

What is RPS - the Renewable Portfolio Standard?

The MA Renewable Portfolio Standard (RPS) is a law.

It requires...

Electricity suppliers must provide 12% of their electricity from "MA Class 1" renewables in 2017

Under current law the percentage required goes up 1% every year

What are "MA Class 1" renewables?



- 1 Solar, wind, small hydro, digester gas, or geothermal
- 2 On the New England power grid
- 3 Built after 1997

By creating annually increasing demand, more and more renewables must come online so suppliers can meet the mandate.



RPS increases are essential so investors know that if they build more clean generation infrastructure the electric companies will buy the generated electricity

Municipal Light Plants (MLs) are currently exempt from the RPS. They should transition into the RPS.

The RPS mandate needs to increase an average of 3% or more every year – not 1% or 2%

... To accelerate compliance with the Global Warming Solutions Act

... To create new jobs in Massachusetts and New England

A 3% MA increase (with 1.5% in Connecticut) creates up to 37,000 net new jobs by 2030¹ (This accounts displaced fossil fuel related jobs)

▶ A 2% increase in MA alone will not create new jobs

... To reduce the billions of dollars we send out of state every year to buy fossil fuels

... To diversify our energy mix and protect consumers from increases in fossil fuel prices

... To enhance Massachusetts' leadership and innovation in energy of the future
Compel the state's energy economy to look forward, not backward

... To move us toward 100% renewable electricity. There is no time for delay.



With no changes to RPS policy, or just a 2% annual increase in MA, the electric system is unlikely to see substantial additions of renewables before 2030, beyond the already mandated off shore wind procurement

¹ An Analysis of the Massachusetts Renewable Portfolio Standard by Synapse Energy Economics, Inc. and Sustainable Energy Advantage, LLC

What is the RPS?

The Renewable Portfolio Standard (RPS) is a key policy in Massachusetts that helps drive demand for renewable electricity. It's a mandate on all investor-owned utilities (e.g., Eversource, National Grid, Unitil) and competitive retail suppliers to source a certain percentage of their annual electricity supply from qualifying (Class-1) renewable resources. In 2017 this was 12%. Currently the RPS increases 1% per year. At this rate of increase, Massachusetts will not reach 100% renewable energy until 2105, sixty years after the state of Hawaii.

How Do RPS Increases Work?

The RPS increases create stable, predictable demand for clean energy. Investors know that if they fund more renewables, electric companies will buy the electricity. According to the *U.S. RPS 2016 Annual Status Report* 60% of U.S. renewable electricity generation since 2000 has come online because of state RPS requirements.

How has the RPS benefitted Massachusetts?

The RPS has been integral to our greenhouse gas emission reductions. It has also been a vital part of clean energy job growth in the Commonwealth. According to the Mass Clean Energy Center, over 100,000 Massachusetts residents are employed in the clean energy industry and ***it is our fastest growing sector***. Renewable energy also stabilizes energy prices by eliminating fuel costs.

Why is it important to accelerate the RPS to 3% per year this session? We must accelerate the RPS to hasten the transition to renewable energy, preserve our current clean energy industries and combat climate change. Notably, the energy bill passed in 2016 requires utilities to solicit and purchase 1,600 megawatts of offshore wind by 2027, as well as several hundred megawatts of additional Class 1 resources. This is terrific for climate change, jobs and our local economy, but it also means that no additional renewable energy development will be necessary to achieve the RPS targets at their current levels. In other words, the supply of renewable energy will outstrip the demand (as set by the RPS), starting in 2018. Without additional demand, existing projects will falter, and investors will exit the market. In order for RPS to provide an incentive for renewable energy development beyond what is already "in the works" nothing less than 3% annual increases will do the job.

Municipal Lighting Plants (MLPs) should participate in the RPS

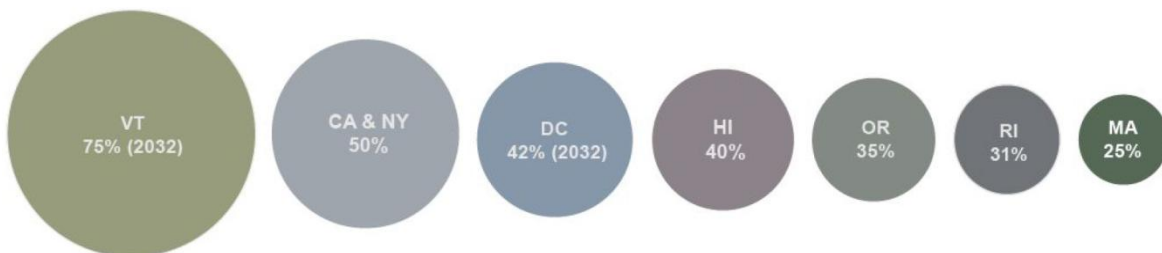
13% of the state electricity load is provided by MLPs in [41 towns](#). According to the Department of Environmental Protection, Municipal Light Plants are subject to the Global Warming Solutions Act, but no energy policy is in place to guide MLP's emission reductions and they are currently exempt from the RPS. However, to meet the requirements of the Global Warming Solutions Act, the entire electric sector must decarbonize.

What will a 3% RPS cost ratepayers?

The average residential customer will likely see a monthly bill increase of about \$2. Low income customers can be exempted; we support this exemption being written into the final bill.

How does Massachusetts compare to other states?

While we used to be a leader, other states are now surpassing us. With just 1% yearly increases the RPS will only require 25% renewable energy by 2030. This is much lower than several states that have increased their RPS requirements. Although each state defines RPS compliant resources differently, here's how the current Massachusetts RPS compares to the 2030 requirements for other leading states:



What should you do now?

Several bills have been filed to increase the RPS and/or transition the MLPs into the RPS. Please advocate for 3% yearly increases to achieve 50% clean energy by 2030 and for transitioning the MLPs into the RPS. Please speak with members of the TUE, especially co-chairs Rep. Golden & Sen. Barrett, and with House and Senate leadership.