



UPDATE: RENEWABLE PORTFOLIO STANDARDS IN THE NORTHWEST - *A renewable power struggle?*

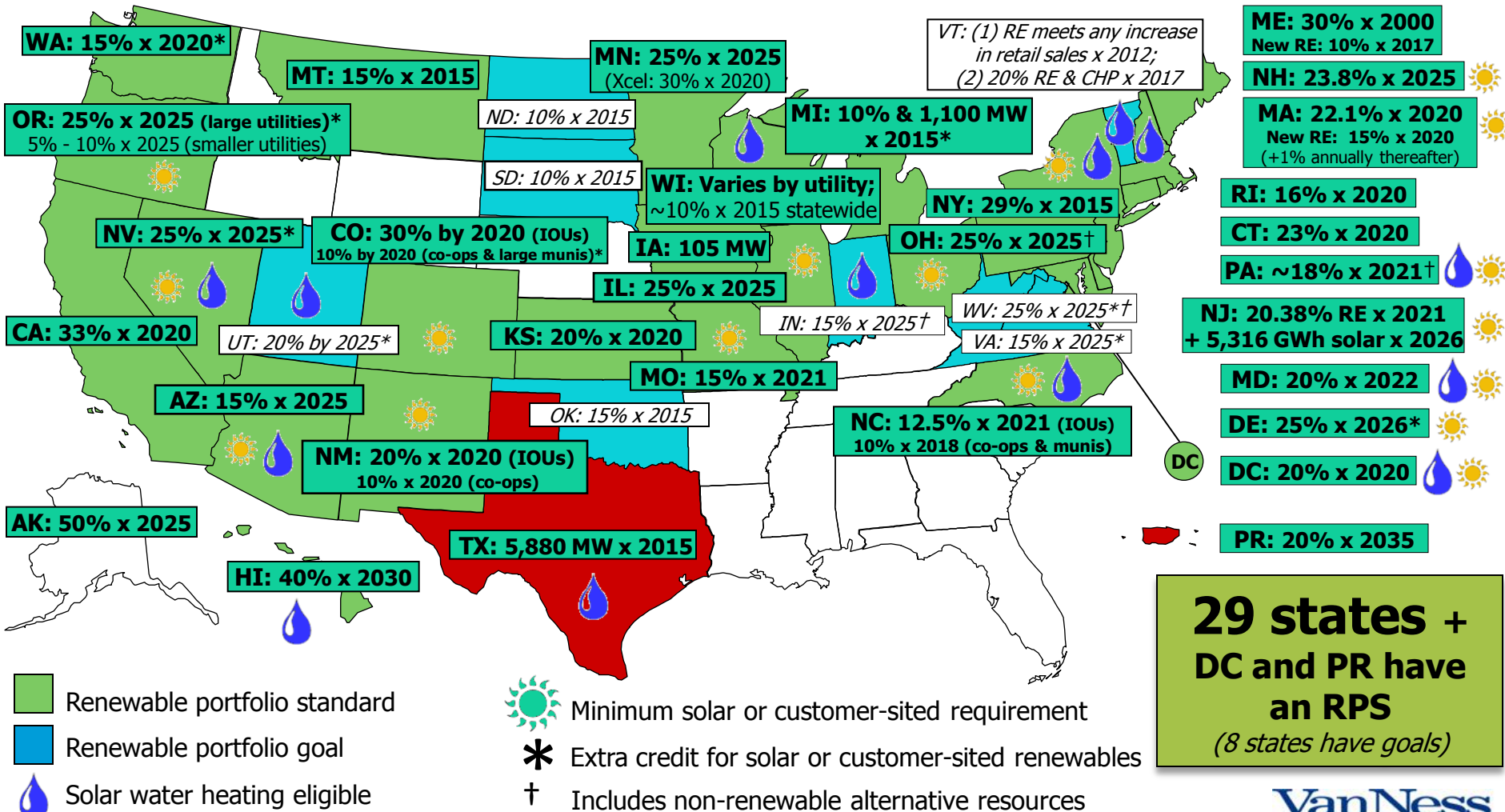
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Small Hydropower Workshop
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RPS Policies

www.dsireusa.org / August 2011



29 states + DC and PR have an RPS
(8 states have goals)

RPS: Energy by Design



- Targets and timeframes
- Resource eligibility
- Limitations on location, operation date
- Multipliers, credits, set asides associated with certain resources
- Cost caps, limits
- Energy efficiency, incentives
- Flexible compliance mechanisms (RECs, banking, settlement periods)
- Penalties, ACPs

