Appendix D. NW Energy Coalition Feed-In Tariff Resolution

NW Energy Coalition
Feed-in Tariff Resolution
November 14, 2009

Background

Feed-in tariffs are policy mechanisms designed to accelerate deployment of specified types of renewable energy production and to reduce greenhouse gas emissions. They require utilities to interconnect qualifying renewable energy resources and to pay producers a premium price for every kilowatt-hour (kWh) produced by the qualifying renewable energy resource.

Resolution

Whereas there is scientific consensus that the climate is changing due to greenhouse gas emissions; and

Whereas widespread development of renewable energy reduces the need for power from fossil fuels; and

Whereas feed-in tariffs have the proven ability to quickly boost development of certain types of renewable energy and promote increased adoption of specific renewable energy technologies; and

Whereas feed-in tariffs can increase development of local, distributed renewable energy; and

Whereas feed-in tariffs have been successfully employed internationally and are believed to have contributed to lowering the costs and increasing the uptake of renewable energy development; and

Whereas feed-in tariffs can be used as a policy to complement and go beyond Renewable Portfolio Standards, and

Whereas the NW Energy Coalition advocates for a clean and affordable energy future for our region based on (a) using energy efficiency and new renewable energy resources to meet all load growth and new energy demand and to replace the power from the coal-fired power plants now serving the Northwest, and b) consumer and low-income protection;

Now, therefore, be it resolved that the NW Energy Coalition may support value-based feed-in tariff policies for local distributed renewable energy generation systems as a means of overcoming market barriers to environmentally responsible development of specific kinds of renewable energy, when such policies include the following provisions:

a) Prices set higher than those paid to non-qualifying resources, reflecting the value to the public of stimulating development of preferred resources.

b) Contract terms for qualifying renewable energy resources should be available for the expected life of the resources.

c) A consideration of packaging with additional policies to facilitate more effective deployment of renewable energy technologies, such as addressing permitting and other development barriers.

d) Technology and size-specific price levels and mechanisms that are developed by a transparent political process with input from industry, consumer advocates, producers and users.

e) Periodic review of pricing as a specified technology matures and market penetration increases with a focus on mitigating rate impacts by adjusting the premium price paid.

f) A determination of how the premium price paid is allocated among billpayers, with an evaluation of potential bill impacts and program benefits.

g) Strategies to protect low and fixed income consumers from bill impacts resulting from this policy. Strategies could include rate discounts, bill payment and weatherization programs.

h) Elements to address interconnection upgrade costs, with consideration of a cap on interconnection costs covered by the premium price paid.

i) Guidance to the price-setting body to consider various methods of funding the premium price paid, in order to achieve the goal of short run stimulus of development while ensuring long-term benefits to the public.

j) Feed-in tariffs should be linked to energy efficiency programs so producers participating in the tariff program are as efficient and cost-effective as possible.

k) Guidance to the price-setting body to consider existing programs and policies and make sure the policies work efficiently and effectively together.

Adopted by the NW Energy Coalition Board November 14, 2009.