
State Renewable Energy News

A Compilation of Renewable Electric Activities in the States

Prepared for the NARUC Subcommittee on Renewable Energy

Volume 6, No. 3

Fall 1997

State Activities

Colorado

State to Make Renewables Purchases

Noting that "renewable energy is a promising resource whose time has come in Colorado," Governor Roy Romer issued an executive order that sets a state goal of significantly increasing the use of renewable energy. He also announced that the governor's residence will be powered by electricity generated from a wind farm being built by Public Service Company of Colorado.

The executive order is a direct response to a preliminary recommendation made by the Renewable Energy Task Force appointed by the governor in 1996 (**SREN**, Summer 1996). The task force is expected to release its full report on ways for Colorado to increase the use of renewables shortly.

Specifically, the executive order calls on the Office of Energy Conservation (OEC) and the Office of State Planning and Budgeting to assist all state agencies in identifying and implementing cost-effective and practical renewable energy applications. Further, it directs the office to develop a plan that allows price preferences for the purchase of renewable or "green" electricity at premium rates. This could result in a state policy similar to the one for recycled paper products — legislation passed in 1990 allows state agencies to pay up to 10% more on one-half of their total paper purchases.

OEC Contact:

Jennifer Harrison Lane, (303) 620-4292

Maryland

Rooftop Solar Program Initiated

The Maryland Energy Administration (MEA) issued two Requests for Proposals (RFPs) to initiate a decade-long program to make solar energy affordable and available throughout the state. The two proposals will support the Residential Rooftop Solar Program and the Maryland Solar Schools Program, which focus on using the rooftops of homes and schools for solar electric and solar thermal applications. Maryland thus becomes the first state to take up President Clinton's challenge to have solar energy on one million roofs by the year 2010 (see related story).

The residential program will begin with an RFP for installation of 10 rooftop systems using solar photovoltaic (PV) technology. Such systems have been made more affordable for homeowners as a result of the recent enactment of a — net metering — law (HB869) requiring electric utilities to give homeowners full credit on their monthly energy bills for solar-generated electricity.

Under the second program, schools will be selected to have a PV system installed, helping to offset the consumption of electricity and reducing the school's cost of electricity. Local citizens and businesses will volunteer to contribute just a few dollars per month to pay for the solar installation. Within four years, the system will be fully paid for but will continue to produce solar electricity for at least 30 years.

MEA Contact:

Chris Cook, (800) 723-6374

Maine

PUC Affirms Net Metering Rule

The PUC has ruled that the state's net energy billing provision is not preempted by federal law and has directed Central Maine Power Company (CMP) to comply with the rule.

The case stems from petitions filed by two residential customers claiming that CMP refused to enter into net energy billing contracts. CMP cited a 1995 ruling by the Federal Energy Regulatory Commission (FERC) declaring that, under the Public Utility Regulatory Policies Act (PURPA), utilities cannot be forced to purchase power from qualifying facilities at rates higher than their avoided costs (**SREN**, Winter 1995).

In support of its decision, the PUC notes that “the net energy billing provision was explicitly designed as a retail billing and metering practice adopted for the purpose of avoiding the cost of a second meter for very small facilities. . . . A rule that seeks to avoid costs for such customers by allowing for net billing through use of a single meter is within the State's authority to address issues of retail metering and billing. At no point under a net billing arrangement does a utility actually pay for any power at above avoided costs.”

PUC Contact:

Faith Huntington, (207) 287-1373

New Mexico

PNM to Consider Renewables

Under a stipulated agreement approving power purchases from a new, 100-MW gas-fired combustion turbine, Public Service Company of New Mexico (PNM) will develop, issue, and evaluate an RFP for up to 5 MW of purchases from solar resources and for the development of a cost analysis for wind power as a component of a “green” pricing tariff.

PNM will not be obligated to build a solar power unit or commit to a power purchase agreement before the PUC approves a full cost recovery mechanism. The Commission opened a new docket to monitor the RFP process and to consider the utility's plan.

