



RENEWABLE ENERGY POLICY OPTIONS

Renewable Portfolio Standard

- A renewables portfolio standard requires retail electricity providers (or alternatively, electricity generators) to include a specified percentage of renewable resources in their energy mix, and to gradually increase the portion of electricity produced from renewable resources.
- 12 states have a renewables portfolio standard. In order to add flexibility and reduce the cost of meeting the requirement, tradable renewable energy certificates can also be used to track and verify compliance.
- One concern with tradable credits is that a polluting power plant could buy credits from another region of the country, which would not make the local air any cleaner.

Net Metering

- Net metering is an arrangement where small customers with their own generating units, such as wind turbines, can use offset the cost of their electricity consumption and sell extra energy generated to their utility.
- Currently 36 states have net metering programs.
- Minnesota and Wisconsin allow participants to be paid the current retail rate for the excess electricity they generate.

Interconnection Standards

- Distribution generation is electricity produced on or near where it is consumed. Interconnection standards are needed to help facilitate the deployment of distributed generation.
- Virtually all distributed generation projects meet some sort of resistance from utilities when they try to interconnect with the electric power grid. Burdensome and/or expensive interconnection requirements are a barrier to increased use of distributed power.

Public Benefits Fund

- By placing a small surcharge on each kilowatt-hour of electricity delivered to customers, states can finance a public benefits fund to investment in renewable energy development and energy efficiency programs.
- At least 20 states have a public benefits fund.
- Such a fee is similar to the fees tacked onto long distance telephone calls to fund universal telephone service.

Renewable Energy Purchase Requirements

- Creating a guaranteed market for renewable energy with a purchasing requirement is another policy tool.
- The biggest barrier to developing renewable energy projects is the high up-front capital costs.
- Guaranteed markets can ease this hurdle and lower costs.
- For example, Governor George Pataki (Rep. N.Y.) recently signed an executive order requiring state agencies to purchase 10 percent of their annual electric energy requirements from renewable resources by 2005, increasing to 20% by 2010.

Green Citizenship

- Green-pricing programs allow customers to voluntarily pay a premium for electricity generated from renewable resources.
- The premiums are often 30% or more over the average retail rate, and in some cases consumers are buying power from existing (rather than new) renewable energy projects.
- A better way for consumers to





increase the supply of renewable energy is to exercise “green citizenship.”

•If customers of a given utility vote for green energy, the company can purchase a larger amount of renewables and spread the costs over its entire customer base.

Landowner Rights

•Landowners can derive much needed income from wind power by leasing their land to developers for the placement of turbines.

•However, an agreement or easement must be reached before the developer can enter a landowner’s property, and many questions arise: How much is the developer willing to pay? Will the land actually be developed or held for speculative purposes? How will damages to the land be handled?

•Unfortunately, developers do not always treat landowners with respect. A state law that requires standardized lease terms and offers a minimum and consistent level of protection for landowners could be beneficial.

Tax Incentives/Reforms

•The playing field is hardly level for renewable energy. People and companies who wish to develop renewable resources often face unfairly high tax burdens.

•State and federal tax incentives are overwhelmingly dedicated to fossil fuels and nuclear power.

•The economic and environmental costs of producing electricity with fossil fuels--oil, coal, and gas-- are relatively high, and usually not factored into the cost of electricity.

•The failure to consider and account for such costs puts renewable energy at a distinct market disadvantage. If these costs were factored in, renewable energy would be the fuel of choice.

•Tax incentives and other subsidies are useful for supporting emerging technologies struggling to gain a market foothold, but not for propping up mature, profitable industries with plenty of investment capital.

WORC:

Billings Office

2401 Montana Ave., #301 (406)252-9672
Billings, MT 59101 (406)252-1092 FAX
billings@worc.org
www.worc.org

Washington, D.C. Office

110 Maryland Ave., NE, #307 (202)547-7040
Washington, DC 20002 (202)543-0978 FAX
dc@worc.org

Montrose, CO Office

60584 Horizon Drive (970)323-6849
Montrose, CO 81401 (970)323-8840 FAX
montrose@worc.org

Lemmon, SD Office

2307 5th Avenue, NE (701)376-7077
Lemmon, SD 57638 (701)376-7077FAX
jerilynn@worc.org

WORC Member Groups:

DAKOTA RESOURCE COUNCIL

PO Box 1095 (701)483-2851
Dickinson, ND 58601 (701)483-2854 FAX
drc@dickinson.ctctel.com
www.drcinfo.com

DAKOTA RURAL ACTION

PO Box 549 (605)697-5204
Brookings, SD 57006 (605)697-6230 FAX
action@dakotarural.org

IDAHO RURAL COUNCIL

PO Box 118 (208)352-4477
Bliss, ID 83314 (208)352-4645 FAX
irc@idahoruralcouncil.org
www.idahoruralcouncil.org

NORTHERN PLAINS RESOURCE COUNCIL

2401 Montana Ave., #200 (406)248-1154
Billings, MT 59101 (406)248-2110 FAX
info@nprcmt.org
www.nprcmt.org

OREGON RURAL ACTION

PO Box 1231
105 Fir Street, #208 (541)975-2411
La Grande, OR 97850 (541)975-1844 FAX
jsd@oraction.org
www.oraction.org

POWDER RIVER BASIN RESOURCE COUNCIL

23 North Scott, #19 (307)672-5809
Sheridan, WY 82801 (307)672-5800 FAX
resources@powderriverbasin.org
www.powderriverbasin.org

WESTERN COLORADO CONGRESS

PO Box 472 (970)249-1978
Montrose, CO 81402 (970)249-1983 FAX
info@wccongress.org
www.wccongress.org