



# Green Markets and a RPS

*Working Together to Support Renewable Power*

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# Green Mountain Energy Company

- > Founded in 1997
- > HQ in Austin, TX
- > Active in seven states, including New York
- > More than 500,000 customers
- > Electricity products that feature renewable energy and are cleaner than system power
- > Supporting hundreds of mw of new renewable generation
- > 10 solar facilities, 500 kw

# Green Markets and a RPS

## > Green markets

- Educate the public about electricity and its effects
- Drive the development of new renewables
- Place no upper limit on renewables
- Target market is substantial
  - 20% to 40% of consumers

# The Key to Compatibility Between the Green Market and the RPS

- > RPS establishes a foundation
  - o Market builds upon that foundation
- > Green electricity products offered should NOT be allowed to count toward RPS requirement

# Experience with a Green Market and RPS

## > Connecticut

- Requirement placed only on competitive suppliers
- Perverse consequences
  - Disadvantages competitive marketers
  - Works against renewables

## > Texas

- The good
  - Market-based
  - All suppliers must meet requirement
  - Based on energy, not capacity
  - Bankable renewable energy credits used for compliance
- The not-so-good
  - Lack of synchronization between RPS and label compliance periods

# Certificate-based Tracking System

- > A certificate system
  - Provides transparency to all stakeholders
  - Allows for banking of the value of renewable generation
  - Creates a liquid market
- > Should be compatible with neighboring systems
  - Ensures reciprocity
  - Ensures cost-effective RPS compliance
- > Leads to a robust forward market
- > NARUC has passed a resolution supporting regional tracking systems

# Eligibility Requirements

- > Should not be exclusive
  - o Allow for new technologies
- > Should allow imports from regions with compatible tracking systems
- > Should focus on additional 8% needed to meet 25% goal
  - o Key issue is new generation

# Long-Term Contracts

- > Challenges for new competitive suppliers
  - Uncertainty about market rules
  - Uncertainty about customers
  - Additional credit requirements
- > Overall, barrier to entry