PUC Contact:

David Warren, (505) 827-6936

New York

Governor Signs Solar Legislation

Governor George E. Pataki signed into law a bill that encourages New Yorkers to invest in solar energy systems for their homes by providing an income tax credit and allowing residential customers to receive full retail value of the electricity generated by these systems.

The bill requires electric utilities to inter-connect residential solar equipment to their systems and to provide “net metering” for these residential customers. To help make the systems more affordable, the bill provides a personal income tax credit for individuals who invest in solar systems for home use. The credit is 25% of the system cost, up to a maximum of \$3,750 — which amounts to \$1.50/watt on a 2.5-kW PV system.

The provisions of the “Solar Choice Act” apply to residential utility customers who install solar equipment with a generating capacity of 10 kW or less. The availability of net metering is limited to 0.1% of the 1996 peak demand of each electric utility in order to limit the potential loss of revenues to the utility.

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

Oregon

PUC Approves Retail Pilot Program

The PUC has approved a program under which Portland General Electric (PGE) will offer 50,000 residences and businesses in four area communities the opportunity to choose their electricity provider beginning on December 1. All large commercial and industrial customers will be able to buy up to 50% of their electricity from competing providers.

PGE expects the program to “deliver competitive prices and innovative products, such as the opportunity to buy electricity generated solely from renewable resources.” Seven energy service providers have been certified by the Oregon PUC and will be required to “label” their electricity, disclosing electricity generation sources to customers.

PUC Contact:

Lee Sparling, (503) 378-6137

Focus on California Market

As the countdown proceeds to full retail access on January 1, 1998, a number of indicators point to the development of a vibrant market for green power. Nearly one-third of Californians polled say they are “very willing” to pay more for electricity from cleaner energy sources. And more than 190 entities have registered with the PUC to be energy service providers (ESPs) to residential and small commercial customers. Several ESPs will be offering “green power” options to customers.

Information Disclosure Law Adopted

On October 8, Governor Pete Wilson signed into law a bill that requires all retail sellers of electricity to disclose to consumers the sources of the electricity they are selling. At a minimum, retailers must describe what sources comprise the statewide power mix. Retailers claiming to sell electricity from specific sources, such as “green power,” must disclose the source types to consumers and must be able to verify this information.

The California Energy Commission (CEC) was given responsibility for implementing the law, including the authority to verify claims made by electricity retailers. The CEC will specify guidelines and formats for the information disclosure by January 1, 1998.

CEC Contact:

Melinda Merritt, (916) 654-4590

Group Launches Renewables Brand

A group of green power marketers has come together with a group of California consumer and environmental stakeholders to launch the country's first voluntary certification and verification program for environmentally preferred electricity products. The program's centerpiece — the Green-e logo — will help consumers easily identify products that contain at least 50% renewable electricity content.

To the extent that any fossil fuel resources are used, those resources must have air emissions per/kWh for sulfur and nitrogen oxides, and carbon dioxide less than or equal to the statewide system power mix. In addition, nuclear energy beyond that included in system power may not be included.

Participating companies pledge to authenticate the renewable content of their electricity products, abide by a code of conduct governing their business practices, and provide customers with regular information

about the sources of the electricity that they purchase. The first six power marketers to adopt the Green-e brand requirements are: Edison Source, Enron Energy Services, Foresight Energy Company, Green Mountain Energy Resources, PacifiCorp, and Sacramento Municipal Utility District.

Green-e Information Contact:

Kirk Brown, (415) 561-2100

Marketers Announce Green Products

Two ESPs have announced new electricity products for the California market that are designed to meet customer demand for cleaner power and bring new renewable power on-line.

Green Mountain Energy Resources has created three new electricity products:

“75% Renewable Power,” which includes small-scale hydro, biomass, and geothermal — three-fourths of the energy will come from qualifying renewables and 25% will come from large-scale hydro and system power.

