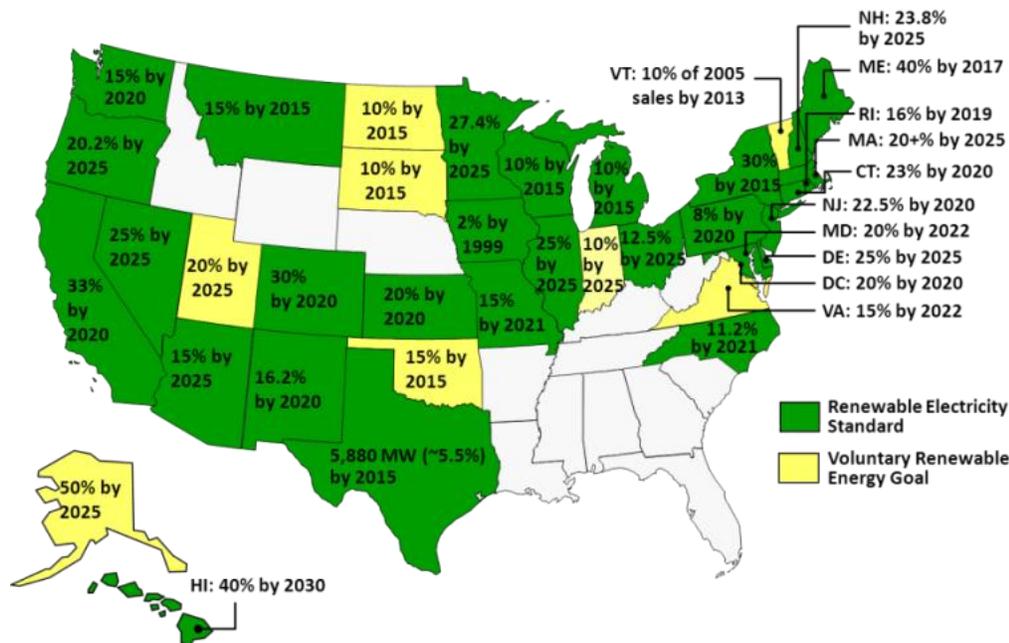


Renewable Energy Question # 34: How many state with RPS standards have a) achieved the standard, b) modified the standard, or c) frozen compliance due to cost or other factors?

States are achieving annual benchmarks of their RPS policies, but because the vast majority of RPS policies do not require full compliance until at least 2015, only Iowa (with a requirement of 2 percent by 1999) and Texas (5,880 MW by 2015), have officially achieved their total RPS requirement.

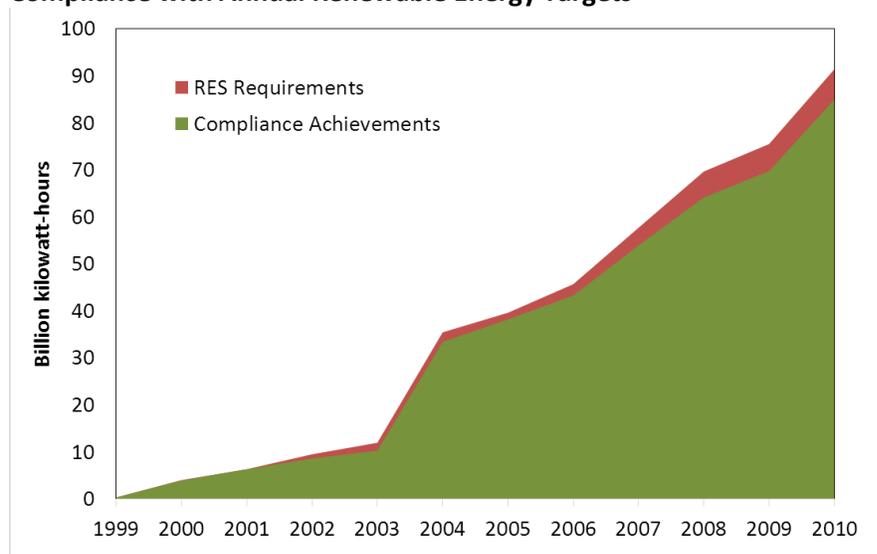


That being said, annual compliance obligations are largely being met and utilities are on track to meet full compliance within the time allotted in the majority of states with RPS policies. Twenty-three states and the District of Columbia have now logged at least three years of operation and compliance with their RES policies, and eleven of these states have seven or more years of experience. In 2012, for the first time, every state with an RPS requirement had a compliance target to meet.

According to data from the Lawrence Berkeley National Laboratory (LBNL), states currently monitoring compliance report that utilities are meeting about 96 percent of their renewable energy requirements overall. In 2009 and 2010, all but all but three of the states that had an annual compliance requirement achieved greater than 90 percent compliance, with most states reporting full compliance.¹ Many states—including Colorado, Texas, and Minnesota—appear to be several years ahead of schedule in meeting annual renewable energy targets.

¹ Connecticut did not report on their RES compliance in 2009 or 2010, despite having an annual renewable energy obligation in those years.

