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Markey Introduces Renewable Energy Legislation

Sen. Ed Markey, D-Mass., has introduced legislation that aims to create a national renewable energy standard that would require utilities obtain at least 25 percent of their electricity from renewables, including biomass, wind, solar, hydro, and geothermal by 2025. He introduced the bill, titled "The American Renewable Energy and Efficiency Act," on Oct. 31. The legislation was read twice and referred to the Committee on Energy and Natural Resources.

In addition to the renewable energy provisions, the bill would also require electric and natural gas utilities to implement energy efficiency programs to save the equivalent of 15 percent and 10 percent of sales, respectively, by 2025.

"There is no trick and all treat to harnessing clean energy to create jobs and fuel our economy in the 21st century," Markey said. "Clean energy and gains in energy efficiency have been very bright spots for the national and Massachusetts economy. The American Renewable Energy and Efficiency Act would quadruple renewable energy production in the United States. It would create more than 400,000 jobs. We can put steelworkers and ironworkers and electricians back to work building the new energy backbone for America, from Massachusetts to Montana."

Information released by Markey's office specifies the program would create more than 400,000 jobs and save the average American household \$39 per year, with cumulative consumer savings reaching \$90 billion by 2030. In addition to spurring more than \$200 billion in new capital investments, the legislation would also reduce carbon dioxide emissions by 480 million metric tons annually by 2025.

Under the legislation, utilities that sold more than 1 million megawatt hours (MWh) of electricity to consumers during the preceding year would be subject to the requirements. The program would initially require 6 percent renewables in 2015, ramping up to 25 percent in 2025. Energy efficiency requirements would begin at 1 percent in 2015 for electrical utilities, increasing to 15 percent in 2025. Natural gas utilities would be subject to a 0.5 percent energy saving requirement in 2015, rising to 10 percent in 2025.

To be eligible for the program, power from biomass must be generated from fuel that yields a 50 percent reduction in lifecycle greenhouse gas emissions when compared to a combined cycle natural gas electric generating facility, calculated over a 20-year lifecycle. The bill defines greenhouse gas emissions as direct emissions and significant indirect emissions, including those from land use changes and temporal changes in forest sequestration, biomass harvests, regrowth and avoided decomposition related to the full fuel lifecycle, and feedstock generation or extraction through the delivery of finished fuel to the consumer.

Environmental Entrepreneurs (E2) has spoken out in support of the legislation. "What Sen. Markey's legislation does is establish a predictable market for renewable energy and energy efficiency. And with predictable markets, capital investment flows, innovation grows and jobs get created," said Nancy Pfund, E2 member and managing partner at DBL Investors in San Francisco. "While many states have instituted their own renewable portfolio standards, the absence of a national standard has hampered the emergence of a national market and resulted in many renewable investments flowing to other countries. Sen. Markey's bill would help bring those capital investments and the jobs that come with them back home. This is something that investors, companies – and our economy – emphatically need."

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