



Renewable Portfolio Standards Update

2012's Compliance Modifications, Progress, & Prognostications

March 6, 2012

Produced by
The Renewable Energy Markets Association (REMA)
Washington, DC

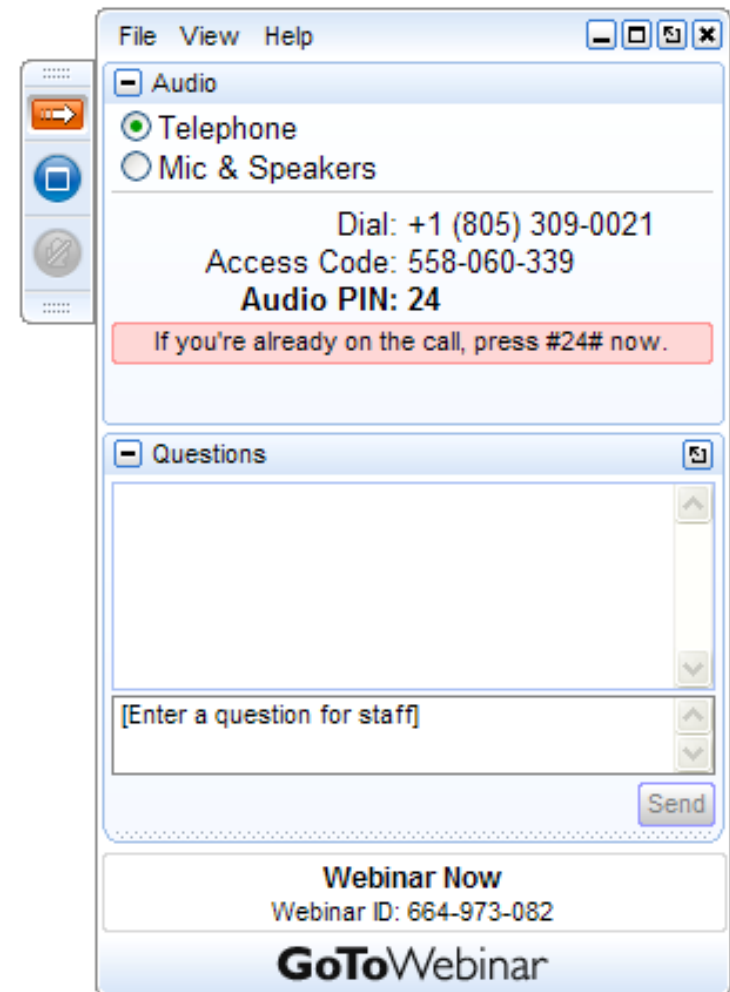
Joseph Seymour - Moderator



- Program Coordinator –
Policy and Government Affairs
Renewable Energy Markets Association
- Program Manager,
Technology Transition Corporation
(www.ttcorp.com)

Quick Notes

- Two Audio Options: Streaming Audio and Dial-In.
 1. Streaming Audio/Computer Speakers (Default)
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- Ask questions using the **Questions Panel** on the right side of your screen.
- The recording of the webinar and the slides will be available after the event. Registrants will be notified by email.



Speakers

- **Justin Barnes**, Senior Policy Analyst - North Carolina Solar Center (NCSC), DSIRE
- **George 'Chip' Cannon**, Partner - Patton Boggs, LLP

Moderator

- **Joseph Seymour**, Program Coordinator – Policy and Government Affairs, Renewable Energy Markets Association



Presentation Outline

- I. Introduction – Joseph Seymour**
- II. RPS Update– Justin Barnes**
- III. Trends and National Implications– Chip Cannon**
- IV. Q & A, Next Events – Joseph Seymour**

[Full presentation will be available online,
www.renewablemarkets.org/webinar]