RPS: Good News/Bad News

■ The Good News

- Can drive known quantity of new renewable development
- Can spur economic development in rural areas
- Can ensure buyers for new renewable development

■ The Not-so-Good News

- Can adversely affect supply and demand conditions (supply outweighing any RPS-driven demand)
- Can restrict eligibility of or displace existing in-state or regional resources
- Can stimulate renewable energy not needed by utility (intermittent energy, but peaking power needed)
- Can favor resource that is NOT the “integrated, least-cost option”

Northwestern States With RPS

Washington



- Utilities (Munis, IOUs, Rural co-ops) must use eligible renewable resources or acquire equivalent renewable energy credits
 - 3% by 1/1/2012, and each year thereafter through 12/31/2015
 - 9% by 1/1/2016, and each year thereafter through 12/31/2019
 - 15% by 1/1/2020
- Eligible Technologies – solar thermal, PV, landfill gas, wind, biomass, hydroelectric, geothermal, anaerobic digestion, tidal, wave, ocean thermal, biodiesel
- Hydroelectric limited to efficiency improvements after March 31, 1999 made to
 - projects owned by utilities subject to RPS in the PNW, or
 - irrigation systems in PNW
 - no new fresh water diversion/impoundment
- Location in region or in-state delivery
- Annual cumulative limit on overall resource portfolio cost –levelized cost in dollars per MWh; utilities self-certify cap subject to audit
- \$50/MWh ACP (5.5¢/kWh noncompliance penalty)

Northwestern States With RPS

Oregon



- RPS for electric utilities and retail electric suppliers – targets size-based
 - Large Utilities (>3% LSE) – 25% by 2025
 - Medium Utilities (>1.5% - <3% LSE) – 10% by 2025
 - Small Utilities (<1.5% LSE) – 5% by 2025
- Goal – small scale, community-based projects <20 MW – 8% by 2025
- Eligible Resources – solar, wind, hydro, ocean thermal, wave, tidal power, MSW (limited to 11MW/year), and biomass (biogas)
 - Generation after January 1, 1995; efficiency, capacity upgrades eligible for pre-January 1, 1995 generation
 - 50MW utility-owned, pre-1995, low impact hydro eligible only
 - 40MW non-utility owned, pre-1995, low impact hydro eligible only
- Location in region or in-state delivery
- HB 3674 (2010) – pre-1995 biomass, MSW facilities eligible for RPS in 2026
- HB 2622 (2011) – Coal-fueled facility that converts to RE after 1/1/2012
- ACP = \$50/MWh for 2011; OPUC reconsiders ACP rate annually

Northwestern States With RPS

Montana



- Public and Investor-owned Utilities must have retail electricity sales from eligible resources:
 - 5% in 2008
 - 10% in 2010
 - 15% in 2020
- Eligible resources – wind, solar, geothermal, existing hydro (10MW or less), new hydro (up to 15MW installed at existing reservoir, existing irrigation system with no hydro as of April 16, 2009), landfill/farm gas, biogas, low-emission/non-toxic biomass, fuel cells (H produced with renewable fuels)
- Initial generation post-1/1/2005
- State generation or delivery
- Specific procurement requirements for public utilities to stimulate rural economic development (50MW by 2014; 75MW by 2015 and thereafter)
- Cost Cap – no purchase if cost >15% of any other generation alternative
- 1.0 ¢/kWh noncompliance penalty

Northwestern States With No RPS



■ Idaho

- State has incentives and policies to effect renewable energy and efficiency standards
 - Residential Alternative Energy Tax Deduction
 - Property tax exemption for Wind and Geothermal projects
 - RE project bond program
 - Low interest energy loan program

■ Alaska

- Renewable Energy Goal – 50% by 2025
- Renewable Energy Grant Program (state) – Alaska Energy Authority – grants to “qualifying projects” in communities with high energy costs
- Emphasis on local determination regarding available RE resources

Responses to Resource Challenges



- April 2011 DOE/DOI - \$26.6 million for hydro research and project development
 - Projects to advance hydropower technology, including pumped storage
 - Preference given if construction begins by 2014 and integrates wind and/or solar
 - Will support analyses that calculate the economic value of pumped-storage hydro
 - dynamically responding to the grid
 - providing other ancillary services (balancing wind and solar)
 - peak power production
- Current RPS - Expand scope of RPS-qualifying resources to include additional high-capacity, low carbon resources – Washington and Oregon RPS relatively limited
 - new hydro in Washington not eligible, except irrigation canals, pipes
 - question regarding co-generation (black liquor) - Washington
- Certainty with respect to federal carbon policy and future RPS requirements

THANK YOU

[For more information](#)

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