

Pennsylvania Alternative Energy Portfolio Standards Act

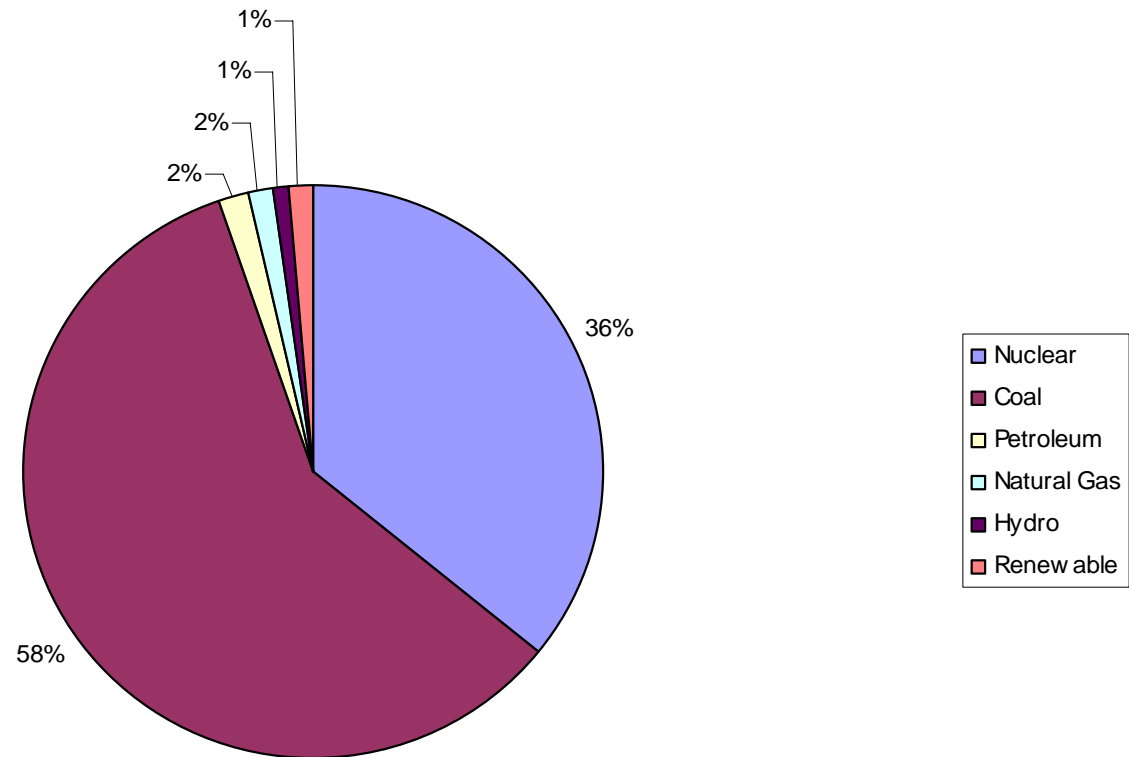
Goddard Forum 2006

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Inducing the Market for “Alternative Energy”