- Dedicated to maintaining and growing strong markets for renewable energy in the United States.
- Advocacy and education at federal, state, and regional levels

www.renewablemarketers.org



Justin Barnes



- Senior Policy Analyst - North Carolina Solar Center

Update on 2012 Compliance Modifications, Trends, & Items of Interest

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U.S. DEPARTMENT OF
ENERGY

Energy Efficiency &
Renewable Energy

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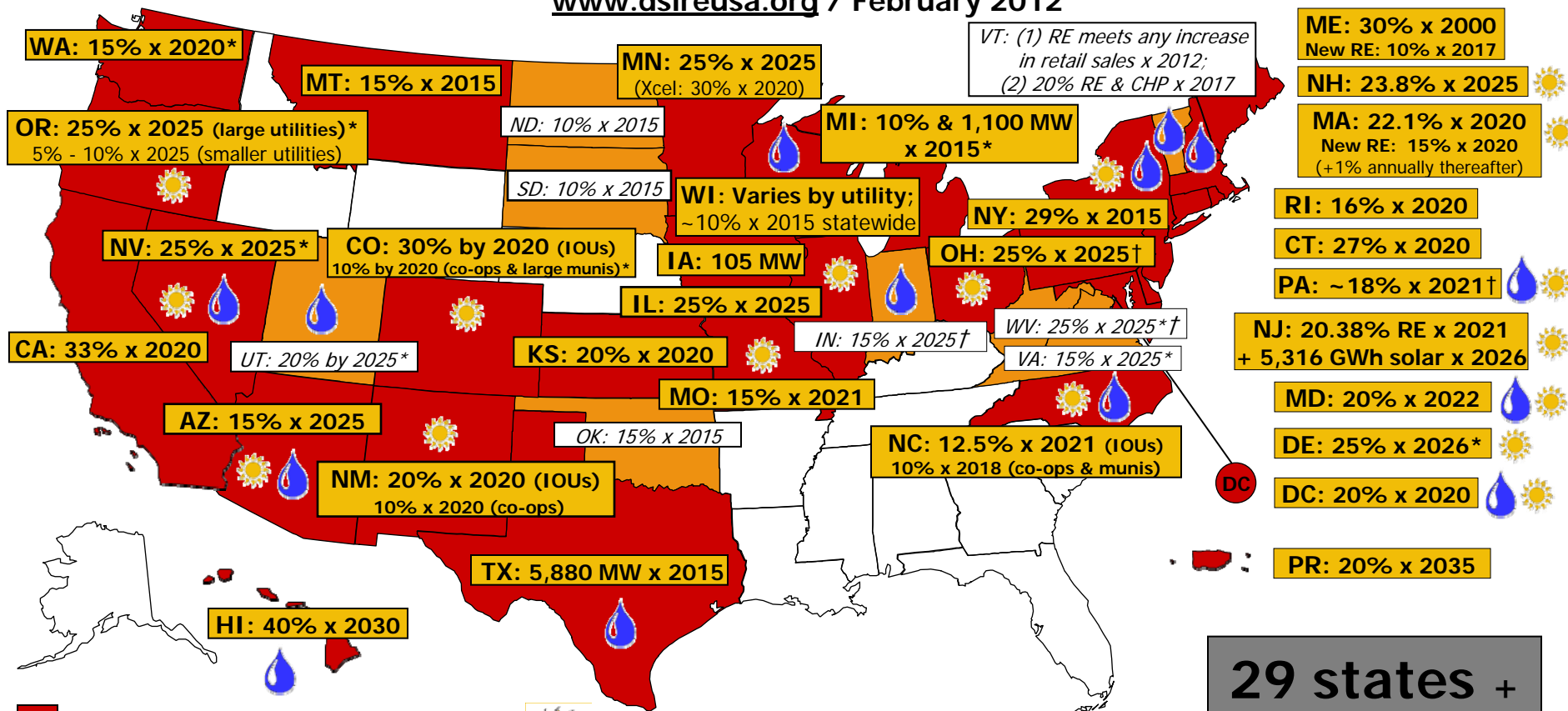
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Renewable Energy Markets Association Webinar
March 6, 2012

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RPS Policies

www.dsireusa.org / February 2012



Renewable portfolio standard
 Renewable portfolio goal
 Solar water heating eligible

Minimum solar or customer-sited requirement
 Extra credit for solar or customer-sited renewables
 Includes non-renewable alternative resources

29 states + DC and PR have an RPS
(8 states have goals)

