CE|news

State Clean Energy Funds Provide $345 Million to Fund Over 10 U.S. Projects

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In the last several years, nine states have committed more than $345 million to directly support 163 large-scale renewable energy projects, according to a new report by the Lawrence Berkeley National Laboratory in conjunction with the Clean Energy States Alliance (CESA).

These projects total more than 2,288 MW of capacity, which is enough to power approximately 800,000 homes.

The report's findings are based on a new publicly available database designed to track information on all large-scale renewable energy projects that have been supported by funds that work together through CESA, a new nonprofit organization of state clean energy funds.* Fourteen states across the U.S. have established funds to promote the development of renewable energy technologies.

Most often financed by a small surcharge on retail electricity rates, these funds currently collect more than $300 million per year in support of renewable energy, which includes wind, solar, biomass, geothermal, and other clean energy sources. In addition to direct support for large-scale renewable energy projects (defined here as projects over 1 MW in size, not including solar), state funds provide critical financial support for customer-sited clean distributed generation, and related market and commercial activities.

The report illustrates the increasingly important role of states in the development of renewable energy markets. "With this activity, state clean energy funds are positioned to be a major driver of renewables development," says Mark Bolinger of Berkeley Lab.

While many states continue to effectively use standard production-based cash incentives to support projects, "states are increasingly using new and innovative incentives to support clean energy projects," says Lewis Milford, executive director of CESA

The states included in the survey are California, New York, Pennsylvania, Minnesota, Illinois, Massachusetts, New Jersey, Oregon, and Rhode Island. California – home to the largest fund – accounts for more than half of all dollars committed and capacity supported to date, but programs in the other states are also significant. Wind power has emerged as the most favored technology, capturing roughly 60% of total funding and 80% of the total capacity supported.

Of the 2,288 MW of new renewables capacity supported in aggregate, 707 MW have been built so far, leaving more than 1,500 MW still in the development pipeline. "This backlog is partly a reflection of unforeseen difficulties in the development process, as well as the recent nine-month lapse in the federal production tax credit (PTC) for wind power," says Ryan Wiser of Berkeley Lab, "but steady growth is expected to continue."