ENVIRONMENTAL AND ENERGY STUDY INSTITUTE

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EESI

CAROL WERNER
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BRIEFING NOTICE

Can States Meet the Proposed 15% National Renewable Portfolio Standard?

November 1, 2007
2:00 PM – 3:30 PM
253 Russell Senate Office Building (NOTE NEW LOCATION)

The Environmental and Energy Study Institute (EESI) invites you to learn about national renewable electricity portfolio standards such as the one included in the House energy bill (HR 3221, Sect. 9611) as the House and Senate go to conference on the energy bill. A Renewable Portfolio Standard (RPS) is a market-based mechanism that requires utilities to gradually increase the portion of electricity produced from renewable resources such as wind, biomass, geothermal, solar, incremental hydropower and marine energy. Twenty-five states and the District of Columbia have RPSs, covering over 40 percent of the nation's electrical load. A national RPS has passed the Senate in the last three Congresses, although it is not included in the Senate energy bill (HR.6).

A national RPS has many attributes that can benefit all states, including lowering natural gas prices, providing manufacturing jobs, improving air quality, reducing greenhouse gas emissions and creating larger, stable markets for renewable energy technologies. A June analysis by the US Energy Information Administration (EIA) of a national RPS proposed by Senate Energy Committee Chair Bingaman (D-NM) requiring electric utilities to acquire 15 percent of their electricity from renewable energy sources by 2020, found net consumer cost to increase just 0.3 percent through 2030 compared to the reference case. EIA also found that by 2030, prices for natural gas and coal, two key fuels for the electric power sector, are lower with the RPS than in the reference case. Speakers for this event include:

- **Leon Lowery**, Majority Staff, Senate Committee on Energy and Natural Resources
- **Chris Namovicz**, Operations Research Analyst, Energy Information Administration
- **Dr. Marie Walsh**, Adjunct Associate Professor, Dept. of Agricultural Economics, University of Tennessee
- **Jeff Deyette**, Energy Analyst, Union of Concerned Scientists
- **Bill Prindle**, Deputy Director, American Council for an Energy-Efficient Economy

Some are concerned that not all states, particularly those in the Southeast, have sufficient renewable resources to satisfy a national RPS. In 2005, bioenergy was the largest component of renewable electricity production in the nation, comprising 56 percent of all renewable electricity and 1.3 percent of total electricity. This percentage can be increased significantly since each state has important biomass resources that can be utilized sustainably to produce clean, renewable, domestic energy. According to the EIA analysis, biomass generation—from dedicated biomass plants and existing coal plants co-firing with biomass fuel—grows the most by 2030, more than tripling from 102 billion kilowatt-hours (kwh) in the reference case to 318 billion kwh with the RPS policy. In addition to renewable energy, HR 3221 includes four percent energy efficiency (25 percent of the RPS credits) as part of the standard, which allows states to make use of low-cost efficiency opportunities to help meet the standard. At least three states (including Nevada, North Carolina, and Pennsylvania) include energy efficiency as part of their RPS. In August 2007, North Carolina enacted a Renewable Energy and Energy Efficiency Portfolio Standard requiring all investor-owned utilities in the state to supply 12.5 percent of 2020 retail electricity sales in the state from eligible energy resources by 2021.

This briefing is open to the public and no reservations are required. Please feel free to forward this notice.

For more information, contact Fred Beck at 202-662-1892 (fbeck@eesi.org)

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