“Water Power,” a power blend which relies on 90% hydropower generated from a mix of large- and small-scale hydro facilities — the remaining 10% will come from system power.

Wind for the FutureSM, which will help build a market for construction of new wind turbines — one turbine will be built for every 3,000 customer subscribers. Power from the newly constructed wind turbines will account for 10% of the energy with the balance supplied from the “75% Renewable Power” product.

Edison Source will offer customers an option of purchasing either half or all of their power from renewables, which will include solar, wind, small hydro, biomass, and geothermal. The 50% option will cost approximately the same as what customers pay for energy today,

while those who choose 100% renewable energy will pay approximately 15% more, or about 2¢/kWh, depending on which company presently provides their electric service. In July, Edison Source issued an RFP for suppliers of renewable electricity sources (*SREN*, Summer 1997).

Agency Requests Green Power Proposals

In September, the California Department of General Services (DGS) released an RFP to obtain electric power services for state and other public agency facilities.

Successful bidders will become part of a Master Services Agreement, which will create a pool of power suppliers to serve DGS program participants. According to the needs of the program's customers, DGS will offer fully bundled commodity electricity supply, "green" (renewable) generation, and schedule coordination and revenue cycle services.

DGS Contact:

Anne Richards, (916) 323-4889

Other Activities

Clinton Announces New Initiatives

Stating that "capturing the sun's warmth can help us to turn down the earth's temperature," President Clinton announced an initiative to "work with businesses and communities to use the sun's energy to reduce our reliance on fossil fuels by installing solar panels on one million more roofs around our nation by 2010."

The initiative, announced in a June 27th speech to the United Nations Special Session on Environment and Development, calls for the U.S. Department of Energy to lead the effort, which will tap existing federal grant, procurement, and other programs and work with local communities, businesses, state governments, utilities, and other groups to remove market barriers and strengthen grassroots demand for solar technologies.

Separately, President Clinton proposed a five-year, \$5 billion package of tax incentives and increased R&D spending for energy efficiency and clean energy sources that will help the nation reduce greenhouse gas emissions.

DOE Million Solar Roofs Contact:

Jim Rannels, (202) 586-1721

Murkowski Offers Restructuring Principles

Stating that "if there is going to be Federal legislation, it should consist of provisions that deregulate, streamline and empower the States to promote competition," Senator Frank Murkowski (R-Alaska), the chair of the Senate Energy and Natural Resources Committee, released a 10-page memo outlining "the principle matters that I believe need to be considered as part of Federal legislation."

Among the various matters is an emissions-free portfolio standard (EPS) for generation from nuclear, hydro, solar, geothermal and wind. Every power producer would be required to provide tradable credits in the amount of the existing national percentage of emission-free resources. According to the Senator, an EPS "would provide an incentive to keep existing emission-free sources operating and replace them with emission-free resources when they reach the end of their operating lives [and] would be an economically efficient method of ensuring that air quality is not degraded by competition."

Another element is creation of an "electricity labeling" program to assist consumers who wish to select electricity providers on factors other than price. The Senator also calls for the prospective repeal of PURPA, arguing that the law has cost consumers hundreds of millions of dollars in above-market costs.

Sen. Murkowski's Office: (202) 224-6665

Visit the Green Power Network at

<http://www.eren.doe.gov/greenpower>

This newsletter is prepared for the NARUC Subcommittee on Renewable Energy to promote information sharing on state-level renewable electric activities. It is sponsored by the Office of Utility Technologies of the U.S. Department of Energy.

Comments can be directed to Blair Swezey at (303) 384-7455 or Blair_Swezey@nrel.gov. The newsletter is also available via the internet at: <http://www.nrel.gov/research/ceaa/projects/sren/>

The Subcommittee Chairman is the Honorable R. Brent Alderfer, Commissioner, Colorado Public Utilities Commission — (303) 894-2000 x303