SPONSOR: Sen. McDowell & Sen. Blevins & Sen. Copeland & Sen. Simpson & Rep. Thornburg & Rep. Lofink & Rep. Hall-Long & Rep. Schooley & Rep. Kowalko
Sens. Bunting, Sokola & Reps. Brady, Keeley, McWilliams, Plant, Spence & Valihura

DELAWARE STATE SENATE
144th GENERAL ASSEMBLY

# SENATE BILL NO. 19

AN ACT TO AMEND THE DELAWARE CODE TO INCREASE THE RENEWABLE ENERGY PORTFOLIO STANDARD.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend §352(1) of Title 26 of the Delaware Code by:

(a) Striking "minimum percentage of" and replacing it with "Minimum Percentage from".

Section 2. Amend §352(6)(a) of Title 26 of the Delaware Code by striking it and replacing it with "a. Solar photovoltaic or solar thermal energy technologies that employ solar radiation to produce electricity or to displace electricity use."

Section 3. Amend §352 of Title 26 of the Delaware Code by renumbering the current "(22)" to "(24)" and inserting after part (21) two new parts as follows:

"(22) "Solar Alternative Compliance Payment" means a payment of a certain dollar amount per megawatt-hour, which a Retail Electricity Supplier or Municipal Electric Supplier may submit in lieu of supplying the Minimum Percentage from Solar Photovoltaics required under Schedule I in §354 of this title."

"(23) "Solar Renewable Energy Credit" ("SREC") means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from Solar Photovoltaic Energy Resources and that is used to track and verify compliance with the provisions of this subchapter."

Section 4. Amend §354(a) of Title 26 of the Delaware Code by:

(a) Inserting "and solar photovoltaics" after "eligible energy resources".

(b) Striking Schedule I and replacing it with the following to be effective for the compliance year starting on June 1, 2007:

| SCHEDULE I | | |
|---|---|---|
| Compliance Year (beginning June 1st) | Minimum Cumulative Percentage from Solar | Minimum Cumulative Percentage from Eligible |

| | Photovoltaics | Energy Resources* |
|---|---|---|
| 2007 | -- | 2.0% |
| 2008 | 0.011% | 3.0% |
| 2009 | 0.014% | 4.0% |
| 2010 | 0.018% | 5.5% |
| 2011 | 0.048% | 7.0% |
| 2012 | 0.099% | 8.5% |
| 2013 | 0.201% | 10.0% |
| 2014 | 0.354% | 11.5% |
| 2015 | 0.559% | 13.0% |
| 2016 | 0.803% | 14.5% |
| 2017 | 1.112% | 16.0% |
| 2018 | 1.547% | 18.0% |
| 2019 | 2.005% | 20.0% |

*Minimum Percentage from Eligible Energy Resources Includes the Minimum Percentage from Solar Photovoltaics.

Section 5. Amend §354(c) and (d) of Title 26 of the Delaware Code by striking the figure "10%" as it appears therein and substituting in lieu thereof the figure "20%".

Section 6. Amend §356(a) of Title 26 of the Delaware Code by:

(a) Inserting "Minimum Percentage from Eligible Energy Resources of Schedule I of the" after "toward meeting the".

(b) Striking parts (1) and (2) and replacing them with:

" (1) Customer-sited solar photovoltaic physically located in Delaware; or

(2) A fuel cell powered by Renewable Fuels."

Section 7. Amend §358(d) by:

(a) Striking the figure "$35" in paragraphs (1) and (2) and replacing it with "$50.00".

(b) Striking the figure "$45" in paragraph (2) and replacing it with "$80.00".

(c) Strike paragraphs (3) and (4) in their entirety.

(d) Renumber paragraph (5) as new paragraph (3) and strike the figure of "$50" where it currently appears in said paragraph and replace it with "$80".

Section 8. Amend §358 by inserting after (d) a new part (e) as follows:

"(e) In lieu of standard means of compliance with this statue, any Retail Electricity Supplier may pay into the Fund a Solar Alternative Compliance Payment of $250 for each megawatt-hour deficiency between the credits available and used by a Retail Electricity Supplier in a given compliance year and the credits necessary for such Retail Electricity Supplier to meet the year's Renewable Energy Portfolio Standard. The Delaware Energy Office may set the Solar Alternative Compliance Payments at an amount higher than, but not more than 20% higher than, the estimated competitive market cost of a Solar REC, determined by the quarterly weighted average cost of meeting the requirement through purchase of a Solar REC. A Municipal Electric Company may pay the solar alternative compliance payment into a fund established by its municipal members. In subsequent years, the solar alternative compliance payments for any Retail Electricity Supplier or Municipal Electricity Company shall increase as follows:

(1) If a Retail Electricity Supplier has paid a Solar Alternative Compliance Payment of $250.00 for each megawatt-hour in any previous year, then the solar alternative compliance payment shall be $300.00 for each megawatt-hour.

(2) If a Retail Electricity Supplier has paid a Solar Alternative Compliance Payment of $300.00 for each megawatt-hour in any previous year, then the Solar Alternative Compliance Payment shall be $350.00 for each megawatt-hour.

Section 9. Renumber current subsection (e) of section 358 of Title 26 of the Delaware Code by redesignating said subsection as "(f)".

## SYNOPSIS

This bill will amend existing law by increasing the required minimum percentage of electrical energy sales to Delaware end-use customers from renewable energy resources through the year 2019. This increase will bring Delaware's renewable energy portfolio standard closer to those in nearby states, including New Jersey (which has a goal of 22.5% by 2021) and New York (which has a goal of 24% by 2013). This Bill will help protect Delaware's consumers by transitioning the state towards homegrown energy sources that are more secure, less vulnerable to price fluctuations, and less damaging to the environment.

The bill also requires that between 2009 and 2019, the minimum percentage of sales from solar photovoltaics shall increase from 0.03% to 2%. The Bill also sets a solar annual compliance payment and allows it to be adjusted by the

Delaware Energy Office at an amount higher than, but not more than 20% higher than, the estimated competitive market cost for purchasing RECs.

By increasing the renewable portfolio standard, creating a solar set-aside, and increasing the alternative compliance payment, Delaware citizens will be able to sell solar RECs, thus increasing the value of solar photovoltaics.

Author: Senator McDowell



SD : TGW : jad
3271440021