

Renewables Portfolio Standards in the United States: A Status Update

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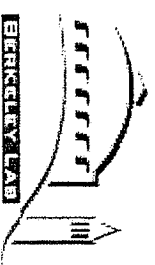
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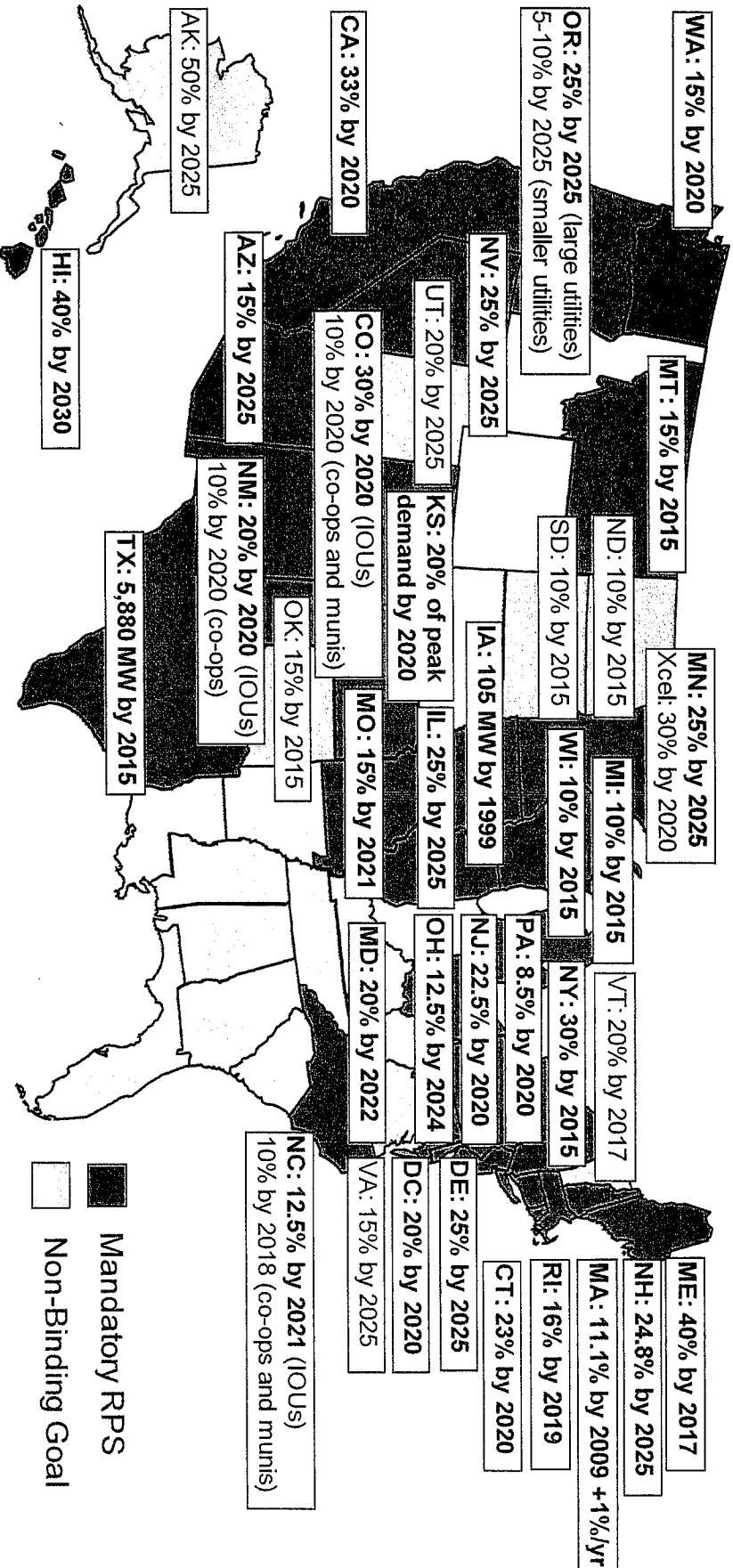
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Attachment: 23

