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# 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

#### **Electric Market Opens to Competition**

On March 31, the California electric market opened to competition. Six energy service providers (ESPs) are selling green power in the retail market, with two other companies active in the wholesale market. Generally, these companies offer multiple products, containing anywhere from 20% to 100% "qualifying" renewable power with the remaining power coming from large hydro, natural gas, or system power. Several other marketers have announced plans to launch green power offerings.

#### **CPUC Adopts Disclosure Rule**

Under a set of consumer protection rules adopted by the CPUC, every ESP must provide customers with a Notice of Price, Terms, and Conditions of Service. The Commission has suggested specific wording for the form to assure that it is uniform for all providers and so that consumers can easily compare prices, services, and the generation mix offered by various providers. In addition, utilities and ESPs will use a standard bill format so that no matter who serves a customer, the bill will include the same information, and customers can recalculate the bill to verify its accuracy.

#### **CPUC Contact:**

**Dianne Dienstein, (415) 703-2423**

#### **CEC Auctions Renewables Incentives**

The California Energy Commission (CEC) held its auction for incentive payments to "new" renewable energy projects under California's electricity restructuring legislation and allocated \$162 million to 55 new projects.

Bids were submitted in cents per kilowatt-hour ( $\text{¢/kWh}$ ) for electricity production, not to exceed  $1.5\text{¢/kWh}$ .

A total of more than 540 megawatts (MW) of renewable resource capacity were determined eligible to receive funding at an average incentive of  $1.2\text{¢/kWh}$ , including approximately 300 MW of wind; 157 MW of geothermal, 70 MW of landfill gas, 12 MW of biomass, 1 MW of digester gas, and 1 MW of small hydro. The incentives for new renewables projects represent 30% of the overall \$540 million fund established by the California legislature for renewables support (**SREN**, Summer 1997).

#### **CEC Contact:**

**Marwan Masri, (916) 654-4531**

### Connecticut

#### **Renewables Support in Restructuring Law**

The Connecticut legislature passed electric restructuring legislation that will give all consumers choice of electricity suppliers starting July 1, 2000. The law includes several provisions to support renewable energy deployment, including:

- A renewable portfolio requirement under which all suppliers must obtain specified percentages of their power from renewable resources, starting at 6% and rising to 13% on July 1, 2009.
- A customer-funded Renewable Energy Investment Fund to promote investments in renewable energy technologies.
- Suppliers must give potential customers notice of rates, terms and conditions of service, and information regarding the environmental characteristics of the generating facilities.
- Net metering provisions for certain types of renewable technologies.

#### **Legislative Contact:**

**Kevin McCarthy, (860) 240-8400**

### New York

#### **PSC Approves System Benefits Charge**

On July 2, the PSC approved a system benefits charge (SBC) to fund public benefit programs during the transition to a fully competitive electricity market. A total of \$234.3 million will be collected by the six electric utilities over a 3-year period beginning July 1, 1998. Nearly three-quarters of the funds will be administered by the New York State Energy Research and Development Authority (NYSERDA) with the remaining funds to be retained for utility-run programs.

Programs will be conducted in three main areas: energy efficiency, research and development (R&D), and low income. Only a small portion of the funds, \$10.5 million, will be used specifically to fund renewable energy initiatives, including wind, photovoltaics, and biomass projects.

#### **PSC Contact:**

***Craig Jones, (518) 474-8702***

### Pennsylvania

#### **PECO Settlement Includes Renewables**

The revised settlement reached in the restructuring case of PECO Energy contains provisions that will provide a significant boost to renewable energy technologies in Pennsylvania. The provisions include a renewable energy requirement for the "competitive default provider" that will supply 20% of PECO customers. The requirement insures that a minimum amount (starting at 2%) of non-hydro renewable energy will be included in the supply mix. Other provisions include a guarantee that renewable energy will be used in PECO's weatherization program for low income residents, a new Sustainable Energy Development Fund that will help develop clean energy and energy efficiency projects, and a net metering policy that will encourage greater use of solar rooftop systems.

