

Comparison of Senate and House Federal RPS Bills on Major Areas of State-Federal Interaction (based on draft Bingaman and Markey bills)

Topic/Issue	Bingaman	Markey	CEG Recommendations
RPS Target	20% by 2021 (through 2039)	25% by 2025 (through 2039)	25% by 2025
Applicable to	All utilities under 4MM Mwh (except Hawaii)	All electric suppliers under 1MM Mwh	Bill should be as inclusive as politically possible (including RECs/Munis)
Energy Efficiency Allowed	Yes, up to 25%	Not Applicable	Not Applicable
Credit Multipliers	2:1 for projects on tribal lands; 3:1 for distributed generation (at “customer site”, 1MW limit)	3:1 for distributed generation (customers “at or near” facility, up to 2 MW)	Additional credit ok but don’t issue multiple RECs
Tracking Systems	Separate federal and state tracking systems	“Rely upon” existing state/regional tracking systems	Single tracking system for state and federal; utilize existing systems
Federal RECs Issued to	Generators and Utilities	Utilities	Issue to Utilities only
Banking Allowed	3 Years	3 Years	Okay, but not excess federal credits in states with higher RPS
States can Exceed Federal Standard	Yes	Yes (strongly worded)	Yes, including more restrictive resource standards
Provisions for “Excess” Federal RECs (i.e., if state RPS requirement exceeds federal)	Can be sold or traded to other utilities or transferred within same utility holding company	Can be retired at discretion of state	Must be retired
Definition of a federal REC	Not defined		Need clear definition (1 REC= 1MWh of eligible generation) but should <i>not</i> include generation attributes
“Existing” vs “New” Renewables	RECs for Existing Renewables (before 01/06) can not be traded unless RECs and energy are bundled	No distinction	No distinction
Voluntary Green Power	Issued federal RECs	Not eligible for federal RECs	Not eligible for federal RECs

ACP Levels	3c/kwh (inflation adjusted)	5c/kwh (inflation adjusted) or 200% of prior year average federal REC price	5c/kwh (inflation adjusted)
Credit for State ACP Payments	Yes, if state RPS exceeds federal RPS	Federal credits issued for state ACP Payments	No. State and federal ACPs independent
Use of Alternative Compliance Payments	Allocated to state energy offices based on amount paid in for conservation and energy efficiency projects	Returned proportionately to all utilities that met federal requirement (no targeted uses)	Allocated to states based on share of ACPs; to be used for renewable energy development and support of state clean energy funds
REC Market Administrator	“An appropriate market-making entity”	Authority delegated to one or more existing “market-making entities”	Utilize existing entities

2.12.09