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Center for Economic Options

ALTERNATIVES

supporting local, sustainable communities

CEO is a catalyst for socially, environmentally, and economically sustainable enterprises that foster individual and community wealth. We believe there are opportunities for developing green businesses and green jobs as an alternative to what is traditionally promoted as economic development strategies. Renewable Portfolio Standards (RPS) are just one example of what other states are using to grow their green economies. As of September 2007, 26 states had RPS policies as a matter of state law and four others have set renewable energy goals. West Virginia is not yet among them.

Fact! *Every year, electric demand in the U.S. increases by nearly 2%.*

“Local campaigns for wind and solar energy purchasing are important. Since the wind and solar energy industries are still quite small, anything that builds demand for new wind and solar photovoltaic generation helps bring the price down further. The cost of wind is starting to come within the range of conventional fuels.”
 -energy justice network

RENEWABLE PORTFOLIO STANDARDS: THE BASICS

RENEWABLE PORTFOLIO STANDARD (RPS): A policy that requires those who sell electricity to have a certain percentage of "renewable" power in their mix. These policies often start around 1-5% in the first year and require an increasing percentage of renewables in each energy supplier's mix, often aiming for a goal of 4-20% in about 10 years.

RPS policies typically involve a credit trading mechanism so that companies with extra renewable power can sell the extra "credits" to suppliers who haven't met their RPS requirement. RPS policies vary in many ways. Some allow only new renewables while others allow existing renewables to qualify.

Most RPS policies do not have strong requirements for clean renewables. Some have more consumer protections than others.

Source: Energy Justice Network
www.energyjustice.net

RENEWABLE: Electricity coming from generation sources where the fuel is renewed on a short-term basis. Renewable definitions differ in various state and federal laws, proposed legislation, and in definitions used by power certification groups and environmental groups. Examples include wind, solar, geothermal, ocean-based, hydroelectric (though some types don't qualify in some definitions) and "biomass" (a Pandora's box of dirty and unsustainable fuels that are burned to make electricity - some types don't qualify in some definitions).



NEW RENEWABLE: Renewables built after a certain year. This is important because many green power marketing schemes and RPS policies allow existing "renewables" to qualify. If "renewables" are defined to include biomass or hydroelectric, the effectiveness of the power marketing or RPS is often very limited, since it's cheaper to buy up the rights to market the existing (dirtier) "renewables" rather than invest in creating NEW renewable power sources. Simply shuffling around existing power sources that were already paid for and selling them at a higher price to customers does nothing to help the environment.

CLEAN RENEWABLE: Renewables that don't create pollution or major environmental damage. Clean renewables do not include any sort of combustion (biomass or fossil fuels) and are best defined as only wind and solar, with the possible inclusion of certain geothermal or ocean-based power sources.

BRINGING INVESTMENT TO WEST VIRGINIA

In April, 2007 Michigan decided to take control of its growing energy needs and commissioned a study to explore the economic impacts of a RPS on the state's economy.

One conclusion the study made was that Michigan was not able to compete for renewable energy investment dollars. "Simply put," the study state, "if an investor seeks to invest in renewable energy development

in a state, one of the very first things he/she looks for is whether or not the state has a RPS."

And states should pay close attention to the renewable energy sector. A Berkeley study recently found, "Across a broad range of scenarios, the renewable energy sector generates more jobs per average megawatt of power installed, and per unit of energy produced, than

the fossil fuel-based energy sector." So how does a state attract renewable energy-based jobs? According to the Michigan study, the answer may be by passing an RPS.

