

This is the negative file for Renewable Portfolio Standards (RPS). This policy requires a certain percentage (usually 20%) of power sold in the US come from Renewable Sources by a certain date (usually 2020).

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*** Solvency Arguments

Renewable energy is inconsistent which increases fossil fuel consumption

Richard **Stevens**, Senior Instructor (Nuclear), North Anna Nuclear Training Center, June 15, **2004**

http://www.energypulse.net/centers/article/article_display.cfm?a_id=758,
Accessed: October 15, 2006

However, if presidential candidate John Kerry's proposal were adopted to require 20% of U. S. electricity to be generated by renewable resources, then so many less than ideal sites would need to be pressed into service, that to achieve an average capacity factor of 26% by wind generation would be a remarkable achievement. The problem with these low capacity factors is that some other form of electrical energy generation must usually supply the missing generation, and in the United States that supply is most likely to come from a fossil fuel fired power plant. That was certainly the case in California during the California electricity crisis. Due to the Western drought, California had to replace inexpensive hydroelectric generation with expensive fossil fuel generation because renewable energy could not cover the shortfall. However, it is not generally realized that California's investment in wind generation actually made the California electricity crisis far worse than it needed to be. Electrical production from wind generation is highly variable. It varies with the cube of the speed of the wind. Indeed, below a certain wind speed, called the cut-in speed, the wind generator does not produce any electricity at all. Typically, the cut-in speed is approximately 10 mph. Consequently, wind generators spend a great deal of time producing no power. In addition, they only produce their rated capacity when the wind speed is well above the average speed of the wind at the site. This is why their overall capacity factors are so low. For this reason, other electrical generators must extensively cycle their power output to compensate for the variation in the output of the wind generation. Operating a fossil fuel fired power plant in the cyclic mode, instead of operating at a constant power, has two very detrimental effects. First of all, cycling makes the power plant much less efficient. It must consume more fossil fuel to produce the same electrical output. Second, cycling produces thermal stresses that over time will cause material failures that will force the power plant to shut down to make repairs. The failures produced by cycling is one of the reasons that has influenced most power plant operators to choose a power plant design that is relatively inefficient when they need to operate the plant in the cyclic mode. A simple combustion turbine is typically 40% efficient. A combined cycle power plant that includes a combustion turbine, a heat recovery steam generator, and a steam turbine, is typically 58% efficient. However, the combustion turbine is less likely to fail due to the thermal stresses induced by cycling. The other major reason that a power plant operator would choose the inefficient combustion turbine over the efficient combined cycle is that the combustion turbine costs less to install. The power plant operator must operate his combined cycle generator longer than the combustion turbine to recover his investment.

State RPS success does not guarantee National Success

Power Engineering, May 2002,

http://pepei.pennnet.com/Articles/Article_Display.cfm?Section=Articles&SubSection=CurrentIssue&ARTICLE_ID=144778&VERSION_NUM=1, Accessed: September 12, 2004

The success in Texas, however, does not necessarily justify the enactment of a "national" renewable portfolio standard. Several factors made a renewable portfolio standard an easier sell in Texas. Persistent air quality problems in certain metropolitan regions afforded an opportunity to demonstrate environmental progress via the RPS. The development and construction of many new gas-fired power plants promised to increase the state's reserve margin, reducing concerns about the dependability of renewable generation, which may not always be able to generate power when called upon. The state also set reasonable program goals (an additional 2,000 MW by 2009) designed to minimize economic impacts. And finally, research indicated that consumer demand for renewable energy existed.

A 20% RPS would fail to meet its goals.

Energy Information Administration, February 2002,

[http://www.eia.doe.gov/oiaf/servicerpt/rps/pdf/sroiaf\(2002\)03.pdf](http://www.eia.doe.gov/oiaf/servicerpt/rps/pdf/sroiaf(2002)03.pdf), Accessed: September 2, 2004

The key result in the RPS 20 case is that, like in the RPS 10 case the targeted renewable share is not projected to be achieved (Table 7). By 2020 the share is projected to reach 12 percent, well below the 20 percent target. This mainly occurs because of the high cost of the level of renewables that would be needed to meet the RPS target. Also, as the December 31, 2020, program sunset date grows closer; new renewable facilities would not have enough time to recover their higher costs through credit revenue. Thus, retail electricity suppliers are expected to pay the penalty rather than support new renewable facilities (Figure 12). However, the RPS 20 case does build more renewables than the RPS 10 case. In fact, the 10 percent RPS target called for in the RPS 10 case is achieved in the RPS 20 case. This occurs because higher RPS shares are called for in the RPS 20 case earlier than in the RPS 10 case allowing new renewable facilities to recover their higher costs through credit sales before the end of the program. For example, in the RPS 20 case, the renewable share required reaches 10 percent between 2011 and 2012, versus in 2020 in the RPS 10 case. This means that new renewable facilities could be brought on in 2012 to bring the share to 10 percent allowing eight years to recover the higher costs through credit sales.