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RPS Policies Exist in 29 States and D.C.; 7 More States Have Non-Binding Goals



Source: Berkeley Lab

Notes: Compliance years are designated by the calendar year in which they begin. Mandatory standards or non-binding goals also exist in US territories (American Samoa, Guam, Puerto Rico, US Virgin Islands)

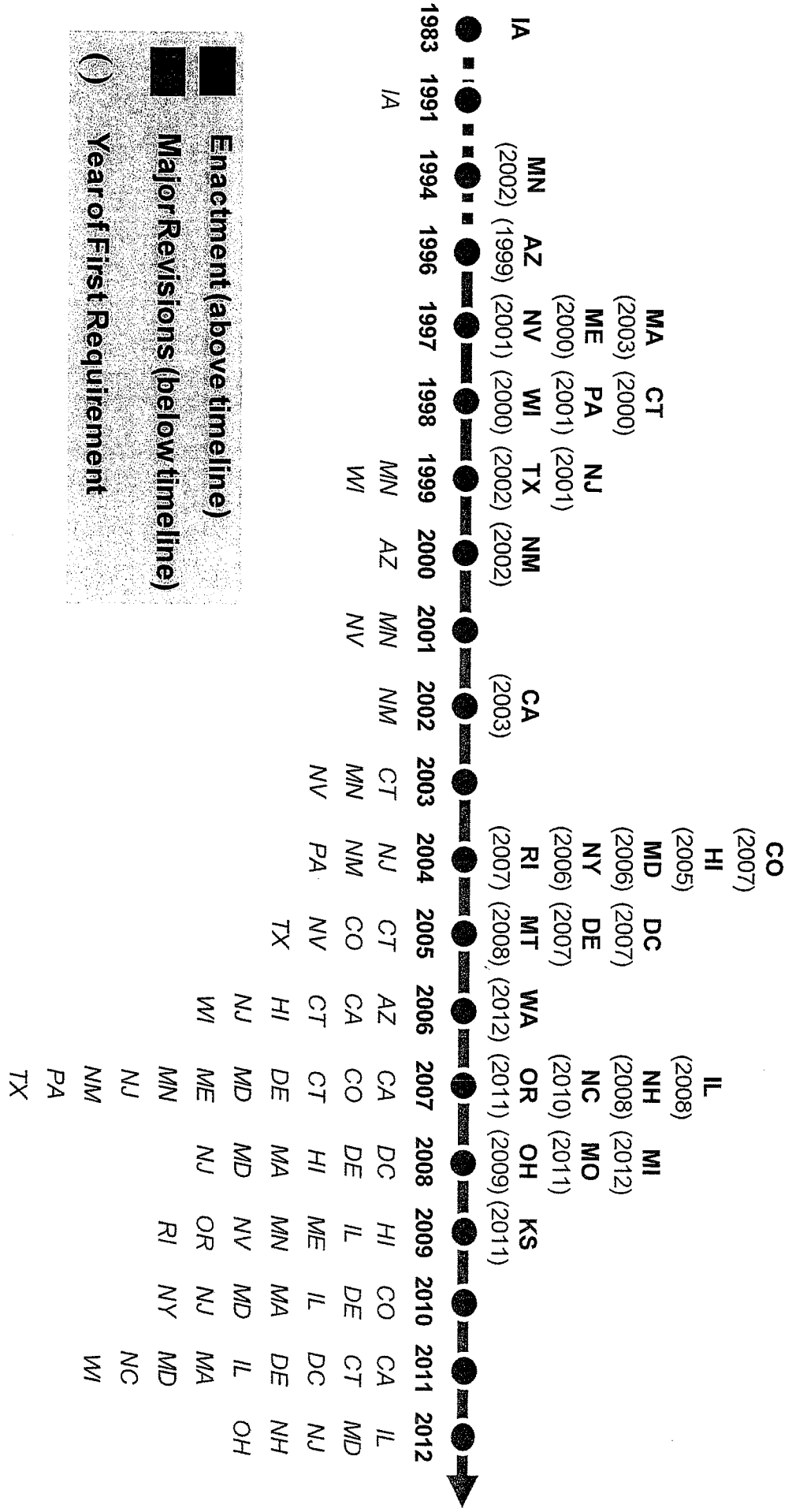
Most policies established through state legislation, but some initially through regulatory action (NY, AZ) or ballot initiatives (CO, MO, WA)