Pennsylvania Fuel Mix 2000



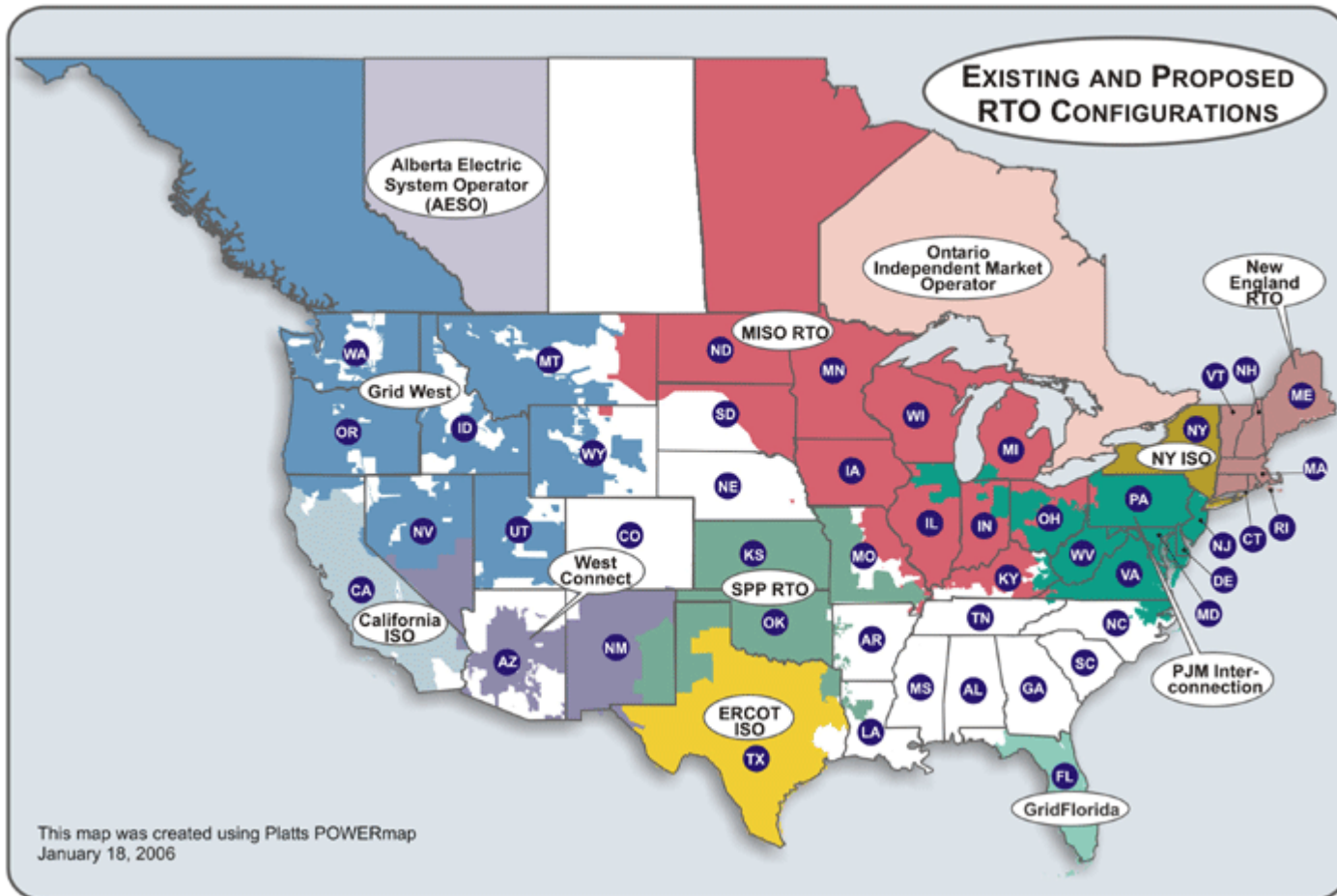


Desire to Reduce Dependence on Coal and Nuclear

- Pennsylvania uses more coal and nuclear than the national average
- In the long run, locations with more renewable sources in their mix will (or so it is believed) do better economically

