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Renewable Portfolio Provisions for Solar and Distributed Generation

16 States and D.C. use set-asides, 3 use multipliers to encourage these technologies

WA: double credit for DG

OR: 20 MW PV by 2020;
 * 2 utility PV credit

CA: 3 GW, of which 1,940 MW distributed solar by 2016

NV: 1.5% solar by 2025
 * 2.4 central PV;
 * 2.45 distributed PV

UT: * 2.4 solar-electric

CO: DG as 3% of retail sales by 2020; ½ customer-sited

AZ: 4.5% DG by 2025; half residential

NM: 4% solar-electric, 0.6% DG by 2020

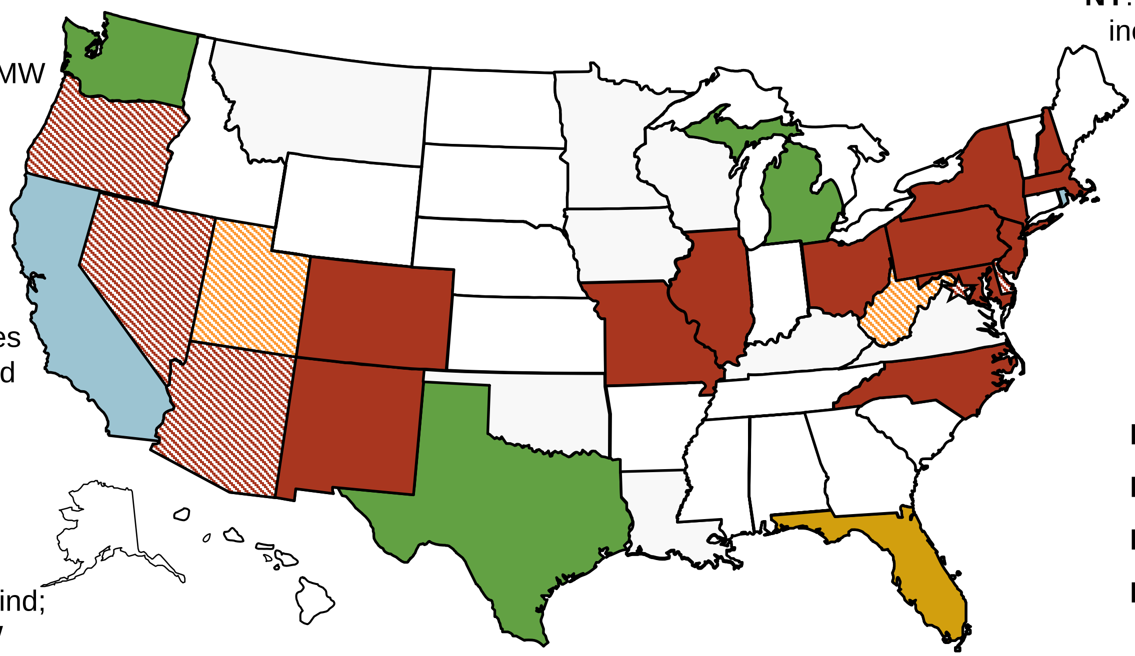
TX: double credit for non-wind; non-wind goal: 500 MW

MO: 0.3% solar-electric by 2021

IL: 1.5% solar PV by 2025

MI: triple credit for solar-electric

OH: 0.5% solar-electric by 2025



NH: 0.3% solar-electric by 2014

NY: customer-sited is 7% of RPS increments, 0.5% of 2015 sales

MA: 400 MW PV by 2020

RI: 3 MW solar by 2013

NJ: 5,316 GWh solar-electric by 2026

PA: 0.5% PV by 2020

WV: various multipliers

DE: 3.5% PV by 2026

DC: 0.4% solar by 2021

MD: 2% solar-electric in 2022

NC: 0.2% solar by 2018

FL: solar pilot 2010 - 2014

- MI, TX, and WA use RPS multipliers only
- AZ, DC, DE, NV, and OR have RPS set-asides and multipliers
- CA, RI, UT, and WV have solar targets outside an RPS

- Solar / DG set-aside in RPS
- Solar / DG in other renewable program
- RPS credit multiplier for solar / DG
- Multiplier and set-aside in an RPS
- Multiplier and set-aside in renewable goal
- Pilot or study

