Jonathan Raab, (617) 261-7111

Minnesota

Green Pricing Project Approved

The green pricing tariff filing of Dakota Electric Association was approved by the PUC. Dakota Electric is the second-largest electric cooperative in Minnesota and the only one that is rate-regulated. The "green" power will be supplied by Cooperative Power Association (CP), a generating and transmission cooperative that provides electricity to 17 member distribution cooperatives in southern and western Minnesota. The total size of CP's green pricing pilot project will be approximately 2 MW. Initially it will include wind power, but

later may include other renewable technologies.

Under the program, customers can purchase 100-kWh blocks of wind-generated electricity at an expected rate premium of approximately \$3 to \$4 per block. A 12-month subscription commitment will be required.

Dakota Electric Contact:

Charlene Klein, (612) 463-6178

Montana

System Benefits Charge Established

The 1997 legislature passed the Electric Utility Industry Restructuring and Customer Choice Act to introduce competition into the electric utility industry. The act sets forth a transition schedule for consumers to choose electricity suppliers. Customers with large loads of 1 MW or greater will be able to choose suppliers by July 1998. Utility pilot programs for other customer classes will begin at the same time. All customers must be given a choice of suppliers by July 2002.

The law also established a "universal system benefits charge" to ensure continued funding of energy conservation, renewables, and low-income energy assistance programs, with the funding level set at 2.4% of each utility's 1995 retail sales revenue.

Legislative Service Commission:

(406) 444-3064

Nevada

Legislature Adopts Portfolio Standard

The Nevada Legislature passed a restructuring bill that would bring competition to the state's electricity industry by the end of 1999. The legislation leaves the resolution of many restructuring issues up to a newly created Public Utility Commission, which will replace the existing Public Service Commission. Among the issues still to be addressed are the identification of stranded costs and how to deal with them, licensing conditions for retail suppliers, the designation of potentially competitive services, and the creation of consumer protection measures.

The bill directs the PUC to establish "portfolio standards for domestic energy to assure that a minimum percentage of all electricity consumed annually in the state is provided by in-state renewable energy producers." The standard begins at 0.2% in 2002 and rises to 1% by 2010; 50% of the portfolio requirement must be derived from solar systems. The bill will be sent to Governor Bob Miller, who is expected to sign the legislation.

Government Affairs Committee:

(702) 684-8554

New York

Governor Submits Solar Proposals

Governor George E. Pataki proposed legislation for a residential solar tax credit and to allow net metering for solar systems, under which homeowners could receive the full retail value of the electricity generated by those systems. The governor stated that "clean solar energy can and should play a more significant role in meeting New York State's energy needs."

The tax credit would cover 25% of the total system cost, up to a maximum of \$3,750. Net metering would be limited to system sizes of 10 kW or less and to a total of 0.1% of the 1996 peak demand of each electric utility. The proposals result from a commitment made when the governor vetoed a previous net metering bill because of safety concerns ([SREN, Fall 1996](#)).

Governor's Press Office:
(518) 474-8418

Oregon

Greenhouse Gas Law Enacted

Oregon has become the first state in the nation to control emissions of carbon dioxide (CO₂) under a law signed by Governor John Kitzhaber. The new law replaces the former needs test for siting approval of new power plants in the state.

Power plant developers are now required to reduce the overall amount of CO₂ emitted from new power plants. Net reductions can be achieved by contributing to energy conservation efforts, developing renewable energy projects, planting trees, and utilizing power plant waste heat. Overall, the law calls for a net CO₂ reduction from power plant operations of at least 17%.

The bill, which resulted from recommendations made by a seven-member legislative task force, had the support of various utilities, environmental groups, and industry groups. In addition, it received unanimous passage in both houses of the Oregon Legislature.

Oregon Office of Energy Contact:
Steve Sautter, (503) 378-8278

Other Activities

Utilities to Enter Green Power Business

Two New England-based utility companies are banking that customer choice in the retail market will create a demand for environmentally preferable electric service options, a demand that their companies will step in to fill.

AllEnergy Marketing Company, a joint venture formed by New England Electric System and Eastern Enterprises, announced the formation of a new division, ReGenSM Technologies, which plans to offer environmentally preferable electricity services. Over time, ReGenSM plans to facilitate the development of new renewable generation projects using clean technologies such as wind and solar to supplement existing regional resources.

Initially, ReGenSM products will be available to wholesale and retail customers in New England, where retail markets will open in several states beginning in 1998. The company will target other markets nationwide as customer choice is adopted.

Green Mountain Energy Sources (GMES), a subsidiary of Vermont-based Green Mountain Power Corporation, has registered with the California Public Utilities Commission to be an

electricity provider when the state's utility market opens to competition in January 1998.

Noting that "the lights will work no matter who's providing the power," GMES says it "is committed to enhancing the demand for cleaner energy through renewable power sources that are less polluting to the environment." The company notes that "if more people demand cleaner power alternatives, eventually we can turn more renewable power plants on and turn off some of the most environmentally damaging ones."

ReGenSM Contact:

Jackie Barry, (508) 389-3007

GMES Contact:

Julie Blunden, (415) 613-8362

Edison Seeks "Green Power" Supplies

Edison Source, a subsidiary of Edison Enterprises, has issued a request for proposals (RFP) for suppliers of renewable electricity resources, including solar, wind, geothermal, small hydro, biomass, and landfill gas. The company plans to offer a "green power" option to residential and small commercial customers in January 1998 when the California electric market opens for retail customers.

