

# Maintaining Massachusetts' Leadership on Clean Energy & Climate



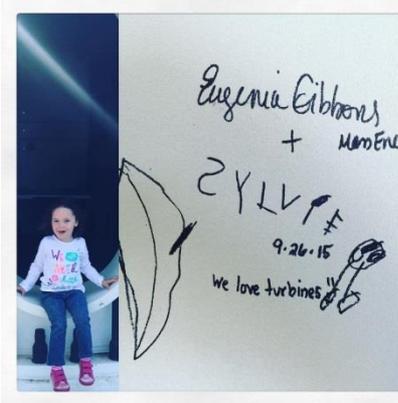
---

WHY INCREASING THE RENEWABLE PORTFOLIO STANDARD IS  
GOOD POLICY

# Massachusetts' Renewable Portfolio Standard

Today we will...

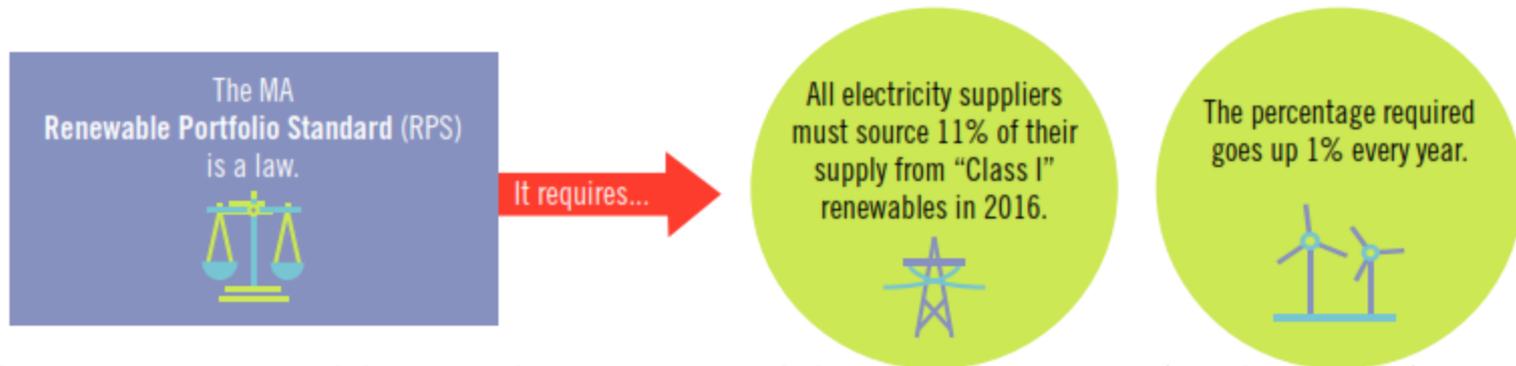
- Provide an overview of the RPS
- Discuss opportunities driven by the policy
- Ask that you SUPPORT an incremental increase