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Enactment of New RPS Policies Is Waning, But States Continue to Hone Existing Policies

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State-Specific RPS Developments (2011-2012)

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- CA: Increased/extended RPS to 33% by 2020 with specified limits on unbundled RECs and firmed/shaped products
- CT: Introduced long-term REC contracting program for small renewables
- DC: Increased solar set-aside; adopted declining SACP schedule; restricted solar set-aside eligibility to projects <5 MW connected to DC distribution system
- DE: Transferred compliance obligation to regulated distribution service provider; created long-term SREC contracting program
- IL: Created DG set-aside with procurement by IPA under multi-year contracts
- MA: Adopted 10-year, declining SACP schedule with 5% annual reductions
- MD: Accelerated solar set-aside, and expanded solar set-aside eligibility to include solar water heating; expanded Tier 1 eligibility to include waste-to-energy and several others
- NC: Expanded eligibility to include direct load control/demand response
- NJ: Accelerated solar set-aside; established 15-year SACP schedule; extended SREC lifetime
- NH: Created carve-out for thermal energy resources; reduced Class I targets while increasing targets for Class III and IV; reduced ACPs for most tiers; loosened Class I eligibility rules
- OH: Expanded eligibility to include waste energy recovery and several specific cogeneration plants
- WI: Expanded eligibility to include new large hydropower



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Adam Putnam Energy Bill Prevails

By: Jim Turner | Posted: April 14, 2012 3:55 AM



From left, workers install solar panels on a rooftop, accept delivery of wind turbine towers and feed a biomass power generator. All three renewable energy sources, solar, wind and biomass are part of a new energy bill set to take effect in Florida July 1, 2013. Credit: Elena Elisseeva - Shutterstock - thestar.com - sciencephoto.comHide

The state's first comprehensive energy bill in five years, considered a more "modest" approach than past diversification efforts and approved with overwhelming bipartisan support by the Legislature, will become law without the governor's signature.

In announcing Friday that he will allow the bill to become law effective July 1, Gov. Rick Scott expressed mixed feelings on the pro-business legislation due to the addition of targeted tax credits that he threatened to later try to repeal if they don't work as advertised.

"While I support many of the provisions of CS/CS/HB 7117, I am concerned whether the taxpayers of Florida will receive a return on the targeted tax credits in the bill," Scott wrote in a letter to Secretary of State Ken Detzner.

"I look forward to reviewing the analysis of returns to the taxpayers as a result of these tax credits. In considering this analysis, it is my goal to ensure that any investment on behalf of Florida taxpayers in renewable energy would afford them the kind of return they would expect of their tax dollars. Absent clear documentation that the proposed tax credits have produced a sufficient return or provided significant cost savings for the state's taxpayers, I will request their repeal."

Slade O'Brien, director of Americans for Prosperity Florida, which lobbied against the energy bill, admitted the group is disappointed, but expects it won't take long for Scott to seek the repeal of the tax credit program that could be worth up to \$100 million in five years.

"I thought the governor had an opportunity with this particular bill to set an example moving forward that we were going to change the culture of this state and get out of the business of picking winners and losers in the market place," O'Brien said.

"I'm pleased that he didn't sign the bill and I'm somewhat pleased by his statement. He clearly heard the argument we were making," O'Brien added. "I think if you look at history, it (tax credits) doesn't work, they become very expensive jobs."

