

Federal Role in RPS Implementation

State Views

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Webinar
State/Federal RPS Collaborative
24 June 2008

How Does a Federal RPS Further State Goals?

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Ø Renewable Energy Standard Goals

- Ø Environmental concerns
- Ø Conservation of scarce resources (fuel, water)
- Ø Energy security
- Ø Economic development
- Ø Technological advance
 - Cost reduction
 - Promote specific resources (e.g. solar)

Ø *Therefore, in order to save consumers and businesses money, attract new businesses and jobs, promote development of rural economies, minimize water use for electricity generation, diversify Colorado's energy resources, reduce the impact of volatile fuel prices, and improve the natural environment of the state, it is in the best interests of the citizens of Colorado to develop and utilize renewable energy resources to the maximum practicable extent."*



Can a one size fits all Federal RPS be optimized for different energy markets?

- ∅ Restructured markets vs, traditionally regulated
 - ∅ Consider different IRP/ERP/LCP structures

- ∅ Resource potential
 - ∅ Resource bands
 - ∅ Set asides

- ∅ Recognize RTO/balancing authority considerations

- ∅ Who administers and ensures compliance?
 - ∅ Noncompliance penalties

- ∅ Who plays?
 - ∅ IOUs, Coops, Munis



Would it be preferable to establish federal guidelines for state RPS?

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- ∅ Require each state to create its own RPS
- ∅ Establish minimum guidelines for state RPS
 - ∅ Define elements of an RPS
 - ∅ Each state to establish own goals for each element
 - | Akin to ISO 9000 quality standards
 - ∅ Measurement, verification, & compliance left to each state
- ∅ Minimum standards
 - ∅ All load serving entities to participate (IOU, muni, coop)
 - ∅ Define eligible resources
 - ∅ Uniform definition of a REC to facilitate trading
 - | Unbundling
 - | Lifespan
- ∅ Coordinate with carbon regulation programs



CO₂ Offsets/Carbon Credits vs. RECs

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∅ Colorado Rule 3652(n) defines a REC as:

“a contractual right to the full set of non-energy attributes, including any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly attributable to a specific amount of electric energy generated from an eligible energy resource.”

∅ How would GHG offsets be valued?

∅ How would RECs be valued without GHG offset?

∅ What will this do to existing contracts?

∅ How and when can a REC be used as a GHG offset?

∅ Can a project claim both RECs and GHG offsets or carbon credits?

∅ Is this double dipping?

∅ Can REC markets and GHG offset markets coexist?

∅ Compliance

∅ Voluntary





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