

# State Renewable Energy News

## A Compilation of Renewable Energy Activities in the States

Prepared by the NARUC Subcommittee on Renewable Energy

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### **NARUC Renewables Conference Set for Savannah**

Final plans are being developed for the first NARUC Conference on Renewable Energy to be held in Savannah, GA, on October 3-6, 1993. The conference will examine important topics regarding the development and delivery of and demand for renewable energy technologies. Among the topics to be addressed are renewable energy economics, valuation issues, and state and utility models for success. In addition, a number of interactive working sessions will be offered addressing topics such as financing and acquisition, environmental values, and utility modeling of renewables.

Confirmed speakers for the conference include Susan Tierney, Assistant Secretary for Domestic and International Policy at the U.S. Department of Energy; S. David Freeman, General Manager of the Sacramento Municipal Utility District; Denis Hayes of the Bullitt Foundation; Ralph Cavanagh of the Natural Resources Defense Council; and Carl Weinberg, former Manager of Research and Development at Pacific Gas & Electric.

**NARUC Contact:**  
**Ann Thompson, (202) 898-2210**

### **State Activities**

#### **Colorado**

##### **PUC Holds Second Docket Meeting**

In April, the PUC held a second meeting in its investigatory docket on renewables (SREN, Fall 1992). Presentations included summaries of the NARUC "white paper" on renewable energy and a proposed 75-MW wind project in Wyoming, and an update on green pricing research being conducted by Public Service Company of Colorado. A roundtable discussion was also conducted on a number of issues, including renewables set-asides and utility incentives for renewables investments. The next meeting in the docket is scheduled for August 19.

**PUC Contact:**  
**Morey Wolfson, (303) 894-2000 x306**

#### **Iowa**

##### **New Tax Laws Encourage Renewables**

Two new laws, effective in July, provide incentives for development of landfill gas and wind energy projects. The first exempts methane gas conversion property, used in an operation connected with a publicly owned sanitary landfill, from property taxes. The second law stipulates that both the gross receipts from the sale of wind energy conversion property and the sale of materials used to manufacture, install or construct wind energy conversion property ultimately used as an electric power source are exempt from sales, service, and use taxes. In addition, wind energy conversion property may receive a special property tax valuation at the option of the local governing body.

**Dept. of Revenue and Finance Contact:**  
**Ed Henderson, (515) 281-8457**

## **Minnesota**

### **New Law Enacts Renewables Preference**

A new law has established a state preference for renewable energy generation as a utility's first choice for new power supply. The law states that "the commission shall not approve a new or refurbished nonrenewable energy facility in an integrated resource plan or a certificate of need . . . nor allow rate recovery (for such facility) . . . unless the utility has demonstrated that a renewable energy facility is not in the public interest."

Qualifying renewable energy facilities will be paid full avoided capacity and energy costs, based on the utility's least-cost renewable energy facility or the bid of a competing supplier, whichever is lower. The law also directs the PUC to develop values for environmental externalities to be used by utilities in the evaluation and selection of future resource options.

**PUC Contact:**  
**Betsy Engelking, (612) 296-1337**

## **Missouri**

### **Renewables Legislation Fails to Advance**

During the 1993 session, the Missouri legislature considered a comprehensive bill (H.B. 219) "to encourage the development and use of renewable sources and the efficient use of energy" in the state.

Among the features of the bill, introduced by Assemblyman Pat Dougherty, were: the establishment of a statewide renewable energy program and a "Renewable Energy Technology and Biomass Task Force"; the assessment of state renewable energy potential and feasible applications; funding of demonstration projects; a requirement for utilities to consider renewables in resource planning; a utility renewable energy pilot program; and an incentive rate of return for utility investments in renewables.

A committee hearing was held on the bill at which renewable energy advocates testified for the bill and the state's utilities testified against it. The bill died for lack of support in the committee.