Putnam released a statement after the bill's passage was announced to say the state was taking "a modest step forward toward a smart, long-term energy policy" and that his agency would "implement measures of accountability to analyze the economic impact that results from the bill's tax credits."

"The bill offers technology-agnostic tax credits to businesses that demonstrate investment in energy production and create jobs in Florida," Putnam stated in the release. "Any form of renewable energy is eligible; the market will determine how investments are made. The bill also repeals outdated and counterproductive regulations like the renewable portfolio standard and makes clear that the sale of unblended gasoline is legal."

Besides the widespread legislative support, the Florida Chamber of Commerce and Associated Industries of Florida backed the package.

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While expressing caution about the tax credits, Scott didn't hold back in his praise of other parts of Putnam's proposal to diversify the state's energy portfolio.

"This legislation contains numerous pro-business reforms intended to encourage the development and expansion of businesses in Florida that produce renewable energy," Scott wrote Detzner.

"CS/CS/HB 7117 streamlines the permitting process for these companies in Florida and reduces other administrative barriers for new companies to operate and grow. Further, it repeals the state's renewable portfolio standard mandate, which dictates the appropriate level of investment in renewable energy without the influence of the free market."

The proposal, which includes up to \$100 million in tax incentives for renewable energy investments over five years, includes:

- A renewable energy technologies sales tax exemption capped at \$1 million a year.
- Reinstatement of the biofuel portion of the renewable energy technologies investment corporate income tax credit up to \$10

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million per year.

- Reinstatement of the renewable energy production corporate income tax credit that is equal to 1 cent per kilowatt-hour of energy produced from renewable sources. The energy would be sold with a cap of \$5 million in the next fiscal year, \$10 million a year through 2017.

An independent study by the Delaware-based Environmental Economics of Cardno ENTRIX projected the law will generate \$143.5 million in new tax revenue and create more than 3,000 jobs for Floridians.

"The combination of these incentives is projected to generate an annual average of \$28.7 million in new tax revenue over the fiscal years 2012-2016 and support as many as 3,350 new jobs in all sectors of the Florida economy by 2017," John Urbanchuk, technical director for Environmental Economics, stated in a release.

"Not only does increased investment in the form of new capital expenditures generate new economic activity, this investment increases the size, and presumably the quality, of the capital stock, resulting in additional growth in real output in all sectors of the Florida economy."

Opponents, including Americans for Prosperity Florida, The Heartland Institute, and comedian Victoria Jackson, have derided the bill as the government picking winners and losers among energy companies and have painted the incentives in the energy bill as equal to the stimulus loan guarantees to the failed California-based solar energy company Solyndra. Those loan guarantees cost taxpayers more than \$500 million.

Supporters of the bill have countered that Americans for Prosperity is linked with the billionaire Koch brothers, who are deeply rooted in oil money, and that arguments used against the plan to replace alternative-energy mandates with market-driven incentives are rooted in a lack of good information.

Tom Feeney, president of Associated Industries of Florida, called the comparison between Solyndra and Putnam's bill "false and misleading."

In an April 10 letter to Scott in support of the energy bill, Feeney noted the tax credit is patterned after "the federal production tax credit signed by several Republican administrations."

Feeney's letter also stated that the bill includes two important provisions for the state. One removes burdensome renewable portfolio standards from state law while extending renewable production credits.

"This tax credit is a tax cut for Florida businesses that invest in alternative energy and produce this energy for sale in the state," Feeney wrote.

"As an alternative to expensive and burdensome mandates enacted in other states, this approach is a thoughtful, reasonable, ratepayer friendly way to encourage new energy production from the state's utility and non-utility energy producers. It has the potential to be a real job creator by providing a one penny per kilowatt-hour credit for those companies who produce and sell this energy within the state."