Lynn, MA

# What is the Renewable Portfolio Standard (RPS)?

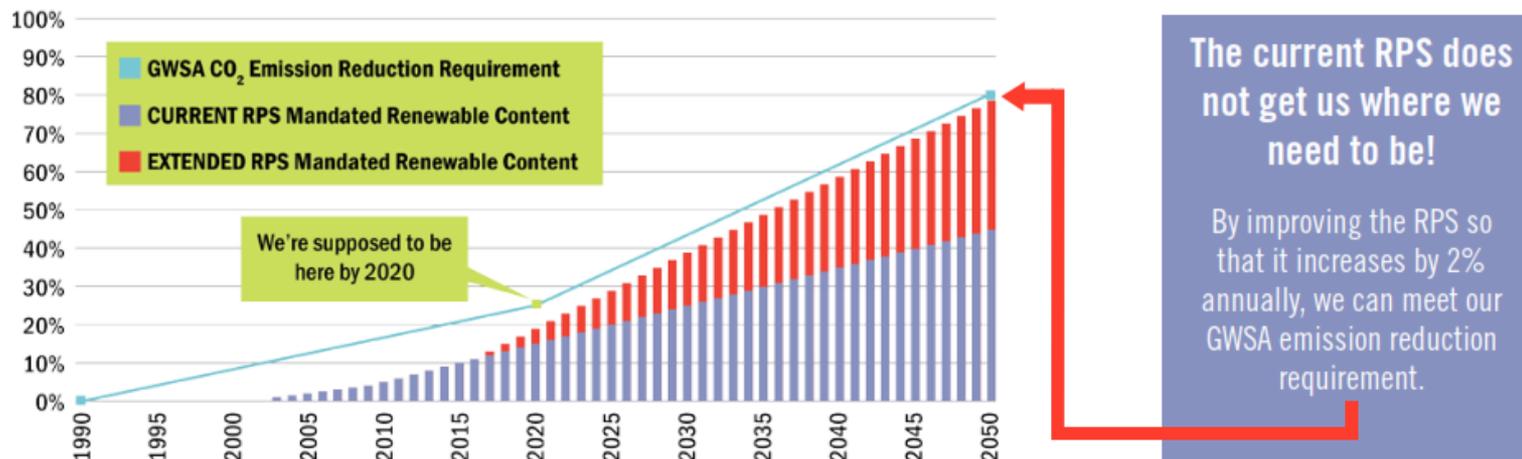
## What is the RPS?



- **Requirement that electricity suppliers source a minimum percentage of their supply from qualifying renewable resources**
  - "Class I" = NEW (built since 1998), "Class II" = OLD (built 1997 or before)
  - Eligible resources: wind, solar, anaerobic digestion, small hydro, others.
  - In MA, municipal electric utilities are EXEMPT from RPS requirements.
- **Electricity suppliers who fail to meet RPS requirements pay Alternative Compliance Payments (ACP)**
  - ACP payments in MA are invested in programs and projects that promote the growth and adoption of renewable energy resources and fossil fuel alternatives (e.g., Renewable Thermal rebates issued by MassCEC)

