



Illinois Renewable Energy Standard

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What is a Renewable Energy Standard?

- A Renewable Energy Standard is like any other minimum performance standard in the Law.
- It requires a distribution utility to purchase for its customers an increasing percentage of its energy from renewable energy generators.

Illinois' Renewable Energy Standard

- 2% by December 31, 2008
- 4% by 2009
- 5% by 2010
- 10% by 2015
- 25% by 2025
- Standard is second highest in the nation

Illinois' Renewable Energy Standard - What Counts

- What counts:
 - Wind
 - Solar thermal and photovoltaics
 - Biodiesel
 - Crops and untreated organic waste biomass
 - Trees and tree trimmings
 - Existing hydro
 - “Other alternative sources of environmentally preferable energy”

Illinois' Renewable Energy Standard – Rate Impact

- Rate Impact Cap = 0.5% per year, each year, between 2008 and 2011
- Analysis by ICC of impact of the rate cap in 2011.

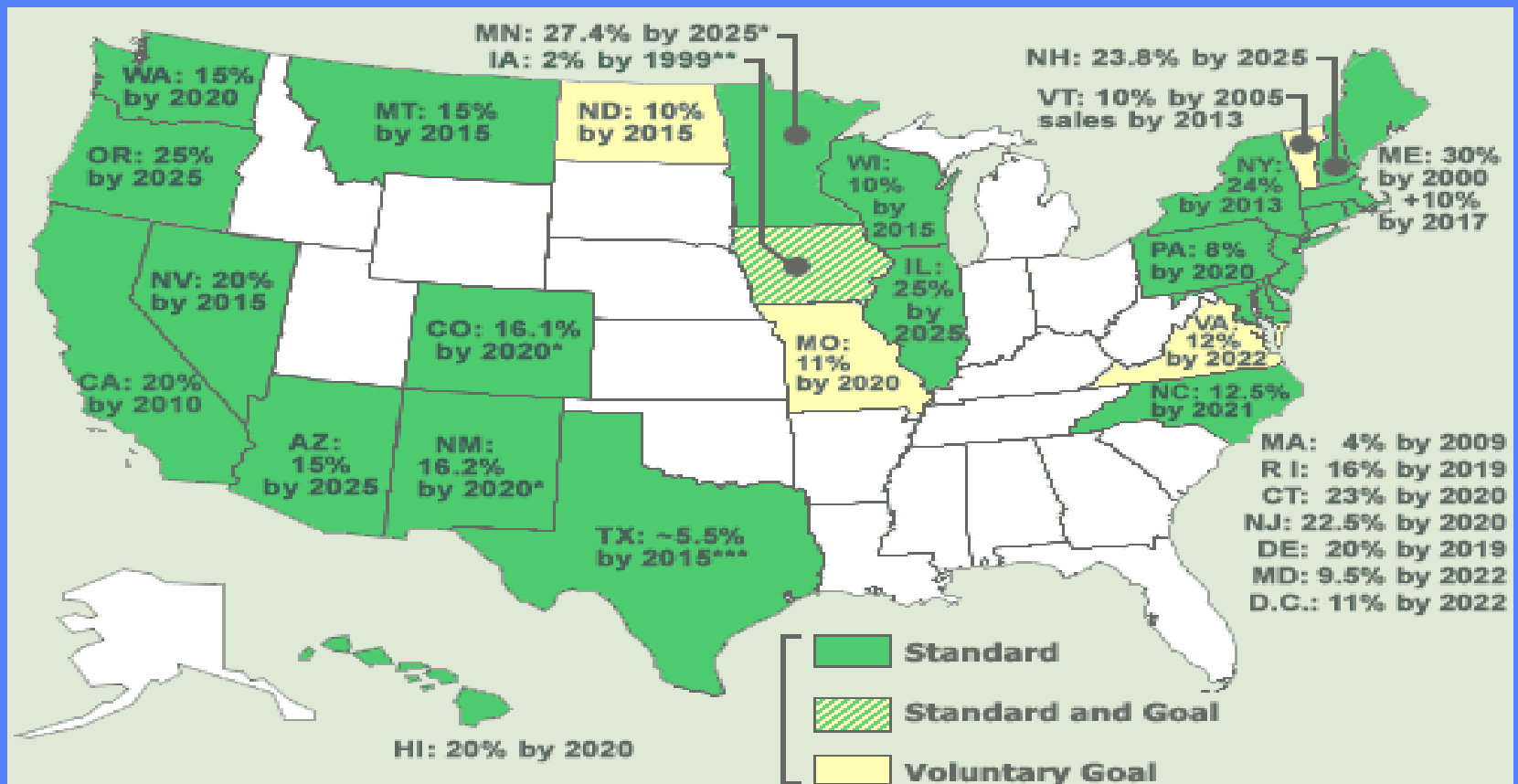
Illinois Renewable Energy Standard - Projected Obligations

- ComEd
 - Year 1 - 796,000 MWh
 - Year 2 - 1.6 million MWh
 - Year 3 - 2.0 million MWh
- Ameren
 - Year 1 - 414,000 MWh
 - Year 2 - 830,000 MWh
 - Year 3 - 1,000,000 MWh

Renewable Energy Standards in Other States

- Twenty five states have passed a Renewable Energy Standard including – CA, NY, TX, NJ, PA, and Midwestern states like IA, MN, and WI.
- An additional four states have a voluntary goal and one state (Iowa) has both a standard and a goal.
- Nationally an RES passed the Senate three times over the last three years in separate energy legislation but was blocked in the House. This year the House included an RES of 15% by 2020 in its Energy Bill. The Energy Bill is under negotiation.