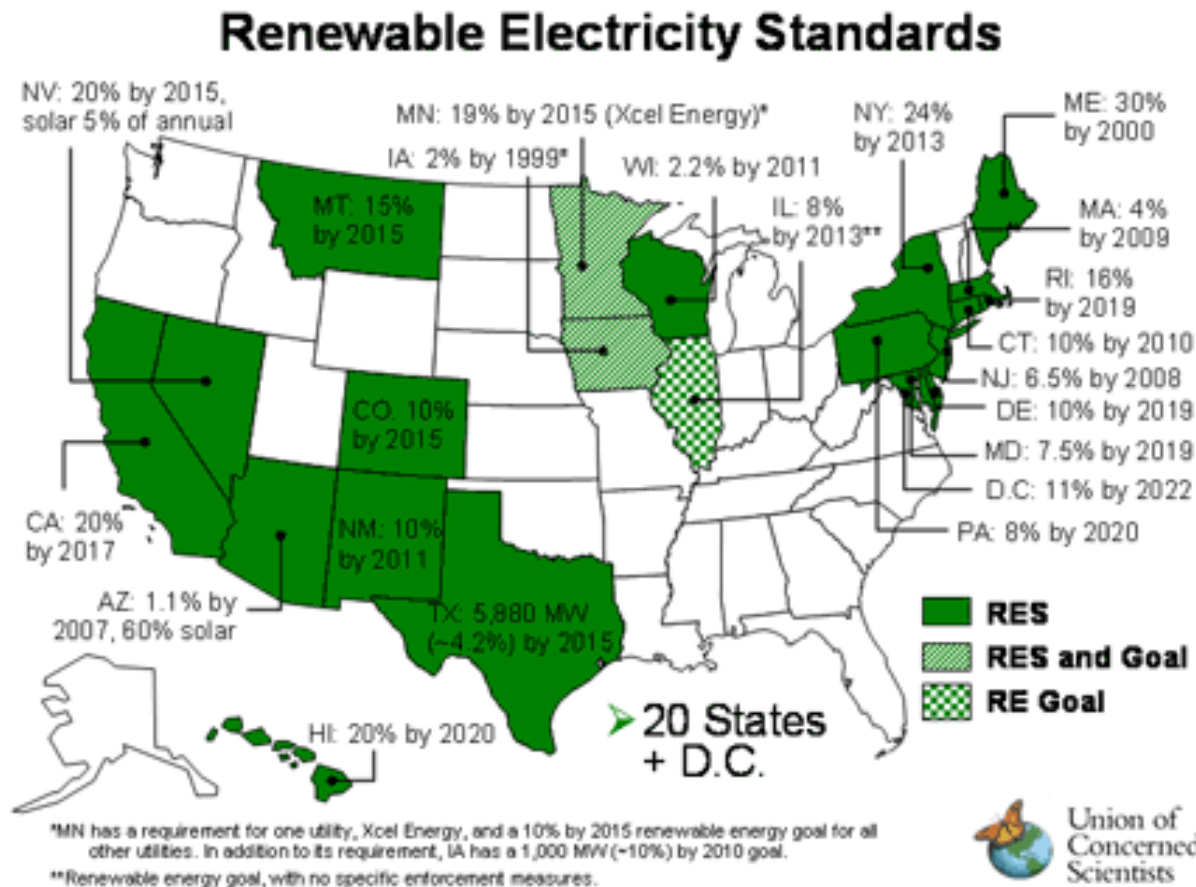
RTOs

<http://www.ferc.gov/industries/electric/indus-act/rto/rto-map.asp>



Renewable Energy Portfolio Standards

http://www.ucsusa.org/clean_energy/clean_energy_policies/state-clean-energy-maps-and-graphs.html



Pennsylvania Alternative Energy Portfolio Standards Act

- Act No. 213 (Nov. 30, 2004), *codified at Pa. Stat. Ann. tit. 73, §§ 1648.1 to .8*
- <http://www2.legis.state.pa.us/WU01/LI/BI/BT/2003/0/SB1030P1973.pdf>



To Whom Does the Portfolio Standard Apply?

- Electric distribution companies
or
- Electric generation suppliers

selling retail electricity in Pennsylvania.

“Retail Electric Suppliers”



Retiring Credits

- Retail electric supplier must retire enough alternative energy credits at the end of each year to meet its portfolio standard
- Each credit represents one MWH of alternative energy generation
- Failure to retire sufficient credits results in a \$45/MWH penalty



Market for Credits

- Credits need not be created by the person that retires them
- A market for credits should arise
- In addition to any *other* environmental credits, Act 213 creates a detachable “green tag” that can be sold separate from the energy



Tiered Credits and Standards

- Solar photovoltaic
- Tier I (includes solar photovoltaic)
- Tier II

Solar Photovoltaic

- .0013% of generation beginning 2006-07
- .0203% beginning 2009-10
- 0.25% beginning 2014-15
- 0.50% beginning 2019-20



Other Tier I

- ❑ Wind
- ❑ Low-impact hydro
- ❑ Geothermal
- ❑ Biologically derived methane gas
- ❑ Fuel cells
- ❑ Biomass energy
- ❑ Coal mine methane



Total Tier I

- 1.5% in 2006-07
- 2.0% in 2007-08
- ...
- 7.5% in 2018-19
- 8.0% in 2019-20
and later