# RPS: Climate strategy, integral to GWSA Compliance

## The RPS & our GWSA emission reduction requirements

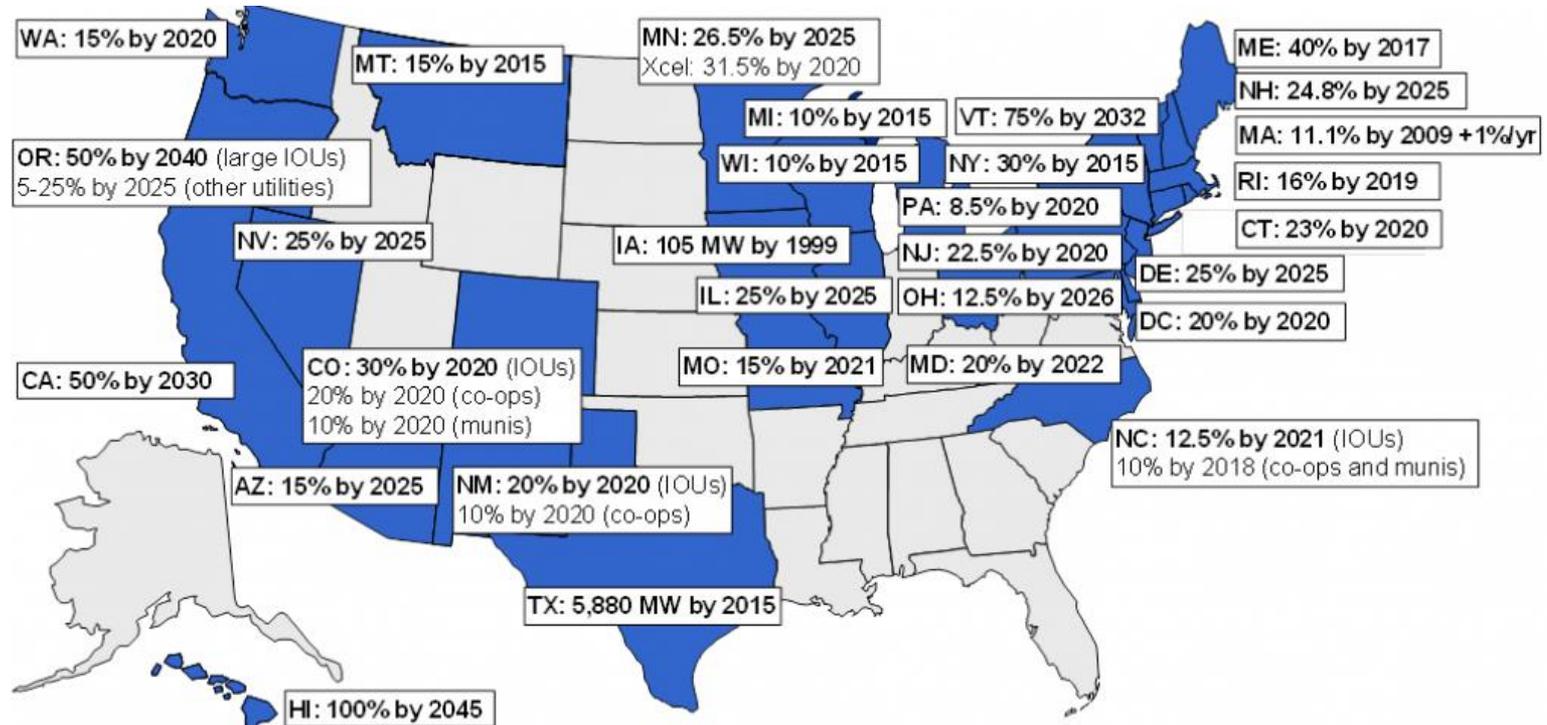


- GWSA mandates GHG emission reductions of 25% by 2020, 80% by 2050.
- Decarbonizing electricity supply is most cost effective way to reduce greenhouse gas emissions.
- GWSA compliance, which includes electrification of transportation and heating, requires that we accelerate pace at which electricity supply becomes renewably generated.

Graph illustrates % renewable supply achieved under current RPS (blue) and with at least 2% increase proposed in Senate version of 2016 energy bill (red).



