

# State Policy Initiatives as Tools for Paying for Clean Energy Generation

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May 18, 2011



# What is CESA?

- ▶ A nonprofit coalition of state clean energy funds and programs working together to develop and promote clean energy technologies and markets
  - 16 members, including CT Clean Energy Fund, MA Clean Energy Center, NH PUC and Department of Environmental Protection
- ▶ Special projects include:
  - The national State–Federal RPS Collaborative
  - Energy Storage Technology Advancement Partnership
  - You can join each special project’s listserv at [www.cleanenergystates.org](http://www.cleanenergystates.org)

# State Policy Initiatives Are Only Part of the Puzzle

- ▶ Many different revenue streams need to be tapped to get clean energy generation projects built
- ▶ State policy initiatives, such as renewable portfolio standards (RPS) and state clean energy funds, are often necessary to get projects built but are not sufficient
- ▶ Key federal incentives will be expiring
  - Grants in lieu of production tax credit expire this year. Unlikely to be renewed
  - Production tax credit expires in 2012 (wind) and 2013 (biomass, landfill gas, hydro). May not be renewed.
- ▶ Financing remains a problem
  - State policymakers are increasingly aware of this

# Hard to Generalize about Regional Trends in State Policy



- ▶ While some states *may* consider reducing support for renewables (e.g., New Hampshire), others may add additional support (e.g., Vermont)
- ▶ Hard to know how the policy discussions will turn out in the individual states

# A Few Generalizations

- ▶ All the states retain a commitment to clean energy and that is not likely to change
  - Nevertheless, there could be a reduction in some particular generation incentives (perhaps balanced by an increase of support in other areas)
- ▶ Policymakers (often for the first time) are considering what *specifically* they want to accomplish through clean energy policy
- ▶ Increased emphasis on evaluating the costs and benefits of clean energy policy
- ▶ State funds have less money to spend and energy agencies will face other budget constraints

# Clean Energy and Economic Development

- ▶ Policymakers are increasingly focused on capturing the economic benefits of clean energy development for their state
  - In-state jobs the central consideration
- ▶ But there's also increased awareness of the limits to state action under the Constitution
  - Implications of the Commerce Clause for state renewable portfolio standards
    - See recent CESA report:  
[www.cleanenergystates.org/projects/states-advancing-rps](http://www.cleanenergystates.org/projects/states-advancing-rps)
- ▶ It's easier to measure the costs of clean energy policy than the economic benefits
  - That doesn't make the benefits less real

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