

RENEWABLE ELECTRICITY STANDARD

The Standard

Sellers of electricity must obtain the following percentages of their electricity from renewable energy resources or from energy efficiency improvements:

YEAR	%
2011-2013	3
2014-2016	6
2017-2018	9
2019-2020	12
2021-2039	15

Utilities selling less than 4,000,000 megawatt hours per year are exempt.

The Calculation

In calculating the renewable electricity needed to meet the standard we apply the above percentages to the total electricity sold by the seller at retail in any given year, without including the electricity obtained from existing hydropower generators and municipal solid waste generators in that year.

Qualifying Renewables

- Wind,
- Solar,
- Ocean,
- Geothermal,
- Biomass,
- Landfill gas,
- Incremental hydropower,
- Hydrokinetic
- New hydropower at existing dams with no generation.

Energy Efficiency

Any state may opt for its utilities to meet up to 26.67% of its requirement by improving energy efficiency in their systems. The items that qualify as energy efficiency savings include:

Customer facility savings
Electricity savings
Recycled energy
Combined heat and power.

Ways of Meeting the Standard

To meet the standard each seller may:

- Produce the specified amount of electricity or efficiency savings itself;
- Purchase renewable energy or efficiency savings;
- Purchase renewable energy credits or energy efficiency credits from entities who have excess;
- Make alternative compliance payments to the Secretary at a rate of 2.1 cents per kilowatt hour. Payments are made into a fund to be returned to states whose utilities have paid into the fund, for development of renewable resources, or to offset increases in customers bills.

Flexibility Provisions

- Two or three year ramp up rate to give more time for planning;
- Three year lifespan of credits to allow over compliance to be banked for future use;
- Waiver for reasons "outside the reasonable control of the utility":
- Five year waiver of penalty in the event of an act of God, such as a hurricane.
- Waiver of requirement for one year for four percent increase in customer rates attributable to federal RES compliance costs in any year as alternative to ACP.
- More flexible biomass definition.