# 27 states have Renewable Portfolio/Renewable Energy Standards in Place



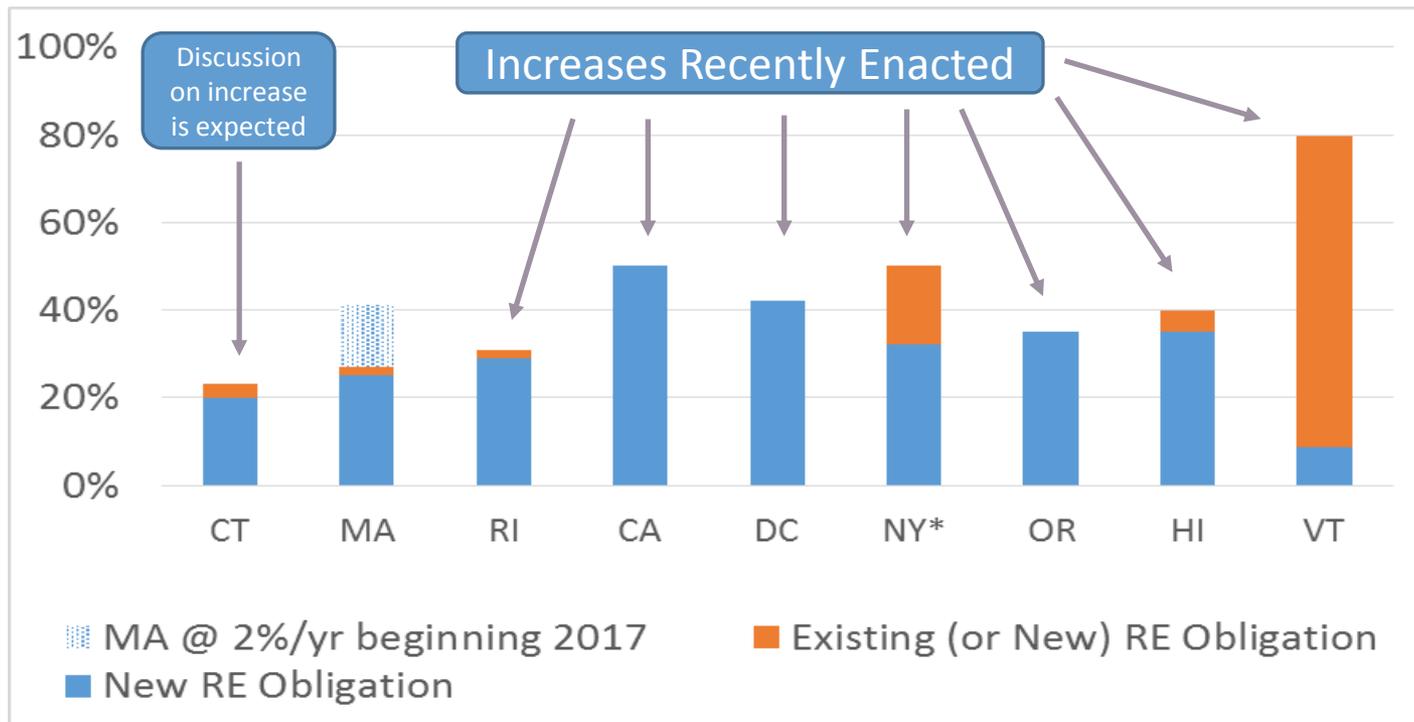
Source: Berkeley Lab

Renewables Portfolio Standards Resources

- Each state's Renewable Portfolio Standard is different, but Massachusetts has an especially high standard for what constitutes Class I eligible clean resources.

# Many states have already increased their RPS

- Not unusual to adjust RPS requirements up to align with policy objectives or to maintain desired trajectory towards renewable energy/grid decarbonization goals



# RPS Increase : Balances Supply & Demand

---

- **An Act to Promote Energy Diversity – so important to setting MA on a transformative path to clean energy, BUT procurements will only drive SUPPLY**
- **Excess REC supply expected within 2 years : New distributed generation (DG) projects alone are expected to meet most of incremental Class I demand through 2025 (under current targets)**
- **With incremental Class 1 demand dramatically reduced, fulfillment of the remainder of existing procurement policies will create perpetual oversupply and may displace Class 1 RE built in response to the RPS market (and related policies) to date.**
- **If supply-demand forecast shows indefinite surplus (mostly fulfilled by new DG and OSW), then there will be no “market” outside of policy-driven contracts**

# Goal of RPS Increase

---

## What are we trying to accomplish?

- A net increase in renewable energy generation over time...
- Supported by a competitive market, in addition to policy-mandated contracting, that...
- Meets or exceeds GHG and RPS requirements, and results in...
- A diversified and balanced energy portfolio, that includes measures to mitigate price volatility and cost to ratepayers.

*The objective of policy-based contracts should be to **augment**, and not replace, the competitive market. The availability of long-term contracts should stimulate incremental supply, not replace supply built in satisfaction of the RPS to date.*

# Additional Resources

---

## RPS Program Overviews & Helpful Analyses

EOEEA: <http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/>

DSIRE (Database of State Incentives for Renewables & Efficiency):

<http://programs.dsireusa.org/system/program/detail/479>

Lawrence Berkeley National Lab (LBNL): <https://emp.lbl.gov/projects/renewables-portfolio>

## Questions?

**Eugenia T. Gibbons**

Clean Energy Program Director

Mass Energy

617-524-3950 x 141

[eugenia@massenergy.org](mailto:eugenia@massenergy.org)



Anaerobic digester, Rutland, MA