Updates at: http://www.ferc.gov/market-oversight/othr-mkts/renew/othr-rnw-rps-solar-DG.pdf

Notes: Multipliers (*) receive extra credit towards RPS compliance. Set-asides specify technology targets in an RPS.
Abbreviations: DG – distributed generation; PV – solar photovoltaic; RPS – Renewable Portfolio Standard
Sources: Derived from data in: LBNL, State Legislative and Public Utility web sites, California Solar Initiative, and the Database of State Incentives for Renewables and Energy Efficiency: http://www.dsireusa.org

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2010 Review of RPS Provisions for Solar and Distributed Generation

Policies incent solar and DG development:

• **16 states** and D.C. have solar or distributed generation (DG) set-asides in their Renewable Portfolio Standards (RPS), to encourage higher-cost technologies so they can move closer to cost parity with other renewable resources.

• **Set-asides** specify what portion of an RPS should come from a specific technology. **Multipliers** increase the value of renewable energy certificates (RECs) awarded for each MWh produced by eligible technologies. Some states have separate solar RECs (SRECs) that can be traded.

• **Three states** have solar targets or programs outside an RPS or renewable goal: California, Florida, and Rhode Island.

• Lawrence Berkeley (LNBL) projected that existing solar carve-outs require 560 MW of solar through 2010 and 8,447 MW by 2025. That development is exclusive of non-RPS goals, such as California's "million roofs" program. LBNL found that multipliers have been less effective in stimulating solar development than set-asides.

2010 results and status:

• Photovoltaic (PV) solar additions were double those in 2009. 883 MW of grid-connected PV were added compared to 435 MW. Solar set-asides played a role in that capacity growth.

• **64%** of 2010 PV additions were in five states: California, New Jersey, Nevada, Arizona, and Colorado. Each of the top 10 states (85% of additions) has a solar policy (as depicted on the solar provisions map).

• **Seven** states added, accelerated or expanded solar policies.

• **43** states, D.C., Puerto Rico and the Virgin Islands offer financial incentives for solar PV. These include tax credits or deductions, rebates, and cash incentives, or property-tax incentives.

State Activities:

• **Texas' PUC** proposed a rule to set targets for renewable technologies, now covered in its RPS by a 500 MW non-wind goal. It includes a solar carve-out that starts at 5 MW in 2014 and rises to 187 MW in 2018. It would also set targets for new biomass and geothermal technologies. (Dec 2010) The PUCT is evaluating comments submitted through March 7, 2011.

• **Massachusetts** revised its solar carve-out, applicable to all retail suppliers. The changes permit out-of-state projects contracted prior to January 2010 and lowered 2010 shortfall compliance payments. Eligible customer-sited projects up to 6 MW must be in-state. MA will hold a clearinghouse auction for surplus SRECs until its 400 MW solar target is met. (Dec 2010)

• **Missouri**'s PSC adopted RPS regulations, which passed by ballot in Nov 2008. The solar carve-out is 2% of incremental RPS obligations, which translates to 0.3% of retail sales by 2021. Utilities must offer minimum rebates of $2/watt for customer-sited solar systems up to 25 kW. (July 2010). Regulations allow, but no longer require, utilities to offer standard-offer contracts for SRECs. (Sept 2010)

• **Delaware** extended and increased its RPS to 25% by 2025, from 20% by 2019. The law raised the solar PV carve-out to 3.5% by 2025, or about 250 new MW. (July 2010)

• **Florida's PSC** established solar pilots in the 2009 proceedings that set long-term energy savings and peak reduction targets for seven utilities. Compliance utilities submitted plans for solar hot water and PV pilot programs, which will run from 2010 to 2014. (March 2010)

• **New Jersey** restructured its solar carve-out, changing it from a percent of the total energy to a set megawatt-hours target. The intent is to not have future solar capacity decline as conservation policies lower total energy use. (Jan 2010)

Abbreviations: DG – distributed generation; PUC/PSC – Public Utility/Service Commission; PV – photovoltaic; RPS – Renewable Portfolio Standard; SREC – solar renewable energy certificate.