**Legislative Contact:**  
**Anita Randolph, (314) 751-2979**

## **Nevada**

### **PSC Orders Solar Study**

In a recent Order, the PSC requested that the Nevada Power Company "expedite a search for a consultant to study whether and to what extent NPC can include solar thermal technology in its resource planning efforts and the applicability of solar technology to NPC's system." As a result, NPC is developing a Solar Strategic Plan to help direct the company in its near-term and long-term solar (thermal and photovoltaic) activities.

**PSC Contact:**

**Tom Henderson, (702) 687-6048**

## **Oregon**

### **PUC Holds Renewables Workshops**

The PUC has held two workshops in its investigation of regulatory issues related to renewable energy development in the state (SREN, Winter 1993). The first workshop, held in May, focused on identifying issues in the areas of planning, acquisition, and regulation. A second workshop, in June, featured a full day of presentations on the experience of other states, utilities, and developers in addressing these issues. A second day was devoted mainly to small group discussions to explore the application of these experiences to Oregon's needs.

Current plans call for a draft report/order to be issued by the PUC staff in September.

**PUC Contact:**

**Lee Sparling, (503) 378-6137**

## **Texas**

### **Sustainable Energy Council Established**

In March, Governor Ann Richards, by Executive Order, established the Texas Sustainable Energy Development Council with a charter to develop "a strategic plan to ensure the optimum utilization of Texas' renewable and efficiency resource base." The strategic plan will establish a policy and technical information base that will, in turn, foster an improved regulatory and economic climate for the development of renewable energy and efficiency resources in the state.

Sustainable energy resources that will receive special consideration are wind, solar, biomass, and geothermal sources of power, as well as conservation and efficiency.

**Council Contact:**

**Karl Rábago, (512) 458-0293**

### **Legislative Renewables Requirement Fails**

An opportunity to make an aggressive policy statement on renewables was missed when the state legislature failed to pass a comprehensive PUC sunset bill in May. One part of the bill would have directed the commission to "establish rules and guidelines which will ensure that renewable energy technologies comprise at least two percent (2%) of the state's electric power capacity by the year 2000." The legislature did vote to extend the PUC for two years, but with no regulatory changes.

**PUC Contact:**

**Jacqueline Cullom, (512) 458-0160**

## **Virginia**

### **PV Manufacturing Incentive Enacted**

In March, the Virginia legislature passed a bill providing an incentive grant for the development of PV manufacturing facilities within the state. The state has pledged 75 cents per watt of rated capacity, up to 6 megawatts per year, for Virginia-made PV panels sold from 1995 to 1999—a potential \$22.5 million incentive for PV manufacturers.

United Solar Systems Corp., of Troy, MI, is the first PV company to announce a new facility as a result of the incentive. The manufacturing plant, with 10 megawatt annual output utilizing amorphous silicon technology, is expected to be operational by the end of 1994 and will create an estimated 450 new jobs in Virginia by 1998.

**State Contact:**

**Susan Thomas, (804) 367-0928**

## **Wisconsin**

### **PSC Adopts Utility Renewables Incentive**

The PSC has finalized its incentive program "to reward utility use of renewable resources for generating electricity" (SREN, Winter 1993). An incentive of 0.75¢/kWh will be paid for new qualifying wind and solar-based generation and an incentive of 0.25¢/kWh will be paid to all other qualifying renewables-based generation (biomass, co-fired refuse-derived fuel, tire-derived fuel, and hydro).

The incentive is available for 20 years for new projects that are placed in operation or receive construction authority by the end of 1998. It is also available, through 1998, when a renewable fuel is burned in an existing fossil plant. The incentive is applicable for both utility-owned and utility-purchased generation.

**PSC Contact:**

**David Iliff, (608) 266-3905**

## **Other Activities**

### **NEP Signs Seven Renewables Contracts**

New England Power has recently executed contracts for seven renewable-energy-based projects resulting from its 1991 renewables-only supply solicitation to "assess the current-day feasibility, value, resource potential, and environmental attributes" of renewables (SREN, Winter 1992/Fall 1992).

