



The Senate Renewable Electricity (“Portfolio”) Standard

The Energy Bill passed by the U.S. Senate includes a renewable electricity standard requiring major electric companies to gradually increase sales of electricity from wind, solar and other renewable sources to about 10% by 2020. (Small utilities and publicly-owned utilities are exempted.) The Senate provision would gradually increase renewable energy from about 15,000 megawatts (MW) today to 74,000 MW by 2020 – enough to power about 53 million homes. Twelve states, including Texas, have enacted their own renewable electricity standards. The House of Representatives energy bill does not include a renewable electricity standard.

The Senate renewable electricity standard is feasible and will save consumers money.

The United States is blessed with an abundance of renewable energy resources from the sun, wind, agriculture, forests and the earth (geothermal). The *technical* potential of our renewable resources far exceeds our total electricity use. The Senate bill requires that renewable energy development increase at the same gradual rate as the successful Texas standard.

An independent Union of Concerned Scientists analysis finds that the Senate-passed 10% renewable electricity standard—along with the Senate-passed tax credits—save consumers and taxpayers together nearly \$3 billion, cumulatively through 2020.

The Bush Administration’s Energy Information Administration (EIA) found that a more comprehensive 10% renewable electricity standard than the one included in the Senate energy bill can **save consumers even more money**. In a study performed for Sen. Murkowski, EIA found that a 10% standard—with fewer exemptions than the final Senate bill—could *reduce bills for both electricity and natural gas customers*. Even though renewable energy costs a little more today, EIA found that competition from new renewable energy generators would force natural gas suppliers to lower their prices, saving consumers over \$13 billion cumulatively by 2020.

The Senate renewable electricity standard will benefit the economy.

The Senate 10% renewable electricity standard will benefit the US economy. UCS analysis finds that it would stimulate nearly \$17 billion in new investment, provide over \$1 billion each year in property tax payments to cities and towns, and provide over \$400 million each year in lease payments to farmers for wind power alone, while saving consumers money. The renewable electricity standard will also ensure a more diverse, domestic energy supply and protect the economy against fossil fuel price spikes. A national credit trading system, like the one used in the Clean Air Act, would ensure that every region has access to low-cost renewable resources.

The Senate renewable electricity standard will benefit the environment.

The renewable electricity standard will reduce harmful air pollution from power plants that burn coal, oil and natural gas. Most importantly, it will reduce emissions of carbon, which traps heat in the atmosphere and causes global warming, by 27 million tons per year by 2020. It will also reduce harmful water and land impacts from mining fossil fuels.

Why require utilities to use more renewable energy?

Despite two decades of incentives, America’s utilities have failed to generate more than 2% of their electricity from clean, abundant renewable energy supplies. Even today, the only significant renewable energy generation occurs where states require utilities to provide it. It is time for a fair, minimum national renewable electricity standard for all electricity companies to meet.