

Resolution Supporting State Authority to Adopt and Promote Feed-in-Tariff Mechanisms for Renewable and Other Generation Technologies

WHEREAS, The United States Congress is actively considering legislation that would impose limitations on the emissions of GHG from electric power generation facilities that burn fossil fuels; *and*

WHEREAS, Previous NARUC resolutions support the development of federal programs that would address the emissions of GHG from electric power generation facilities that burn fossil fuels and urge that such programs should take into account the foundational role that must be played by State clean energy policies in delivering cost-effective GHG emission reductions and to incorporate mechanisms that enable States to further pursue these policies; *and*

WHEREAS, State commissions have long had regulatory responsibility for assuring generation resource adequacy for retail electric customers; *and*

WHEREAS, State commissions are the regulatory agencies that have the closest contact with the providers of retail electric service and that best understand the needs of retail customers; *and*

WHEREAS, Feed-in tariffs are regulatory mechanisms that encourage the development of new renewable energy resources by providing a long-term financial incentive to developers of such resources; *and*

WHEREAS, Feed-in tariffs are a potential option for States that wish to encourage the development of renewable resources and resource diversity; *and*

WHEREAS, Some States have expressed interest in developing feed-in tariffs that provide compensation at a level to cover the reasonable costs of developing generation resources, which may be greater than avoided costs or competitive prices; *and*

WHEREAS, The Federal Energy Regulatory Commission has concluded that requiring public utilities to purchase power at prices established by State commissions, or to offer to make such purchases, constitutes impermissible wholesale rate-setting by State commissions pursuant to the Federal Power Act, and that under the Public Utility Regulatory Policies Act, the role of the States is limited to determining “avoided cost” rates for qualifying facilities; *now, therefore be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its 2010 Summer Committee Meetings in Sacramento, California, supports the ability of individual States to determine whether or not the public utilities, under their jurisdiction, should be required to offer to purchase power at prices established by State commissions (including prices set pursuant to State feed-in tariffs) in a manner consistent with federal law; *and be it further*

RESOLVED, That NARUC directs its staff to advocate for the positions expressed in this resolution through proposed legislation or proceedings before the Federal Energy Regulatory Commission and, in such advocacy, to take into account the 2010 analysis of these issues

developed by the National Regulatory Research Institute and the National Renewable Energy Laboratories.

*Sponsored by the Committees on Electricity and
Energy Resources and the Environment
Adopted by the NARUC Board of Directors July 21, 2010*