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State	2009 MWh Obligation	2010 MWh Obligation	2009 (% Comp)	2010 (% Comp)	2012 % Obligation	2013 % Obligation
AZ	824,430	1,015,858	90%	93%	3.50%	4.00%
CA	29,537,501	34,116,201	89%	86%	20.00%	20.00%
CO	1,646,899	1,520,066	100%	99%	15.00% (IOUs)	15.00% (IOUs)
CT	no data	no data	no data	no data	16.00%	17.00%
DC	591,576	699,887	100%	100%	7.50%	9.00%
DE	291,451	410,618	100%	99%	8.50%	10.00%
HI	0	957,857	n/a	100%	10.00%	10.00%
IA	295,800	295,800	100%	100%	105 MW	105 MW
IL	2,283,383	2,747,874	100%	100%	7.00%	8.00%
KS	0	0	n/a	n/a	10.00%	10.00%
MA	3,096,274	5,468,563	82%	74%	14.10%	15.10%
MD	2,770,353	3,539,778	100%	100%	9.00%	10.70%
ME	3,514,043	3,832,365	100%	100%	35.00%	36.00%
MI	0	0	n/a	n/a	5.60%	6.80%
MN	3,860,255	7,093,647	100%	100%	18% (Xcel); 12%	18% (Xcel); 12%
MO	0	0	n/a	n/a	2.00%	2.00%
MT	346,261	692,167	100%	98%	1.00%	1.00%
NC	0	24,867	n/a	100%	3.00% (IOUs)	3.00% (IOUs)
NH	608,000	830,347	93%	90%	10.65%	11.70%
NJ	5,733,633	6,841,213	99%	100%	9.64% (non-solar)	10.48% (non-solar)
NM	852,285	858,705	100%	100%	10.00%	10.00%
NV	3,551,815	3,493,644	100%	100%	15.00%	18.00%
NY	4,868,849	3,061,948	61%	96%	4.54% (new)	5.60% (new)
OH	333,809	602,196	100%	100%	1.50%	2.00%
OR	0	0	n/a	n/a	5.00%	5.00%
PA	829,374	no data	100%	no data	10.22%	10.72%
RI	316,424	no data	100%	no data	6.50%	7.50%
TX	6,799,347	9,053,544	100%	100%	3,384 MW	3,384 MW
WA	0	0	n/a	n/a	3.00%	3.00%
WI	2,501,915	3,850,101	100%	100%	5.55%	5.55%

Items of Interest in 2012

- CA – adding publicly-owned utilities increases the load covered substantially (~75% to 98%); additional REC sale opportunities
 - NM – Current rulemaking could revise the resource “diversity” requirements within the RPS, revise cost calculations
 - MA – Biomass regulations/adjustments for facility efficiency...replication in other states?
 - IL – Implementation of DG carve-out; IPA stakeholder proceedings established
 - MO – PSC has established working group for rule clarifications
 - OH – Analysis of cost-cap compliance for FirstEnergy
-
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Trends and Issues

- Policy scrutiny/review and analysis (CT, ME, MN, MI)
- Influence of established cost caps on achievement of standard (OH, NM, CO, AZ)
- Role of long-term contracts in REC procurement (NJ, CT, RI, IL, OH, PA, NH)
- Renewable resource definitions (many)
- Interest in offshore wind (NJ, DE, MA, RI, ME, MD?)

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Want Updates?

Monthly RPS quasi-newsletter

Email: justin_barnes@ncsu.edu



George 'Chip' Cannon



○ Partner, Patton Boggs, LLP

**RPS Rollbacks, National
Energy Policy Implications,
and the CES**

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Overview

State RPS Set-Backs

- Current political and economic climate

Federal Clean Energy Standard

- Background
- Sen. Bingaman's recent proposal

Efforts to Repeal/Roll-Back State RPS

Full Repeal:

- Florida
- North Carolina
- Ohio

Roll Back:

- Washington (linked directly to unemployment rate)
- Colorado
- Maine
- New Mexico

Efforts to Water Down State RPS

Expands definitions of eligible resources:

- Heat from wastewater treatment plant (CT)
- Includes bio-solids in Class I (CT)
- Includes plasma gasification (IA)
- Includes synthetic gas (IL)
- Moves waste-to-energy in Tier I (MD)
- Includes hydro expansions (MT)
- Includes demand reduction via Smart Grid technology (NC)

Efforts to Water Down State RPS

Expands eligible resources, cont'd:

- Includes geothermal heat pumps in Class I (NJ)
- Includes nuclear (OR)
- Includes pre-1995 small hydro (OR)
- Includes all hydro (OR)
- Adds natural gas as Tier I/Tier II (PA)
- Includes municipal solid waste facilities (WA)

Efforts to Water Down State RPS

Other approaches:

- Establishes multiplier for “efficient” resources (ME)
- Eliminates 100 MW size limit (ME)
- Removes community renewables requirements (MT)
- Allows utilities to obtain RPS waiver for up to 3 years (MT)
- Allows up to 25% compliance through efficiency (NC)
- Limits budget impact to 2% of a utility’s sales (MN)
- Allows RECs to be used after 4th year (WA)

History of Federal Clean Energy Standard

In the past, federal CES has had some bipartisan support.

Endorsed by Pres. Obama in 2011 State of the Union (80% by 2035).

House passed Waxman-Markey Clean Energy Security Act of 2009.

Introduction of various Senate bills.

November 2011 US EIA Analysis

Requested by Chairman Bingaman.

Analysis of impacts of CES

- Bingaman proposal (Base CES case)
- Alternative proposals

Base CES would result in CO₂ emissions 22% below reference in 2025, and 43% lower in 2035.

The Clean Energy Standard Act of 2012

Introduced by Sen. Bingaman on March 1, 2012

Amends the Public Utility Regulatory Policies Act of 1978.

No chance of passages. Places a “marker” for continued discussion.

CES Act 2012

Facilities in-service after December 31, 1991:

- Renewables
- Qualified renewable biomass (produced and harvested in sustainable manner)
- Natural gas
- Hydropower
- Nuclear power
- Qualified waste-to-energy

CES Act 2012

Facilities in-service after enactment of CES:

- Qualified CHP
- Source (other than biomass) with lower annual carbon intensity than 0.82 metric tons of CO₂e/MWhr
- Qualified efficiency improvements or capacity additions to existing nuclear and hydropower facilities
- Carbon capture and storage

CES Act 2012

Begins at 24% in 2015.

Increases 3% annually, until 84% in 2035.

Exempts smaller utilities, with threshold decreasing from 2 million MWhr/yr in 2015 to 1 million MWhr/yr in 2025.

Baseline deductions for pre-1992 hydro power and nuclear power.

CES Act 2012

Compliance by credits or Alternative Compliance Payment.

Credits based on carbon-intensity.

- Credits per MWh = $1.0 - (\text{carbon intensity}/0.82)$
- Carbon intensity measured as metric tons of CO₂ per MWh of electricity produced.

Unlimited banking.

CES Act 2012

DOE administers, or delegates authority to administer, federal credit trading program.

Alternative Compliance Payments.

- 3¢/kwhr
- Ability to increase 5%/yr plus inflation.
- Payments distributed proportionally to States to fund energy efficiency programs.

CES Act 2012

Requires DOE to submit reports to Congress:

- Integration of clean energy resources that do not produce electricity.
- Natural gas conservation measures.

Q & A

Ask questions using the **Questions Panel** on the right side of your screen.

All questions and comments will be recorded and incorporated in the webinar summary report.

Also, please take a few moments to answer the survey questions.

Upcoming Events

- Distributed Solar East 2012
 - April 25-27, Somerset, NJ
 - <http://infocastinc.com/index.php/conference/623>
- Defense Renewable Energy & Military Microgrids
 - May 30 – June 1, Arlington, VA
 - <http://infocastinc.com/index.php/conference/625>
- Argus Renewables Trading Summit Americas
 - June 7-8, NYC
 - argusrenewables.com/
- REFF Wall Street
 - June 19-20, NYC
 - <http://www.refffwallstreet.com/>

More Information

- **This Webinar will be available** by Thursday, March 7
- **Sign up** to receive REMA news at on our website.
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Thank You

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