#### **Clean Air Council Contact:**

***Andrew Altman, (215) 567-4004***

#### **Green-e Comes to Pennsylvania**

The Center for Resource Solutions (CRS) announced that Green-e certification will be available to marketers and customers in Pennsylvania's competitive electricity market. The Green-e program has been active in

California for the past year and is designed to certify electricity products that contain at least 50% renewable resources (**SREN**, Fall 1997).

Already, two companies, Conectiv Energy and Green Mountain Energy Resources, have announced plans to offer green power products in the Pennsylvania market. According to the Pennsylvania Electric Association, nearly 1.1 million electric customers signed up to participate in the Pennsylvania Electric Choice Program during the first week of enrollment.

#### **CRS Contact:**

***Marcy Roth, (415) 561-2100***

### Texas

#### **PUC Issues Green Pricing Rulemaking**

The PUC is considering a rulemaking that would allow electric utilities in the state to offer an optional green pricing tariff to customers.

The rule promotes the use of new renewable resources and includes requirements that the green pricing premium be cost-based and that utilities conduct a customer education campaign, including disclosure of the utility's generation mix and emissions. The costs of the education program would be recoverable from all customers.

The expressed purpose of the renewable energy tariff is to "use market-based methods to promote the use of renewable energy technologies to supply electricity to Texas, to protect and enhance the quality of Texas' environment, and to respond to customers' expressed preferences for renewable resources." Through several utility-conducted Deliberative Polls, utility customers have expressed strong preferences and a willingness to pay a higher price for clean energy acquired from non-polluting renewable resources (**SREN**, Fall 1996).

#### **PUC Contact:**

***Gillan Taddune (512) 936-7398***

### Wisconsin

#### **Reliability Law Includes Renewables**

The Wisconsin Legislature passed a bill requiring four utilities (Wisconsin Electric Power, Wisconsin Power & Light, Wisconsin Public Service, and Madison Gas & Electric) to add 500 MW of new generating capacity to ensure statewide power system reliability. At least 10%, or 50 MW, of the capacity must

come from renewable energy sources. It is expected that the utilities will seek to sell the renewable power through green power marketing programs, such as programs already in place at Wisconsin Electric (for 5.0 MW of existing wood and hydro capacity and 1.2 MW of new wind) and being developed by Madison Gas and Electric (for a new 11.25-MW wind energy project).

**RENEW Wisconsin Contact:**

**Michael Vickerman, (608) 255-4044**

## Other Activities

### Administration Releases Restructuring Bill

Noting that "Competition will produce significant environmental benefits through encouraging more efficient fuel use and increasing opportunities to sell energy efficiency services and green power," outgoing Secretary of Energy Federico Peña submitted to Congress the Clinton Administration's proposed federal legislation to restructure the nation's electricity industry.

The "Comprehensive Electricity Competition Act" contains several provisions to support renewable energy deployment, including:

- A Renewable Portfolio Standard (RPS), to ensure that by 2010 at least 5.5 percent of all electricity sales are covered by generation from nonhydro renewable energy sources. The RPS would be subject to a cost cap.
- A Public Benefit Fund, to provide matching funds of up to \$3 billion to states for low-income assistance, energy-efficiency programs, consumer information, and the development and demonstration of emerging technologies, particularly renewable energy technologies.
- A Disclosure Requirement, under which all retail electric suppliers would disclose, in a uniform format, information on prices, terms, and conditions of service; type of energy resource used to generate the electric energy; and the environmental attributes of the generation (including air emissions characteristics).

- A Net Metering Requirement, under which each retail electric supplier shall make available upon request net metering service to any retail electric consumer with a renewable energy facility of 20kW or less whom the supplier currently serves or solicits for service.

