

# Federal RPS Bill Comparison



**State RPS  
Collaborative**

**Webinar: *Federal RPS:  
Its Prospects and  
Implications for State  
RPS Programs***  
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# Federal RPS Bill Comparison

Issue	Bingaman	Markey H.R. 890	Waxman-Markey	Udall S. 433
<b>RPS Target</b>	4% by 2011, 20% by 2021 (through 2039)	6% by 2012; 17.5% by 2020; 25% by 2025 (through 2039)	6% by 2012; 17.5% by 2020; 25% by 2025 (through 2039)	6% by 2012; 17.5% by 2020; 25% by 2025 (through 2039)
<b>Baseline</b>	Electric sales minus hydro and MSW	Electric sales minus hydro and MSW	Electric sales minus hydro and MSW	Electric sales minus hydro and MSW
<b>Covered Entities</b>	All utilities with retail sales of 4 million MWh or more (except Hawaii)	All electric suppliers selling 1 million MWh or more	All electric suppliers selling 1 million MWh or more	Utilities with retail sales >= 1 million MWh (except Hawaii); federal, state, muni utilities and co-ops voluntarily opt-in
<b>“Existing” vs. “New” Renewables</b>	RECs for existing renewables (before 01/06) not tradable	No distinction	No distinction	No distinction
<b>Energy Efficiency Allowed</b>	EE can be used to meet up to 25% of target each year	Not included, Markey proposes separate EEPS bill	State may petition to reduce annual obligation by 20% if utilities comply with EERS	Not included

# Resources and Multipliers

Issue	Bingaman	Markey	Waxman	Udall
<b>Resource Eligibility</b>	<p><b>“Existing”</b> in service before 1/1/2006: Solar, wind, geothermal, ocean, biomass, LFG <b>“New”</b> in service after 1/1/2006: <b>incremental output if in service before 1/1/2006</b>, plus incremental hydro</p>	<p>Wind, solar , geothermal, biomass or LFG, qualified hydro, marine and hydrokinetic</p>	<p>Wind, solar , geothermal, biomass or LFG, qualified hydro, marine and hydrokinetic, fuel cells (bio definition differs from Markey)</p>	<p>Solar, wind, ocean, tidal, geothermal, biomass, LFG, incremental hydro, hydrokinetic</p>
<b>Credit Multipliers</b>	<p>2 RECs/kWh for projects on tribal lands; 3 RECs/kWh for distributed generation</p>	<p>3 RECs/kWh for distributed generation</p>	<p>3 RECs/MWh for distributed generation, review by Jan 2014</p>	<p>2 RECs/kWh for projects on tribal lands (bio on-site); 3 RECs/kWh from distributed generation</p>
<b>Distributed Generation Definition</b>	<p>At “customer site,” 1 MW limit</p>	<p><b>Non-combustion</b>, customers “at or near” facility, up to <b>2 MW</b></p>	<p><b>Non-combustion</b>, customers “at or near” facility, up to <b>2 MW</b></p>	<p>On-site up to 1 MW, offsets customer electric use</p>

# REC Issuance and Banking

Issue	Bingaman	Markey	Waxman	Udall
<b>Definition of a federal REC</b>	REC=1 kWh; not defined	REC represents 1 kWh of renewable electricity	REC represents 1 <b>MWh</b> of renewable electricity; unique serial number	REC = 1 kWh, not defined
<b>Issuance of Federal RECs</b>	Issued to generators. Issued to utilities if complied with state RES, paid state ACP, or in case of central procurement. For existing contracts, retail electric provider gets credit. Language unclear.	Issued to generators. Exceptions for central RPS procurement and ACP payments. For existing contracts, retail electric provider gets credit.	Issued to generators. Exceptions for central RPS procurement and ACP payments. For existing contracts, retail electric provider gets credit.	Issued to generators. For existing contracts, retail electric provider gets credit. ACP or other payments for state RPS are credited based on resulting generation.
<b>Banking Allowed</b>	3 Years	3 years	3 years	3 years. <b>Borrowing for first 3 years.</b>

# ACP and Penalties

Issue	Bingaman	Markey	Waxman	Udall
<b>Alternative Compliance Payment (ACP)</b>	<b>\$30/MWh</b> (inflation adjusted)	Lesser of: 5c/kwh (inflation adjusted) or 200% of prior year average market value of federal RECs	Lesser of : 200% of the avg. market value of Federal RECs for previous compliance period; <b>or \$50/MWh</b> , inflation adjusted	Lesser of: 200% of the avg. market value of Federal RECs and EECs for the applicable compliance period; <b>or \$30/MWh</b> , inflation adjusted
<b>Enforcement Penalties</b>	200% of the ACP. <b>Reduced by state penalties if state RPS is higher.</b> Up to 5 year waiver for natural disasters.	200% of the ACP	200% of the ACP	None Mentioned
<b>Use of ACP Revenues</b>	Allocated to state energy offices with preference to states with small share of economic RE capacity	Returned proportionately to all utilities that met federal requirement (no targeted uses)	Returned proportionately to all utilities that met federal requirement (no targeted uses)	Allocated to states for grants for RE (75%) and low income EE based on retail sales subject to RES