

PROPOSED POLICY POSITION REGARDING FEDERAL RENEWABLE PORTFOLIO STANDARDS

BACKGROUND

The production of electricity using renewable energy sources has become more commonplace recently. In fact, over 20 states and the District of Columbia have adopted renewable portfolio standards (RPS) programs based on their available resources. Nonetheless, there is increasing pressure to adopt mandatory renewable portfolio standards at the federal and state level. Despite current state RPS activity, Congress is considering adopting a federal RPS mandate.

A federal mandate fails to recognize the significant differences among the states in terms of available and cost-effective renewable energy resources, and the impact on consumers' electric bills.

Not all states have abundant traditional renewable energy resources or have them located close enough to the load to render them cost effective. This is especially true in the South. Moreover, some traditional resources, such as wind, face resistance because there is frequent opposition to building huge wind turbines, concerns over cost impacts for additional transmission needed, and reliability concerns. As a result, wind energy projects are delayed and, in some cases, cancelled. In other cases, the availability of other renewable resources, such as geothermal, are even more limited.

The states that have adopted RPS programs not only have more resources available to them, they have also included resources in their definitions of eligible renewable resources that are not included in the mandate currently being discussed in Congress. Such resources include power produced from solid waste, hydroelectric facilities, and coal waste. Some states even include expenditures on demand-side management or alternative compliance payments.

RECOMMENDATION

Because availability and cost-effectiveness of renewable energy resources vary widely among the states and regions, decisions regarding RPS programs should be left to the states, and available and cost-effective renewable energy resource options should be considered.

The Southern Legislative Conference of The Council of State Governments urges Congress to expressly allow each individual state to determine how renewable energy can be reliably and cost effectively utilized within that state and forwards its position to the president of the United States and the secretary of energy.

Sponsored by Representative Chuck Martin, Georgia; June 20, 2008