***** Cost**

A 10% RPS will increase utility bills \$3.1 billion

Competitive Enterprise Institute, September 23, 2002,

<http://www.cei.org/gencon/019,03215.cfm>, Accessed: September 1, 2004

According to a July 2000 study by the National Renewable Energy Laboratory, more than one-third of U.S. consumers now have the option to purchase "green power" (electricity made wholly or partly from renewables) if they are willing to pay premiums ranging from 0.4 cents to 20 cents per kilowatt-hour. However, the study notes, less than one percent of utility customers choose "green power" when given the chance. Presumably, "green power" premiums would be higher - and customer participation even more dismal - if taxpayers and ratepayers were not already subsidizing renewable-based power. Should the U.S. Government force companies to sell what consumers do not want to buy? Citing a recent EIA study, proponents claim a 10-percent RPS will add "only" \$3.1 billion to the nation's electricity bill in 2020. By this pork-barrel logic, one can justify any consumer or taxpayer rip-off. That is the nature of corporate welfare entitlements - they filch relatively small sums from millions of households to enrich a greedy few. But EIA's estimate is really beside the point, because the Senate bill's RPS is the camel's nose under the tent - a floor, not a ceiling. Once enacted, the RPS will strengthen the renewable lobby and grow like other entitlements.

An RPS is the most expensive way to reduce emissions. It props up uncompetitive industries and helps makes states that support renewables competitive.

Marlo Lewis, Jr. Senior Fellow at the Competitive Enterprise Institute, 2003, <http://www.renewamerica.us/columns/mlewis/030728>, Accessed: September 7, 2004

Perhaps the most seductive compromise on the table is Senator Jeff Bingaman's (D., N.M.) amendment to establish a nationwide "renewable-portfolio standard" (RPS). An RPS is a regulatory scheme that requires utilities to generate a specified percentage of electricity from wind, solar, and other politically correct technologies. Bingaman's amendment is a "soft Kyoto" strategy. It would not establish an outright cap on carbon emissions, as would McCain-Lieberman. However, an RPS functions much like a cap — it restricts utilities' access to the most economical fuels, inflating consumer electricity costs. The main difference is that a cap is more flexible — it lets utilities choose how to reduce emissions. An RPS is the most prescriptive and thus potentially the most expensive emission-reduction program. Bingaman's RPS starts out modestly, as befits a "soft Kyoto" strategy. It would require 2.5 percent of electricity to come from renewables during 2008-2011, rising incrementally to 10 percent in 2020-2030. But Republicans are fooling themselves if they think the costs will be modest or come due only after they have left office. Three points should be kept in mind. First, if electricity production from renewables made economic sense, government would not need to mandate it. Wind, solar, and geothermal technologies have such high capital costs and produce so little power that it is almost always cheaper to build new natural gas plants or increase generation from existing coal and nuclear plants. That is why, despite two-plus decades of multi-billion-dollar taxpayer and ratepayer subsidies, and numerous state RPS programs, non-hydroelectric renewables generate only 2.1 percent of total U.S. electric power. Second, an RPS is fundamentally a set-aside program — a corporate-welfare entitlement for industries that would not exist in a free market. Whatever level it is initially set at, the RPS will function as a floor, not a ceiling. Once enacted, it will strengthen the renewable-energy lobby and grow like other entitlements. The potential to exploit consumers, distort energy markets, and undermine productivity is vast. Recall that in March 2002, Kerry, Lieberman, and 27 other senators voted for a 20-percent RPS — twice the size of Bingaman's. Enacting Bingaman's amendment will only encourage those worthies to keep pushing, year after year, until Congress ratchets up the RPS to 20 percent or higher. Consider also that, once the nation's power sector is subject to an RPS, many utilities will see little point in resisting Kyoto or McCain-Lieberman, since they will already effectively comply with a carbon cap. Indeed, some may even lobby for McCain-Lieberman, calculating that their renewable portfolios will make them net sellers of carbon credits under a cap-and-trade program. Enacting an RPS will simply tee up McCain-Lieberman for the next round. Third, a national RPS will function as a tool of regional economic warfare. It is hardly coincidental that the Senate's leading RPS proponents typically come from states — California, Washington, Connecticut, Illinois, Maine, Maryland, Massachusetts, New Jersey, New York, Rhode Island, Vermont — that heavily subsidize or mandate renewable generation. Having spent millions propping up uncompetitive power production, they want to inflict the same disadvantage on out-of-state rivals. Bingaman's home state of New Mexico, for example, has a ten percent RPS--exactly the burden his amendment would impose on the nation.