The bill, mediated in both chambers, is the first comprehensive energy plan to be approved by the Legislature since former Gov. Charlie Crist introduced a plan in 2007 that called for sweeping reforms. Many of Crist's proposals have since remained dormant or required repeal.

The bill also allows local governments to use discretionary sales tax revenue to assist homeowners who make energy-efficiency improvements.

The legislation streamlines the permitting process for bio-fuel feedstock crops and allows retail dealers to sell unblended gasoline, which is a priority for the boating industry.

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Tags: [Adam Putnam](#), [AIE](#), [Americans for Prosperity Florida](#), [Associated Industries of Florida](#), [Business](#), [Charlie Crist](#), [Environmental Economics of Cardno ENTRIX](#), [Florida Chamber of Commerce](#), [HB 7117](#), [Ken Detzner](#), [News](#), [Rick Scott](#), [Siade O'Brien](#), [Solyndra](#), [Tom Feeney](#)

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23-7, '1

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2012 Negative RPS Bills

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State	Bill Number	Description	Did the bill become law?
Arizona	HB2789	Amended several times. Would have required the Arizona Corporation Commission to obtain approval from the legislature to amend any rules related to the state's RPS. A subsequent amendment stipulated that utilities could not be required to meet any standards greater than those required by the rules in effect on 1/1/2012. Would have prevented ACC from pursuing more ambitious standards.	No
Delaware	HB247	Would have frozen minimum percentage of renewable energy a retail-electricity supplier or municipal electric company must provide to customers at 1/1/2012 levels.	No
Michigan	HB5447	Would have repealed the renewable energy portfolio standard for investor-owned utilities, as well as the energy optimization standards.	No
Washington	HB1890	Would have temporarily reduced RPS requirements to half of the existing targets until unemployment was below 5%. It would have also allowed hydropower projects to count toward compliance.	No
West Virginia	HB2915	Would have repealed the Alternative and Renewable Energy Portfolio Standard.	No
California	AB1771	Would have allowed hydroelectric systems of any size to qualify for the RPS.	No
Massachusetts	HB4038	Would have amended RPS to allow for large hydro; creates a carve-out for large hydro.	No
Maine	SB648	Originally would have eliminated the 100 MW limit on hydro facilities for the RPS and established long-term contracts for large hydro. Clause was eventually removed.	No

Minnesota	HB2190	Would have allowed any size hydroelectric facilities to count toward the RPS.	No
New Hampshire	SB218	Lengthens the list of resources eligible for the state's RPS and requires a new minimum standard for "useful thermal energy" generated by renewables. Thermal resources must account for 0.2% of RECs in 2013 and 0.4% in 2014; the share increases annually by 0.2% from 2015 through 2025. The new law also changed the alternative compliance payment rates for three of the four classes of renewables included in the standard. The ACP rate for new solar-electric resources was drastically reduced, from \$168.13/MWh to \$55/MWh.	Yes
Minnesota	SB1906	Would have allowed any size hydroelectric facilities to count toward the renewable energy standard.	No
New Hampshire	HB1428	Would have replaced current RPS with a new standard of 30% by 2030, allowing in-state nuclear generation.	No
Virginia	HB1102; SB413	Allows IOUs to meet 20% of RPS goal through research and development.	Yes
Washington	HB1125	Would have allowed existing hydroelectric facilities to qualify for the RPS.	No
Washington	HB2682; SB6418	Would have prevented utilities from being required to purchase electricity or RECs that are not needed to meet customers' loads, regardless of RPS targets.	No
Oregon	HB4073	Would have removed restrictions on hydroelectric facilities for RPS eligibility.	No
Washington	HJR4202	Would have amended state constitution to make existing hydroelectric facilities eligible as a renewable energy resource.	No
Ohio	SB315	Allows waste energy and cogeneration resources to be used to meet RPS requirements or EERS requirements.	Yes
West Virginia	SB529	Would have removed the limit that no more than 10% of RECs used each year to meet compliance can be from natural gas.	No

19 bills in 13 states