### NAAG Issues Draft Green Guidelines

The National Association of Attorneys General (NAAG) released a first draft of the "Green Guidelines for Electricity" for public comment. The guidelines are intended for use by industry and law enforcement agencies to clarify how environmental marketing claims can be made in a non-deceptive manner. The draft document is offered as a starting point for interested parties who may wish to consider establishing uniform advertising standards for the "green marketing" of electricity and what those standards should be.

**NAAG Contact:**

**Emily Myers, (202) 326-6015**

### Businesses, Municipality Go Green

Three high-profile business and government customers have committed to purchase green power in California.

Toyota Motor Sales (TMS), the fourth largest auto company in the U.S., announced on Earth Day that it will become the single largest purchaser of 100% renewable power in the world. All of the electricity for Toyota's U.S. headquarters and several other California facilities, approximately 38 million kWh per year, will now be supplied by Edison Source's EarthSource<sup>SM</sup> 100 product. TMS president and CEO, Yoshi Ishizaka, stated, "Toyota has a responsibility to the environment that runs beyond designing, building, and selling clean, efficient, and high-quality cars and trucks. We must also reevaluate every part of our operations from recycling waste paper to purchasing renewable resource electricity."

**Toyota Contact:**

**Joe Tetherow, (310) 618-4727**

On July 6, Patagonia, a Ventura, California-based outdoor clothing manufacturer, announced that it will purchase 100% renewable energy from Enron Energy Services. Enron will supply roughly 1 million

kWh per year to power Patagonia's 14 California facilities from a new 16-MW wind power facility that is being constructed near Palm Springs, CA. Until the wind project becomes operational in early 1999, Enron will supply power from qualified in-state renewables projects. Patagonia chose Enron because of its commitment to build new renewables capacity for the market.

**Green-e Contact:**

***Marcy Roth (415) 561-2100***

Santa Monica became the first city in California to officially commit to green power when the City Council directed city staff to pursue "by the earliest possible date" the purchase of renewable energy to power City Hall and other city facilities. The move was endorsed by Global Green USA a Los Angeles-based conservation organization that is spearheading an effort to convince businesses and residences in Southern California to choose green power.

**Contact:**

***Dwight Holing, (925) 253-8245***

## **Focus on Net Metering**

### *Iowa*

Due to overwhelming public support expressed for net metering, the Iowa Utilities Board withdrew a draft order it had introduced in December 1997 to repeal the state's net metering policy for residential renewable energy systems (**SREN**, Winter 1998). At the same time, the Iowa Senate unanimously passed legislation that would require utilities to offer net metering for customer-sized systems using solar, wind, biomass, or hydropower. However, the House failed to act on the bill.

**IUB Contact:**

***Bill Smith, (515) 281-6496***

### *New Hampshire*

In June, a net metering law was enacted that requires all utilities in the state to offer net metering to customers with generating facilities of 25 kW or less using wind, solar, or hydropower and intended primarily to offset part or all of the customer's own electricity requirements. The total capacity eligible for net metering is capped at 0.05% of each utility's annual peak energy demand.

### *Vermont*

In June, a statute was enacted that allows net metering for customers with PV, wind, and fuel cell facilities of 15 kW or less, and establishes a new class of net metering system called the farm system. A farm system generates power from the anaerobic digestion of agricultural waste produced by farming and can be up to 100 kW in size.

The total generating capacity under net metering for each electric company is limited to 1% of the company's peak demand during 1996. Excess generation during a billing period will be credited to the next billing period until the end of the calendar year, at which time, any remaining credits will revert to the utility without compensation to the customer.

### *Washington*

With unanimous votes in both chambers of the legislature, a net metering law was enacted that requires the state's electric utilities to offer net metering to customers with small generating systems (25 kW or less in size) using solar, wind, or hydropower. Total net metering capacity for each utility is set at 0.1% of the utility's 1996 peak demand. Excess generation at the end of each billing period is carried over to the next billing period as a credit. Excess generation at the end of the calendar year is granted to the utility.

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](mailto: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.