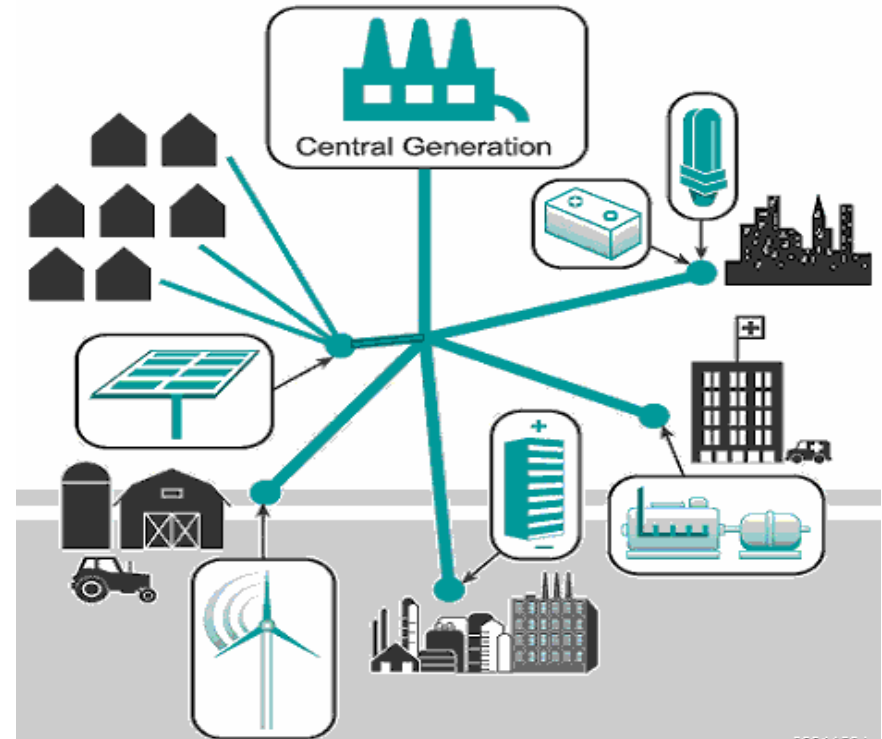
Tier II

- ❑ Waste coal
- ❑ Distributed generation systems
- ❑ Demand-side management
- ❑ Large-scale hydropower
- ❑ Municipal solid waste
- ❑ Wood pulp by-products
- ❑ Integrated combined coal gasification technology



Total Tier II

- 4.2% in 2005-06
- 6.2% in 2009-10
- 8.2% in 2014-15
- 10.0% in 2019-20



DEP TGM

- DEP is to determine whether a source qualifies under the definitions of section 2. Pa. Stat. Ann. tit. 73, § 1648.7(b).
- DEP has issued a draft Technical Guidance Memorandum on those issues.
- <http://www.depweb.state.pa.us/energy/lib/energy/docs/section2technicalguidancefinal.pdf>

PUC Administers the Program

Alternative Energy Portfolio Standards - Microsoft Internet Explorer provided by Comcast

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Alternative Energy Portfolio Standards Legislation

Act 213 of 2004 – Governor Edward Rendell signed the Alternative Energy Portfolio Standards Act into law on Nov. 30, 2004. Act 213 takes effect on Feb. 28, 2005.

Act 213 requires that a certain percentage of the electric energy sold to retail customers in Pennsylvania by electric distribution companies and electric generation suppliers be derived from alternative energy resources. This includes, but is not limited to, solar, wind, hydropower, geothermal, biomass, and demand side management resources. The PUC is charged with implementing and enforcing Act 213.

Implementation Order – The implementation of the Alternative Energy Portfolio Standards Act of 2004. Docket No. M-00051865.

Implementation Order II – Public Meeting of July 14, 2005. Docket No. M-00051865.

Technical Conferences

The PUC will be hosting meetings to address issues relating to the implementation of Act 213.

The first meeting was held on Jan. 19, 2005. You can read the PUC secretarial letters, press releases and comments submitted by parties by using the [Search](#) function and searching under docket number M-00051865.

AEPS Act Working Groups

AEPS Working Group – Information on AEPS Working Groups, including meeting announcements and comments on issues.

Connecting Alternative Energy Sources to the Electric Grid

- Prepare Now for Winter
- Electric Companies
- Suppliers
- Rates & Tariffs
- Renewable/Sustainable Energy
- Reliability
- Electric Competition Law
- Utility Choice
- Issues
- Related Links

Start | Dell-Support | Removable Disk (...) | RemoteDesktopL... | Alternative En... | <http://www2.legis...> | <http://www.dep...> | Internet | 2:26 PM

PUC Docket No. M-00051865

- Implementation Order of Mar. 23, 2005,
<http://www.puc.state.pa.us/PcDocs/534798.doc>
 - Alternative Energy Standards Working Group
 - Schedule
 - Exemptions
 - Banking

- Implementation Order of July 14, 2005,
<http://www.puc.state.pa.us/PcDocs/547870.doc>

Additional Information

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