

Resolution Regarding Renewable Market Provisions in Restructuring Legislation

WHEREAS, Some proposed State and Federal legislation to encourage competition in the energy supply and services markets includes provisions addressing renewable energy policy in a competitive environment; *and*

WHEREAS, Encouraging cost-effective use of renewable energy resources has been an important national goal under past utility regulatory policy, including the Public Utility Regulatory Policies Act of 1978 (PURPA), and the Energy Policy Act of 1992 (EPAct); *and*

WHEREAS, Renewable energy production has steadily improved in cost-effectiveness and performance and promises continued improvement; *and*

WHEREAS, Renewable energy supply brings fuels diversity benefits and mitigates fuel market power in the nation's mix of energy supplies, while enhances national security, reduces dependence on imported fuels, and decreases environmental impacts; *and*

WHEREAS, Public preference and customer demand support cost-effective renewable energy product development and commercialization; *and*

WHEREAS, Properly constituted, a competitive retail electricity market, characterized by customer choice and differentiated products, can support the commercialization and delivery of renewable energy; *and*

WHEREAS, Some of the supporters of proposed national market standards for renewable energy believe that, in an initially undifferentiated market in which cost-cutting predominates, the national supply of renewable energy could be irreparably lost in the "race to the bottom"; *and*

WHEREAS, As widely recognized in connection with nationally traded SO₂-emission allowances, market tradeable credits have a proven track record in enlisting market forces to achieve regulatory objectives most efficiently and at the lowest possible cost; now, therefore, be it

RESOLVED, That the National Association of Regulatory Utility Commissioners (NARUC), convened at its 109th Annual Convention in Boston, Massachusetts, hereby supports, as part of any restructuring legislation, a national commitment to the continued commercialization and supply of renewable energy; *and be it further*

RESOLVED, That in the event Congress adopts minimum national standards for renewable energy supply, NARUC supports the use of tradeable credits as one market-compatible mechanism, among others, to meet the national interest in renewable energy supply; *and be it further*

RESOLVED, That consistent with any adopted national standards for renewable energy supply, States should be afforded maximum flexibility to structure, apply and supplement standards within the State in a way that best promotes the unique resource, technology and economic goals of each State.

*Sponsored by the Committees on Energy Resources and Electricity
Adopted November 12, 1997*