*** Federalism Disadvantage

RPS crushes federalism.

Competitive Enterprise Institute, September 23, 2002,

<http://www.cei.org/gencon/019,03215.cfm>, Accessed: September 1, 2004

More importantly, a national RPS will make a mockery of the Clean Air Act and our federal system. What is the point of states devising "state implementation plans" if the Senate can mandate one-size-fits-all "solutions" that take no account of local economic and environmental circumstances? Indeed, why pretend we have a system of dual sovereignty if the Senate can overrule the 34 state governments that have not enacted renewable portfolio standards?

Congress has zero jurisdiction to establish a federal RPS. It's the right of the States.

Public Utilities Fortnightly, August 2004, Pg. 20

A federal RPS would require that a specified percentage of electric power sold by electric utilities into retail markets be derived from renewable resources. A federal RPS is predicated, therefore, on the assumption that the federal government regulates retail markets for electric power. Congress could, of course, authorize the Federal Energy Regulatory Commission (FERC) to regulate wholesale as well as retail electric power sales and services. However, in the Federal Power Act of 1935, the organic statute for federal regulation of electric utilities, Congress authorized FERC to regulate just wholesale electric power. The regulation of retail electric power was left to the states and to the state public service commissions. The regulation of retail sales and services also was left to the states under PURPA[Public Utility Regulatory Policies Act], Title I, which established numerous retail policies for electric utilities. The policies were intended to promote the conservation of electric power and the efficient use of generation facilities and fuels. The retail policies were not imposed on electric utilities. Indeed, PURPA left the adoption and implementation of the retail policies to state public service commissions, which could choose to adopt or reject each standard. The statute guaranteed that nothing therein precluded the adoption of state policies different from the retail policies of PURPA. In this regard, PURPA reinforces the traditional jurisdictional divide between federal regulation of wholesale sales and services and state regulation of retail sales and services. This jurisdictional formula has worked well for almost 70 years. There is no compelling need now for Congress to interfere with the traditional state prerogative to regulate the retail rates and services of public utilities. The experiment with green-power quotas began with state legislatures and state public service commissions. The experiment should continue not on the federal level but on the state level. Congress should not impose a federal RPS. Instead, PURPA should be amended to include an RPS among the retail policies that can be adopted or rejected by state public service commission. Leave the green-power quotas to the states.

*** States Solving

The states are working to establish RPS and cut emissions.

Legal Times, June 10, 2002,

Oddly for an issue referred to as "global" climate change, the locus of most threatened regulatory action in the United States is the states. The New England states have agreed with the eastern Canadian provinces to reduce carbon emissions to 1990 levels in 10 years. The New Hampshire Legislature is close to final approval of a bill to regulate CO2 emissions from that state's power plants. Farther west, the California Senate has passed a bill to require reduced carbon emissions from automobiles. Sharply opposed by the auto industry, which is not well-equipped to produce a separate product line for just one state, its fate is not clear. The Colorado Senate has approved a bill mandating that 10 percent of the state's electricity come from renewable sources by 2010, 10 years earlier than provided for in the U.S. Senate bill. And more than a dozen states already have renewable portfolio standards in place.

State and local governments are moving to establish RPS and reduce emissions.

Joseph Siegel, Prof Environmental Law, Pace Law School and CUNY Law School, Broward Daily Business Review, January 12, 2004

But the Clean Air Act, as it is currently interpreted by the Bush administration, does not address carbon dioxide and other greenhouse gases. Congress has failed to take action, and the White House opposes any mandatory domestic measures to control greenhouse gases. It also opposes the Kyoto Protocol, the international legal agreement to address climate change. In this vacuum, state and local lawmakers are forging the path for future federal legislation by enacting their own climate-change laws. Examples of state innovation include California's greenhouse-gas standards for vehicles, Massachusetts' mandatory carbon dioxide reduction requirement for power plants and Nevada's renewable portfolio standards for power providers. Other state programs include energy efficiency measures and agricultural and reforestation programs designed to reduce greenhouse-gas emissions. Ten Northeastern states have agreed to pursue the first regional carbon dioxide emissions trading program and several have entered into a climate change action plan with eastern Canada.