Compliance with Annual Renewable Energy Targets



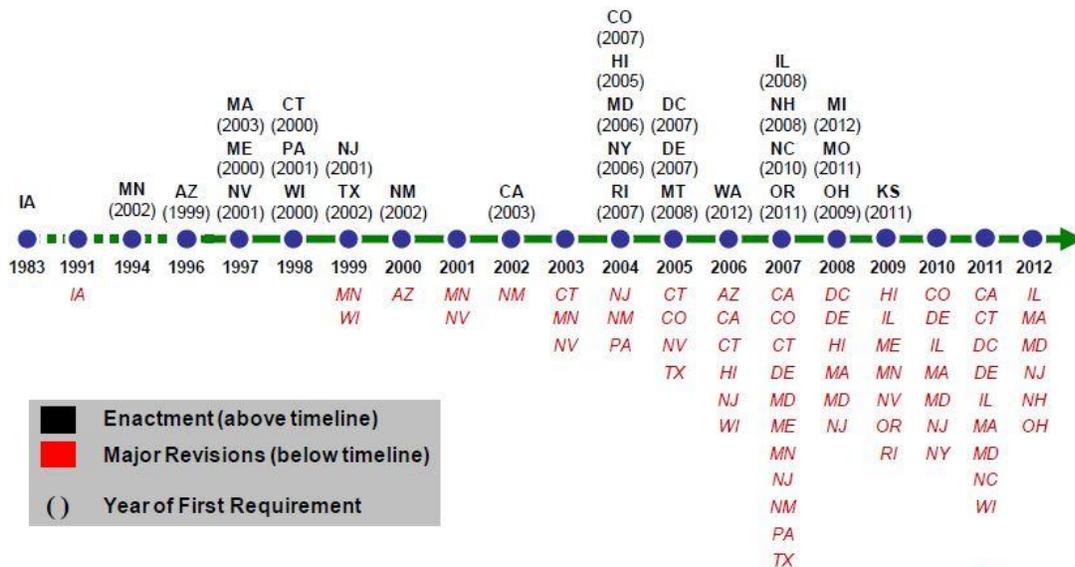
Source: Lawrence Berkeley National Laboratory, 2013

Despite the overall strong track record for RES compliance, there have been a few examples of states struggling to meet their annual requirements – not due to a lack of renewable energy resources, but because of market or regulatory barriers that need to be addressed before development can continue. For example, renewable energy developers in Massachusetts have experienced difficulties in obtaining contracts and financing, as well as delays in siting projects. Recent legislation requiring utilities to enter into long-term contracts for renewable power should ease concerns of financing institutions and help alleviate this problem. In New York, where a state agency (as opposed to utilities) is responsible for renewable energy development to meet RES requirements, long lags between agency actions to develop renewable energy have slowed development. A major new call for renewable energy project proposals issued in December 2012 should put the state back on track.

Looking ahead, as RES requirements continue to increase, the renewable energy industry appears to be well-positioned to keep pace with growing demand. The amount of renewable energy capacity brought online in each of the past five years has ranged from 6,000 MW to more than 16,000 MW. These levels well exceed the 4,000 MW to 5,000 MW of renewable energy capacity additions projected to be needed annually to meet existing RES requirements through 2020.

Since the first wave of RES policies was adopted in the late 1990s, states have refined their policies to expand them or make them more effective in achieving state-specific goals. For example, 18 states have increased or accelerated their renewable energy targets, in some cases more than once. In addition, many states amended their RES policies to include a variety of provisions specifically designed to further state-specific goals, such as supporting solar and/or small- and community-scale renewable energy systems, requiring long-term contracts for purchasing renewable power, or to expand the list of renewable energy resources that can qualify to meet the standard. The Database of State Incentives for Renewables and Efficiency, online at <http://www.dsireusa.org/>, provides a good summary of each state's policies to support renewable energy development.

Enactment of New RPS Policies Is Waning, But States Continue to Hone Existing Policies



Source: Barbose, G. 2012. *Renewable portfolio standards in the United States: A status update.*

To date, no state has frozen overall compliance with the standard due to cost or other constraints. Most states track compliance on a utility-by-utility basis and freezing compliance obligations would likely also happen on a utility-by-utility basis. In several states with RPS policies, certain utilities have been granted extensions or been forgiven compliance obligations because of cost concerns or other constraints. In Michigan, for example, the MPSC currently projects that one utility, the Detroit Public Lighting Department, will not be able to meet the state’s 10 percent by 2015 standard within the cost limitations provided for in the statute. Typically, utilities that are having difficulty meeting RPS requirements are utilities serving small service territories representing a small fraction of the state’s overall load. These utilities may be unable to meet RPS requirements for a variety of location-specific issues, including transmission constraints or localized shortages of cost-effective renewable energy resources. As indicated above, however, the vast majority of utilities are achieving compliance with RPS obligations.

Resources:

1) Database of State Incentives for Renewables and Efficiency. Online at <http://www.dsireusa.org/>.

2) Union of Concerned Scientists. *Renewable Electricity Standards Toolkit*. Online at http://go.ucsusa.org/cgi-bin/RES/state_standards_search.pl?states=All&category3=&category7=7&category8=&category32=&category39=&category43=&category51=&submit7.x=25&submit7.y=4.

3) Barbose, G. 2012. *Renewable portfolio standards in the United States: A status update*. Presented at the 2012 National Summit on RPS, Washington, DC, December 3. Online at www.cleaneenergystates.org/assets/2012-Files/RPS/RPS-SummitDec2012Barbose.pdf, accessed April 22, 2013.

4) Governors' Wind Energy Coalition (GWEC). 2013. *Renewable electricity standards: State success stories*. Washington, DC: GWEC. Online at <http://www.governorswindenergycoalition.org/wp-content/uploads/2013/03/RES-White-Paper-March-2013.pdf>; accessed April 5, 2013.

5) Lawrence Berkeley National Laboratory (LBNL). 2013. *LBNL RPS compliance data spreadsheet*. Berkeley, CA. Online at <http://www.dsireusa.org/rpsdata/>, accessed April 1, 2013.