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CLF Rhode Island

55 Dorrance Street Providence, RI 02903 P: 401.351.1102 F: 401.351.1130 www.clf.org

# Testimony of Jerry Elmer, Esq., On Behalf of Conservation Law Foundation In Support of S-2181 and S-2185 Senate Committee on the Environment and Agriculture Wednesday, February 24, 2016

My name is Jerry Elmer. I am a Senior Attorney for the Conservation Law Foundation (CLF). CLF supports both S-2181 and S-2185, and respectfully urges passage of these two bills.

Both of these bills address renewable energy for Rhode Island. S-2185 would extend Rhode Island's Renewable Energy Standard (RES) until 2035; the RES was first enacted in 2004 and is now scheduled to expire in 2019. S-2181 would extend Rhode Island's Renewable Energy Growth Program (REG Program), enacted in 2014 and also scheduled to expire in 2019, for an addition 10 years, until 2029.

Before discussing each of these bills separately, I should like to make a few remarks about both bills viewed together.

## Renewable Energy in Rhode Island

Both of these renewable energy bills are an outgrowth of the Senate leadership's Green Jobs Report, released on Tuesday, January 26, 2016. CLF commends Senate President Paiva Weed for her leadership in commissioning and releasing this report. CLF is also grateful to the lead sponsors of each of these two bills: Senators Sosnowski and Conley on S-2185; and Senators Walaska and Sosnowski on S-2181.

The Green Jobs Report started with the quotation from President Obama that "tackling climate change is one of America's greatest economic opportunities in the 21st century." CLF believes that President Obama is correct in that regard, and CLF is especially pleased to see our Senate leadership rise to the current economic challenges that Rhode Island faces by sponsoring a suite of renewable energy bills.

### S-2185 – The Renewable Energy Standard

S-2185 would extend the life of Rhode Island's highly successful Renewable Energy Standard that the General Assembly enacted more than a decade ago. The RES was Rhode Island's very first renewable energy statute, and remains the state's foundational renewable energy statute today.



In June 2004, when the General Assembly enacted the RES – Chapter 26 of Title 39 of the General Laws – Rhode Island was a pioneer. We were one of the first states to enact such a renewable energy mandate. The statute that this legislature enacted then was correctly seen as an experiment. The new statute obligated Rhode Island's electricity utility to buy some of its electricity from renewable energy sources. As you know, the obligation started quite small, 3% of load in 2007, and it was to ramp up to 16% of load in 2019.

Not every statute this General Assembly enacts is successful; and not every law works as the legislature intends for it to work. But the RES Statute that you enacted in 2004 has been <u>extremely</u> successful; and it has worked pretty much the way you intended it to work.

CLF knows this to be true from first-hand experience. Since the RES was enacted in 2004, CLF has been a party in every proceeding at the Public Utilities Commission (PUC) that has enforced the statute, including the Docket No. 3659 in 2005 (in which the PUC wrote the rules for applying the program); Docket # 3765 (addressing Grid's 2007 renewable energy procurement); Docket # 3901 (addressing Grid's 2008 renewable energy procurement); and Docket # 4012 (addressing Grid's 2009 renewable energy procurement).

Since 2004, many states have followed Rhode Island's lead. Today, 30 states have mandatory renewable energy laws, including all six of the New England states, as well as New York, Pennsylvania, Texas, Ohio, Illinois, Arizona, and New Mexico.

Some, like California's, are more aggressive than Rhode Island's; but none has worked more according to plan than Rhode Island's.

Of course, the RES Statute you designed in 2004 ends it annual ramp-up in 2019. Thus, now is the time to extend the RES Statute until 2035. Twelve years ago, you enacted a new experimental statute; your idea was to re-visit the statute after a decade in order to determine whether or not it worked, and whether or not it was worth extending. Today, we have the answer to that question: the statute has been extremely successful. Yes, the RES should be extended.

This bill, S-2185, accomplished that purpose. CLF strongly urges passage.

# <u>S-2181 – The Renewable Energy Growth Program</u>

S-2181 is also a follow-on bill that builds on two highly successful antecedents enacted by the General Assembly. In 2011, the General Assembly enacted – by unanimous vote of both chambers – the "Renewable Energy Standard Contracts" program. The program was designed to make it easier for small, local renewable energy developers to build small, local renewable energy projects right here in Rhode Island.

That program was so successful that in 2014, the General Assembly expanded the earlier program and re-named it the Renewable Energy Growth Program (REG Program). The REG



Program was four times larger than the earlier Standard Contracts Program, and it had a number of highly innovative features designed to facilitate a rapid ramp-up in local development of renewables. For example, the new REG Program shifted payment to developers from contracts to tariffs, and provided enhanced economic incentives for small solar developers.

CLF staff attorneys were deeply honored in 2011 and again in 2014 to have been asked by the Senate leadership to help in drafting these two laws. In the intervening years, CLF has participated in all the PUC dockets implementing these programs, including Docket # 4316 (addressing contract language in the Standard Contracts Program); Dockets ## 4589-A and 4589-B (setting tariff amounts and non-pecuniary tariff terms under the REG program); and Docket 4568 (addressing rate-design issues pursuant to Section 24 of the REG statute).

It is also noteworthy that legislators, regulators, and others from New York to California and Oregon have been interested in modelling bills and laws in their states on our highly successful Rhode Island model.

At its most fundamental level, S-2181 is an effort to expand a program that was started incrementally, but has proved to be highly successful. S-2181 is an excellent way for the state of Rhode Island to address climate change and to create local jobs in a green economy.

CLF strongly urges passage of this excellent bill.

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