## Renewables Components in State Restructuring Laws

State	Mechanism <sup>1</sup>	Disclosure Requirement
Arizona <sup>2</sup>	<b>RPS</b> – 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.	No
California	<b>SBC</b> – \$540 million over 4 years to fund a mix of production incentives, project financing support, and customer rebates for renewables purchases.	Yes
Connecticut	<b>RPS</b> – Total of 6% from renewables at outset, rising to 13% on July 1, 2009; delineation of renewable resource types as Class I and Class II.  <b>SBC</b> – Minimum 0.05¢/kWh charge at outset for Renewable Energy Investment Fund. Rises to 0.075¢/kWh on July 1, 2002 and to 0.1¢/kWh on July 1, 2004.	Yes
Illinois	<b>SBC</b> – 5.0¢/month surcharge on residential customers for 10 years for renewables development fund; expected to raise \$5 million per year.	Yes
Maine	<b>RPS</b> C 30% of retail sales to be provided by renewable resources, including hydro, fuel cells, and municipal solid waste in conjunction with recycling.  Also includes voluntary fund for renewables R&D.	Yes
Massachusetts	<b>RPS</b> – 1% of electricity sales from new renewables starting in 2003, rising by an additional 0.5% per year through 2009, and increasing to 1% each year thereafter.  <b>SBC</b> – 0.075¢/kWh from all customers, beginning in 1998, to support the development and promotion of renewable energy projects. The charge increases to 0.1¢/kWh in 1999 and 0.125¢/kWh in 2000, and decreases to 0.1¢/kWh in 2001 and 0.075¢/kWh in 2002, and to a fixed 0.05¢/kWh thereafter.	Yes
Montana	<b>SBC</b> – 2.4% of 1995 utility revenues for energy conservation, renewables, and low-income energy assistance.	Yes
Nevada	<b>RPS</b> – 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).	Yes
New Hampshire	<b>None</b>	No <sup>3</sup>
Oklahoma	<b>None</b>	No
Pennsylvania	<b>RPS</b> – Regulatory requirement for competitive default provider to obtain 2% of its electricity supply from nonhydro renewables, increasing 0.5% per year thereafter.	Yes
Rhode Island	<b>SBC</b> – 0.23¢/kWh for a minimum of 5 years to fund renewables and demand-side management programs.	Yes

<sup>1</sup>**RPS** = renewables portfolio standard; **SBC** = system benefits charge.

<sup>2</sup>Adopted by the Arizona Corporation Commission, a constitutionally created regulatory body.

<sup>3</sup>Under consideration

Source: National Renewable Energy Laboratory (7/98)

## More Information Via the Web

Detailed information on the California green power market and marketers is available at:  
<http://www.energy.ca.gov/renewables/index.html> and  
<http://www.eren.doe.gov/greenpower/california/index.html>

For more information on California's renewables program, see:  
<http://www.energy.ca.gov/renewables/index.html>

The full text of Connecticut Public Act No. 98-28 is available at:  
<http://www.cga.state.ct.us/ps98/act/pa/pa-0028.htm>

The full text of the NY PSC system benefits charge order is available at:  
<http://www.dps.state.ny.us/fileroom/doc4406.t>

The full text of the TX PUC draft green pricing rulemaking is available at:  
<http://www.puc.texas.gov/rulemake/19087PUB.htm>

The full text of the Administration restructuring bill is available at:  
<http://www.doe.gov/ceca/ceca.htm>

The full text of New Hampshire's net metering law is available at:  
<http://www.state.nh.us/gencourt/bills/chaptered/98chapters/0261.html>

The full text of Vermont's net metering law is available at:  
<http://www.leg.state.vt.us/docs/1998/bills/passed/h%2D605.htm>

The full text of Washington's net metering law is available at:  
[http://leginfo.leg.wa.gov/pub/billinfo/house/2750-2774/2773-s\\_pl\\_030798](http://leginfo.leg.wa.gov/pub/billinfo/house/2750-2774/2773-s_pl_030798)