

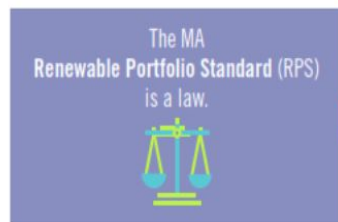


## Accelerate the Renewable Portfolio Standard

*Let's Reach 50% Clean Energy in Massachusetts by 2030*

### **What is the Renewable Portfolio Standard (RPS)?**

• The Renewable Portfolio Standard is a requirement that electricity suppliers (e.g. investor owned utilities and competitive suppliers) source a minimum percentage of their supply from qualifying renewable resources.



All electricity suppliers must source 11% of their supply from "Class I" renewables in 2016.



The percentage required goes up 1% every year.



- In 2017, 12% of electricity supply from "Class I" (new—built since 1998) renewables. The requirement currently increases by 1% a year.
- Eligible resources: wind, solar, anaerobic digestion, small hydro, others.
- In MA, municipal electric utilities are EXEMPT from RPS requirements.
- Electricity suppliers who fail to meet RPS requirements pay Alternative Compliance Payments (ACP), which are invested in programs and projects that promote the growth and adoption of renewable energy resources.

### **What Are the Benefits of the Renewable Portfolio Standard?**

- Reduces demand for natural gas
- Sends strong market signal that demand for renewable energy is consistent and enduring
- Sustained demand makes projects financeable
- New projects coming online also bring local and statewide economic benefits

### **What Legislative Proposals Would Affect the Renewable Portfolio Standard?**

Among other legislation, the following bills would accelerate the Renewable Portfolio Standard:

- H2706/S1846 *An act relative to solar power and the green economy* (Rep. Mark/Sen. Eldridge)

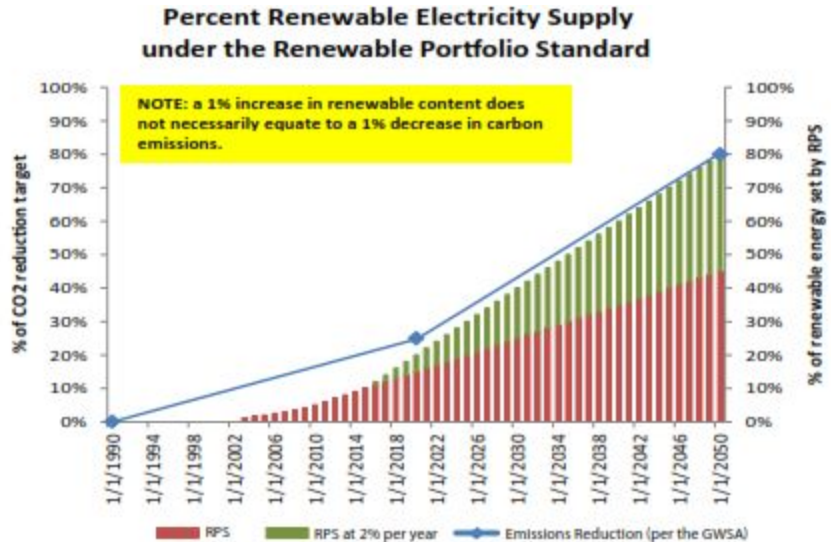
This bill would accelerate the RPS to increase by 3%/year, ensuring that the state reaches 50% clean power by 2030. This bill would also set a statewide solar target of 25% by 2030.

- H2700 *An Act to Increase the RPS and Ensure Compliance with the GWSA* (Rep. Khan)
- S1876 *An Act relative to enhancing RPS standards* (Sen. Pacheco)

These bills would accelerate the RPS to increase by 2%/year and incorporate municipal light plants over time.

### **How Does the RPS relate to our State's Climate Goals under the Global Warming Solutions Act?**

Decarbonizing the electric sector is the most cost-effective way to reduce GHG emissions. Further underscoring the need to transition to renewable electricity supply is the fact that GWSA compliance also requires electrification of the heating and transportation sectors, which means increasingly we will be drawing on the electric sector to help reduce emissions economy wide. In other words, it is essential that we “green” the electric grid.



### **How Exactly Do Municipal Lighting Plants (MLPs) factor in?**

MLPs, local and publicly owned power distributors comprise [13% of state electricity load](#). [41 communities and towns](#) have MLPs serving all or part of 50 municipalities for electric service. All of them are currently exempt from the RPS (and our energy efficiency requirements) per the Green Communities Act. However, if MA is going to meet the requirements of the Global Warming Solutions Act, the entire electric sector must decarbonize and it must do so at a pace sufficient to ensure that the Commonwealth maintains its desired trajectory towards a clean energy future. Legislative proposals by Rep. Khan and Sen. Pacheco recognize that MLPs have not had to comply with the RPS and allow for time to plan for compliance by 2030.

### **The RPS Develops Truly Clean Energy**

Credits, incentives, markets, contracts, caps. Renewable energy can be confusing—not just to consumers, but to policymakers as well. What’s important is that Massachusetts residents’ investments in clean power go to develop real solar, wind, anaerobic digestion and other renewable energy projects. The RPS, and the “Class I” designation of new renewables, means that energy consumers in the region don’t end up buying energy that is mislabeled as green and does not help Massachusetts to solve our power needs or reduce emissions.

### **Increasing the RPS Balances Supply & Demand**

The RPS is a demand driver for the construction of new clean energy in our region. Right now, new distributed generation (DG) projects alone are expected to meet most of incremental Class I REC demand through 2025. Recent energy legislation also established long-term contracts for offshore wind and hydropower. These contracts, which are important to setting MA on a transformative path to a clean energy future, add to the supply of renewables -- but do not, on their own, add to the demand for renewables. In other words, if the RPS is not increased, supply for clean energy could appear to exceed demand even as the state wants and needs to bring more renewable energy online. Accelerating the RPS is critical to ensure consistent, stable demand for local renewable energy and drive further development of the clean energy industry in MA and across the region.