Overall, 41 bids were received in the "green RFP." The projects selected include four utilizing landfill gas, one wind farm, one solid waste handling facility, and one project using waste heat recovery from an existing landfill project. In total, these projects will provide close to 200,000 MWh of energy annually (or 45 average MW at a 50% capacity factor). NEP must now seek regulatory approval for cost recovery in Massachusetts, New Hampshire, and Rhode Island.

**NEP Contact:**

**Michael Hachey, (508) 366-9011 x2830**

**PGE Solicits Renewables**

In May, Portland General Electric issued an RFP for up to 50 aMW (100-200 MW) of renewables-based generation. The utility hopes to "acquire a limited number of projects of diverse and proven renewable technologies . . . to demonstrate the cost-effectiveness of renewable energy resources, as well as their commercial viability." If the RFP results in cost-effective projects, the utility may undertake a more aggressive renewables acquisition program.

**PGE Contact:**

**Frank Afranji, (503) 464-7033**

**PG&E R&D Undergoes Realignment**

Long known for its research commitment to renewables, the Pacific Gas and Electric Company (PG&E) will be de-emphasizing R&D on advanced power technologies to focus on activities with more near term results, such as customer energy services and engineering delivery and control. The action is a result of a corporate decision to reduce the company's role in new power generation development.

PG&E's research on renewables will shift in emphasis from hardware development and demonstration to resource monitoring and technology assessment and analysis. However, the utility will retain its commitment to the PVUSA activity, a collaborative government and utility industry activity to demonstrate advanced, utility-scale photovoltaics systems.

**PG&E R&D Contact:**

**Garth Hall, (510) 866-5516**

**Distributed PV Project Dedicated**

In May, PG&E dedicated a project to demonstrate the value of photovoltaics in grid support applications. The 500-kW project, located at the Kerman substation in the California Valley, will test the potential of PV to defer upgrades to heavily loaded transmission and distribution facilities. The Kerman project is a component of the PVUSA program.

**PG&E Contact:****Jay Raggio, (510) 866-5287 Renewables in the Midwest**

In March, the Union of Concerned Scientists (UCS) issued a report, entitled Powering the Midwest, documenting the results of a year-long study of opportunities for renewables development in the Midwest. The study concluded that wind and biomass resources are viable options for meeting much of the region's future generation needs after tapping available efficiency potentials.

The report identifies institutional, regulatory, and legislative barriers inhibiting the development of renewable energy in the Midwest. In addition, estimates were made of the net impact of renewables investments on employment and state economic activity.

**UCS Contact:****Michael Tennis, (617) 547-5552****Texas-Based Utilities Plan Demos**

Two Texas-based utilities recently announced plans for renewable energy test facilities. Central and South West Corporation (CSW) has initiated a five-year, \$10 million demonstration program to determine the potential of renewable energy resources for the Southwest. Renewables-based systems that will be tested include grid-connected PV systems, advanced wind turbines, and solar dish Sterling engines.

Texas Utilities Electric (TU) of Dallas will spend \$15 million over the next several years to build an energy demonstration and test facility. The facility will feature solar and wind power stations, a fuel cell test center, an electric vehicle charging center, and displays of energy conservation technologies. TU expects to gain vital experience in the integration of PV, solar thermal electric, and wind power in its electric power network.

**Utility Contacts:****E.R. Brooks (CSW), (214) 754-1000****Bill Muston (TU), (214) 812-8407**

The Chairman of the NARUC Subcommittee on Renewable Energy is The Hon. Renz D. Jennings, Commissioner, Arizona Corporation Commission. He may be reached at (602) 542-3935.

**Renewables Development Moves Ahead**

The state's utilities are moving forward with the implementation of a state law to stimulate 105 MW of non-utility renewable energy development. (SREN, Summer 1992) The IUB is currently investigating measures, such as earnest fees and milestone requirements, to help ensure that proposed projects will be developed.

**IUB Contact:****John Pearce, (515) 281-5679**

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

Comments or questions regarding NARUC or this newsletter can be directed to:

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