

**State-Federal RPS Collaborative Webinar #6**  
***Federal RPS: Its Prospects and Implications for State RPS Programs***

April 7, 2009

Clean Energy Group hosted its sixth State-Federal RPS Collaborative webinar on April 7th. The topic of the webinar was *Federal RPS: Its Prospects and Implications for State RPS Programs*. The current level of Congressional activity regarding federal RPS legislation, both as standalone bills and in conjunction with more comprehensive energy bills, made this topic extremely timely. This webinar provided an overview of the three federal RPS bills already introduced this session, an analysis of their potential impact on existing state programs, and a view from Capitol Hill exploring the political dynamics, timing and eventual “flavor” of a federal RPS.

The four presenters were:

- Lori Bird, Senior Analyst in the Energy Analysis group at NREL. Lori’s primary research interests are in renewable energy markets and policy and the interplay between emission and renewables policies.
- Patrick Sullivan, Energy Analyst in the Energy Forecasting and Modeling Group in NREL’s Strategic Energy Analysis Center. Patrick’s primary efforts center on linear programming and optimization, designing market penetration models for renewable technologies.
- Ed Holt, Edward Holt & Associates, a renewable energy consultant whose practice focuses on green power markets and renewable energy policy.
- Anna Aurilio, Director of Washington Office, Environment America. Anna coordinates advocacy and lobbies for federal energy legislation for Environment America.

Lori Bird began the webinar by presenting a side-by-side comparison of the four federal RPS bills introduced—Bingaman, Markey’s HR890, Markey-Waxman and Udall. The primary distinction among these bills lies in 1) their eventual renewables target (20% vs. 25%), 2) the eligibility of energy efficiency to fulfill a portion of the renewables requirement, 3) the size of utilities exempted from the requirement, 4) the definitions of distributed generation and 5) the use of any Alternative Compliance Payments collected.

Patrick Sullivan from NREL then presented the preliminary results of an analysis he had conducted using NREL’s ReEDS model which examined what renewable resources would likely be built in which states (and at what costs) as a result of passage of the different RPS proposals. These were compared to a baseline “business as usual” model which assessed the amount of renewables that would be built just

on the basis of their cost-competitiveness (without factoring in existing state RPS requirements). There were several interesting conclusions to note. First, installed wind capacity would expand in all federal RPS scenarios except the Bingaman bill (presumably since it allows fulfillment of 25% of the RES through lower cost energy efficiency); however, the growth in other technologies (biomass, solar, hydro) is virtually nil versus the base case. Second, the total share of generation from renewables would theoretically be less than the base case under the Bingaman bill (based on a 2030 snapshot) but be greater under the others. Finally, the share of renewable generation in the Southeast would be under 5% of that region's demand due to the much higher cost of renewable generation in that region (relative to the windy Great Plains and western region).

Ed Holt's presentation focused on a number of provisions in the Bingaman and Markey bills that have direct bearing on and potentially conflict with existing state RPS'. Although the two bills ostensibly respect the state programs, there are areas of conflict. Among the issues he raised are: 1) the ability of utilities in states with RPS requirements higher than the federal requirement to sell or trade "excess" federal RECs to utilities in other jurisdictions, 2) the potential confusion that may arise from a dual REC tracking system, 3) the treatment of state ACP payments in central procurement states towards compliance with the federal RPS and 4) the different proposed methods of allocating ACP payments.

Anna Aurilio of Environment America gave an "inside the Beltway" view of the political dynamics surrounding the RPS legislation within the overall context of broader energy and climate change legislation. She urged all of the webinar participants who worked for state government, either as RPS administrators or elsewhere, to take an active role in voicing their states' interests with respect to a federal RPS.

Interest in this webinar was very high, reflected in the number of participants on the webinar, which exceeded 90.