



# *The Commonwealth of Massachusetts*

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### **State Energy Officials Announce Milestone for Massachusetts Renewable Energy Portfolio Standard**

*For first time since program's 2003 inception, supply of renewable energy exceeds  
levels electricity suppliers must offer consumers by law*

BOSTON – For the first time since the Commonwealth's Renewable Energy Portfolio Standard (RPS) began in 2003, the supply of electricity from renewable energy generators has exceeded demand for that power from Massachusetts retail electricity suppliers legally required to purchase renewable energy for their customers.

The Department of Energy Resources' (DOER) RPS Annual Compliance Report for 2007 is a clear indication of the RPS program's success in providing financial incentives to develop new renewable power in Massachusetts and the region. According to the report, the quantity of renewable power available to help investor-owned utilities and competitive suppliers meet their annual RPS obligations was significantly higher in 2007 than in 2006 – approximately 1.6 million megawatt hours (MWh) last year versus 940,433 MWh in 2006. That supply exceeded utilities' 2007 RPS obligation to purchase at least 3 percent of their electricity in the form of new, renewable power.

“This milestone in the Commonwealth's Renewable Portfolio Standard reflects the expansion of our clean energy sector and bodes well for continued growth of renewable energy for the region,” Energy and Environmental Affairs (EEA) Secretary Ian Bowles said. “With the increasingly ambitious requirements for RPS set by the Green Communities Act signed into law by Governor Patrick last summer, we look forward to the development of more renewable energy in the years to come.”

Established as part of the utility restructuring act in 1997, the RPS is designed to diversify the state's electricity supply portfolio and create market demand to spur the development of renewable power. It requires retail electricity suppliers to purchase a certain amount of RPS-eligible RECs (Renewable Energy Certificates) as a percentage of the power they sell to consumers. The minimum percentage of renewable power generation required of suppliers is 3.5 percent this year and 4 percent in 2009. Starting in 2010, the obligation will increase by 1 percent per year, reaching 15 percent by 2020 and continuing to rise.

Electricity suppliers that do not meet RPS compliance obligations are required to make Alternative Compliance Payments to the Massachusetts Renewable Energy Trust, which finances development of clean, sustainably generated power in the Bay State. In 2007, eight of the 24 electricity suppliers fell short of their RECs requirements by small amounts and made payments to the Trust, although sufficient supplies of RECs were available. It is anticipated that sufficient RECs will continue to be available for suppliers to meet their RPS obligation of 3.5 percent renewable power generation in 2008.

“The Renewable Portfolio Standard has been successful in growing the supply of clean, renewable energy for Massachusetts,” said DOER Commissioner Phil Giudice. “The challenge now is to speed up the development of renewable energy production in Massachusetts to keep pace as we raise our goals for the use of clean energy.”

In September, a study commissioned by DOER found potential to meet the ambitious RPS requirements set by the Green Communities Act substantially by means of renewable power development within the Commonwealth's borders. This study, by Navigant Consulting, found that renewable energy projects in Massachusetts currently under construction, design, or consideration would, if approved and developed, meet roughly half of the 2020 RPS obligation of 15 percent of generation, or 7.5 million MWh total. Overall, the study found total economic potential of 10 million MWh of in-state renewable energy, more than sufficient to meet RPS requirements in 2020.

RPS-eligible forms of electricity generation include renewables such as solar and wind power, landfill methane gas, and low-emissions biomass. According to the new DOER report, 32 Massachusetts generating facilities were RPS-qualified in 2007, while another 22 facilities in other New England states, 21 in New York and six in neighboring Canadian provinces contributed to the Bay State's renewable power portfolio. Biomass plants comprised the largest single source of this “green” power, but wind is the fastest-growing supply – currently in third place, behind landfill methane gas. The report points to off-shore wind as having the largest potential for significant renewable power growth in Massachusetts.

To view the full report, go to: <http://www.mass.gov/Eoeea/docs//doer/rps/rps-2007annual-rpt.pdf>.

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