

Appendix A. Analysis Request Letter

DANIEL K. AKAKA, Hawaii
 BYRON D. BORGOSI, North Dakota
 BOB WATKINS, Oregon
 TIM WAINWRIGHT, South Dakota
 BOB F. LAMGREN, California
 MARY M. BLUNT LEE, Washington
 JOE SALAZAR, Colorado
 ROBERT J. CANTO, New Jersey
 BRUNO L. MAGLIANO, Michigan
 DEBRA D. SANDERS, Vermont
 JOHN CORNYN, Texas
 PETER D. COHEN, New Mexico
 LARRY D. CRAMER, Idaho
 CAROL MCMANUS, Wyoming
 KEN CUKIENSKI, Nebraska
 ROBERT RYAN, Iowa
 JIM INHOFE, Oklahoma
 BOB COOPER, Tennessee
 JEFF SESSIONS, Alabama
 DONALD RUDIN, Oregon
 JIM RISH, Kentucky
 MEL MARTINEZ, Florida

ROBERT M. SIMON, STAFF DIRECTOR
 SARAH E. WILSON, CHIEF COUNSEL
 FRANK J. MACGONIGAL, REPUBLICAN STAFF COUNSEL
 JUSTIN K. PENNINGS, REPUBLICAN CHIEF COUNSEL

United States Senate

COMMITTEE ON
 ENERGY AND NATURAL RESOURCES
 WASHINGTON, DC 20510-6150
 ENERGY.SENATE.GOV

May 9, 2007

Mr. Guy Caruso
 Administrator
 Energy Information Administration
 1000 Independence Avenue, S.W.
 Washington, DC 20585

Dear Mr. Caruso:

As you are aware, Congress is considering major energy legislation to increase our energy independence and to reduce the environmental impact of energy production and use. As a part of that legislation, I intend to introduce legislation to require that utilities provide certain percentages of their electricity to consumers from renewable sources. A Renewable Portfolio Standard (RPS), intended to accomplish this goal, has passed the Senate in the last three Congresses. You have provided analysis of my proposals in each of those Congresses. I am requesting that you update that analysis, given changes in the market and changes in the proposal that I am presenting during this Congress. The assumptions of this proposal (see attached) are:

- The facilities subject to the RPS include all electric utilities that sell electricity to retail consumers. Electric utilities with sales less than 4,000 GWh per year are exempt. In addition Hawaii is exempt.
- The base against which the requirement is calculated is defined as all electric utility retail sales in a given calendar year, excluding existing hydropower.
- The definition of new renewable energy is electricity generated at a facility placed in service on or after January 1, 2003, that uses solar, wind, ocean, geothermal, biomass (as defined in the bill), landfill gas, and incremental hydropower.
- The RPS includes a credit system in which one credit will be distributed for each kWh of electricity generated from eligible resources. The cost of credits is capped at 2 cents per kWh, adjusted for inflation.
- The timetable for the RPS is:

2010-2012	3.75%
2013-2016	7.50%
2017-2019	11.75%
2020-2030	15%

I ask that the requested information be made available as soon as possible. I also ask that my staff be briefed prior to the release of information.

If you have any questions regarding this request, or need clarification, please contact Leon Lowery with the Senate Energy and Natural Resources Committee staff at (202) 224-2209. I thank you in advance for your timely attention to this request and for your efforts to ensure that our Nation's energy policy decisions are informed with the best available analysis.

Sincerely,



Jeff Bingaman
Chairman

**Renewable Portfolio Standard
Summary of Senator Bingaman's Amendment
110th Congress**

The amendment requires sellers of electricity to retail consumers to obtain certain percentages of their electric supply from new renewable energy resources. The percentages range from 3.75 percent during 2010-12, to 7.5 percent during 2013-16, 11.25 percent during 2017-19 and 15 percent during 2020-30. Utilities that sell less than 4,000,000 megawatt hours per year are exempted, as is Hawaii. The provision sunsets on December 31, 2030.

Existing hydropower generators and municipal solid waste generators are excluded from the base amount from which the percentage requirements are calculated.

Qualifying renewables are (including distributed generators) wind, solar, ocean, geothermal, biomass, landfill gas and incremental hydropower.

The Secretary has the authority to establish and design a renewable energy credit trading program. The Secretary may issue credits to generators of renewable energy. Utilities submit credits to the Secretary to certify compliance. Utilities may also make alternative compliance payments to the Secretary at a rate of 2.0 cents per kilowatt hour, adjusted for inflation. Existing renewables can be used for compliance with the requirement, but credits for them may not be traded or sold.

The Secretary is required to charge a civil penalty for failure to meet the required percentage targets of no more than the lesser of 2.0 cents or 200 percent of the average market value of credits per kWh in violation of the requirement. The Secretary may mitigate or waive the penalty for reasons outside the reasonable control of the utility.

The Federal RPS will not affect State programs. To the extent that States require or compliance payments, the Secretary must determine what those payments represent as to compliance with the Federal requirement and allocate credits accordingly. Furthermore, a State Renewable Energy Account will be established. This program will provide grants to States to develop programs designed to promote renewable energy production.