Edison believes that "there is significant consumer interest in alternative energy sources in California. With direct access becoming available in January, customers will not only have the opportunity to select their energy provider, they can also look forward to enhanced product and service offerings, including clean, renewable energy."

Edison Source Contact:

Mike Messier, (562) 463-3015

SMUD Unveils New Green Pricing Options

Although nearly half of its electricity already comes from renewable energy sources, the Sacramento Municipal Utility District (SMUD) has rolled out two new *Greenenergy* programs for its customers, in preparation for California's competitive market.

The Renewables Energy Option gives customers an option to buy all or part of their electricity from new grid-based renewables at from 0.5¢/kWh to 1.0¢/kWh more than the present rate. A second offering, Community Solar, allows customers to contribute 1.0¢/kWh more for the purchase and installation of PV systems for community facilities, including schools, churches, and public buildings.

SMUD Contact:

Bud Beebe, (916) 732-5254

Wisconsin Utility Chooses Green Supplies

Wisconsin Electric Power Company announced the following suppliers for the second year of its *Energy for Tomorrow* grid-based green pricing program ([SREN, Winter 1997](#)): Minnesota Power & Light (hydro and biomass), Cedarburg Hydro (new hydro), Emerald Energy Company (landfill gas), Rock River Power & Light (existing hydro), and N.E.W. Hydro (existing hydro).

The renewable energy to be purchased is expected to total 5 MW. The utility reports that more than 5000 customers are enrolled in the program.

Wisconsin Electric Contact:

Chris Schoenherr, (414) 221-2798

Wyoming Wind Project Resurrected

The long-proposed Wyoming Wind Energy Project is back on track as PacifiCorp and the Eugene Water and Electric Board announced the signing of a development agreement with SeaWest Energy for a \$60 million, 41.4-MW project. A letter of agreement was also signed with the Bonneville Power Administration, which has been involved with the project since the beginning. The facility is expected to be fully operational by the end of 1998 or early 1999.

PacifiCorp Contact:

Leslie Blythe, (307) 577-6904

Iowa Wind Projects Move Forward

Following on the heels of a FERC decision striking down state-determined buyback rates for Iowa's alternative energy purchase requirement ([SREN, Winter 1997](#)), MidAmerican Energy Company contracted with Zond Corporation (now Enron Wind Corp.) to supply 112.5 MW of wind power to the utility. The purchase power agreement is the single largest purchase contract in wind energy history.

Enron Contact:

Gary Foster, (713) 853-4527

Green Pricing Guide Available

The Regulatory Assistance Project (RAP) has released a comprehensive guide to utility green pricing programs intended to assist utility personnel in planning and designing green pricing programs for their customers. The Green Pricing Resource Guide was prepared by Ed Holt of Ed Holt & Associates. The Guide is available from [the RAP web site](#) or from the [Green Power Network](#) web site.

Contacts:

RAP, (207) 582-1135

Ed Holt, (207) 798-4588

Renewables Components of State and Federal Restructuring Laws and Bills

State	Mechanism*
Arizona**	RPS—solar portfolio requirement. Beginning in 1999, all participating electricity suppliers must obtain at least one-half of 1% of power sold competitively from a photovoltaic or solar thermal source. The solar requirement increases to 1% in 2002.
California	SBC—\$540 million over four years to fund a mix of production incentives, project financing support, and customer rebates for renewables.
Maine	RPS—30% of retail sales to be provided by renewable resources, including hydro, fuel cells, and municipal solid waste (MSW) in conjunction with recycling. Voluntary fund for renewables R&D.

Montana	SBC—2.4% of 1995 utility revenues for energy conservation, renewables, and low-income energy assistance.
Nevada	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).
New Hampshire	None
Oklahoma	None
Pennsylvania	None
Rhode Island	SBC—0.23¢/kWh for a minimum of five years to fund renewables and demand-side management programs.

Bill	Sponsor	Mechanism*
H.R.655	Schaefer	RPS—2% in 2000; 3% in 2005; 4% in 2010 (excludes hydro, MSW)
H.R.1359	DeFazio	SBC—establishes a National Electric System Public Benefits Fund for funding of public-purpose programs, including renewables; would provide matching funds to states; charge not to exceed 2 mills/kWh.
H.R.1960	Markey	RPS—3% in 1998, rising to 10% in 2010.
S.237	Bumpers	RPS—5% in 2003; 9% in 2008; 12% in 2013 (includes hydro, excludes MSW); new renewables facilities receive two credits.
S.687	Jeffords	RPS—2.5% in 2000, rising incrementally to 20% in 2020 (excludes hydro, MSW). SBC—establishes a National Electric System Public Benefits Fund for funding of public-purpose programs, including renewables; would provide matching funds to states; charge not to exceed 2 mills/kWh.

*RPS = renewables portfolio standard; SBC = system benefits charge.

**Adopted by the Arizona Corporation Commission, a constitutionally created regulatory body.

Be sure to visit the [Green Power Network](#)

State Renewable Energy News is prepared for the NARUC Subcommittee on Renewable Energy to

promote information sharing on state-level renewable energy activities. It is issued three times annually to coincide with the NARUC committee meetings.

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Comments can be directed to:

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The Subcommittee Chairman is the Honorable R. Brent Alderfer, Commissioner, Colorado Public Utilities Commission - (303) 894-2000 x-303.

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