



Renewable portfolio standards perspective

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Renewable portfolio standards (RPS) are a feature of the electricity world. Thirty states and the District of Columbia had adopted renewable portfolio standards while several other states - including Indiana, Vermont, and Virginia - have non-binding renewable energy goals. States have adopted RPS policies for a variety of reasons, including diversification of energy sources, reduction of natural gas demand, new job creation, and environmental benefits. This particular policy instrument is advantageous because, if properly implemented, it provides market demand for renewable technologies and will lead to a predetermined amount of renewable energy generation by an established date. In addition, it contains market-based elements that encourage the implementation of the least-cost form of renewable generation necessary to meet the standard.

In general, resources that qualify as renewables are the types most people are familiar with, such as wind, solar and biomass. However, definitions can differ from state to state. For example, some states may include landfill gas as a qualified resource in their RPS while others may not. In addition, small hydro projects may qualify under RPS while larger hydro facilities might not. Also, some states will favor in-state resources over those located elsewhere.

Some states such as Maryland are showing interest in treating energy efficiency on the customer side of the meter as a renewable resource on a par with generation.

Timing and implementation of RPSs differ, with some states enacting aggressive schedules that would have renewables, in effect, meeting all new demand over the next 10 to 15 years. Other states have chosen more gradual approaches.

One of the most important aspects of RPS is the treatment of what have generally come to be called renewable energy credits or "RECs." A REC represents the non-power attributes of electricity generated by a renewable resource and delivered into the grid, and can be bought and sold along with or separately from the electricity itself. These credits can be bought and sold among operators of renewable resources, utilities and competitive energy suppliers in an effort to make compliance with RPSs less expensive and more efficient.

Plymouth Rock Energy has already become a leader in developing methods to help make the inclusion of renewables as seamless and as efficient as possible.

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For more details on renewable energy solutions, please visit www.plymouthenergy.com or call 855-32-POWER (855-327-6937).

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