

2018 RPS Review

From the Office of Strategic Initiatives

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Defining RPS

- RSA 362-F:4 class definitions
 - Class I- (New) shall include the production of electricity or useful thermal energy from any of the following, provided the source began operation after January 1, 2006
 - Class II- (New Solar) shall include the production of electricity from solar technologies, provided the source began operation after January 1, 2006
 - Class III-(Existing Biomass/Methane) shall include the production of electricity from any of the following, provided the source began operation prior to January 1, 2006
 - Class IV-(Existing Small Hydroelectric) shall include the production of electricity from hydroelectric energy

Statutory objectives of the RPS

Per RSA 362-F:1, the purpose of the RPS Statute is to:

- encourage fuel diversity to lower regional dependence on fossil fuels.
 - aim of lowering and stabilizing future energy costs.
- keep energy investment dollars in the state.
- employ low-emission technologies.

Characteristics of successful policy

In order to achieve its objectives with the lowest negative impact on the ratepayer, the RPS must:

- be conceptually consistent.
- be technology neutral.
- encourage competition.
- be squarely focused on statutory objectives.

Current RPS Shortcomings

The RPS:

- is inconsistent with the 10 Year State Energy Strategy.
- does not include resources that can help achieve statutory objectives.
- silos renewables into too many classes, stifling competition.
- attempts to accomplish goals beyond its stated purpose.
- is overly costly to ratepayers.



Suggested reforms

- It is our view that 2 major reforms are necessary to address shortcomings in the RPS and to make it more compliant with the State Energy Strategy.
- These reforms are intended to work in conjunction with one another.

Policy Reform #1: Unify Classes

- The RPS should be consolidated into one class.
 - Competition among classes leads to greater market selection of economically-competitive, non-carbon technologies.
 - What is the justification for a lack of competition between eligible non-carbon resources?

Policy Reform #2: Include other technologies that fulfill statutory objectives.

- Zero-carbon resources such as nuclear power and large hydropower should be included among eligible technologies.
- Energy efficiency could also qualify.

Advantages of reform

- Consistent with the 10 Year State Energy Strategy and with the Purpose Statement of the RPS statute.
- Less of a negative impact on ratepayers.
- Allows for greater market selection/competition within a framework that insulates from competitive markets.
- Would better protect viability of low emission resources.

Questions

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