State Renewable Energy Standards

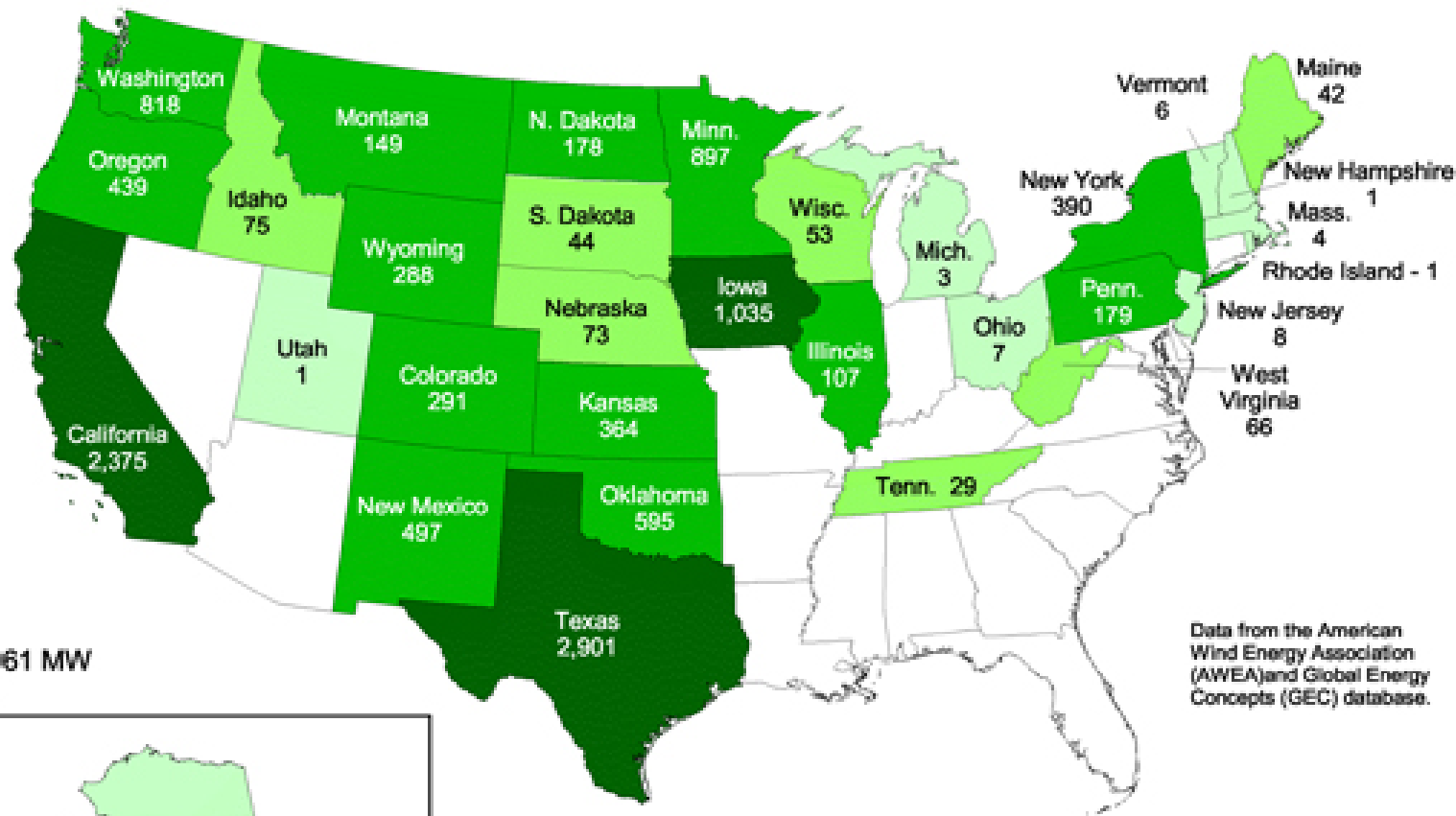


* MN has a 30% by 2020 standard for Xcel Energy, and a 25% by 2025 standard for all other utilities. CO and NM have a 20% by 2020 standard for investor-owned utilities, and a 10% by 2020 standard for other utilities.

** In addition to its requirement, IA has a 1,000 MW (~10%) by 2010 goal.

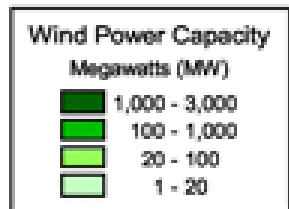
*** TX has capacity-based requirement of 5,880 megawatts by 2015, which equals about 5.5% of total electric sales.

United States - Current Installed Wind Power Capacity (MW)



Total: 11,961 MW
(As of 5/31/07)

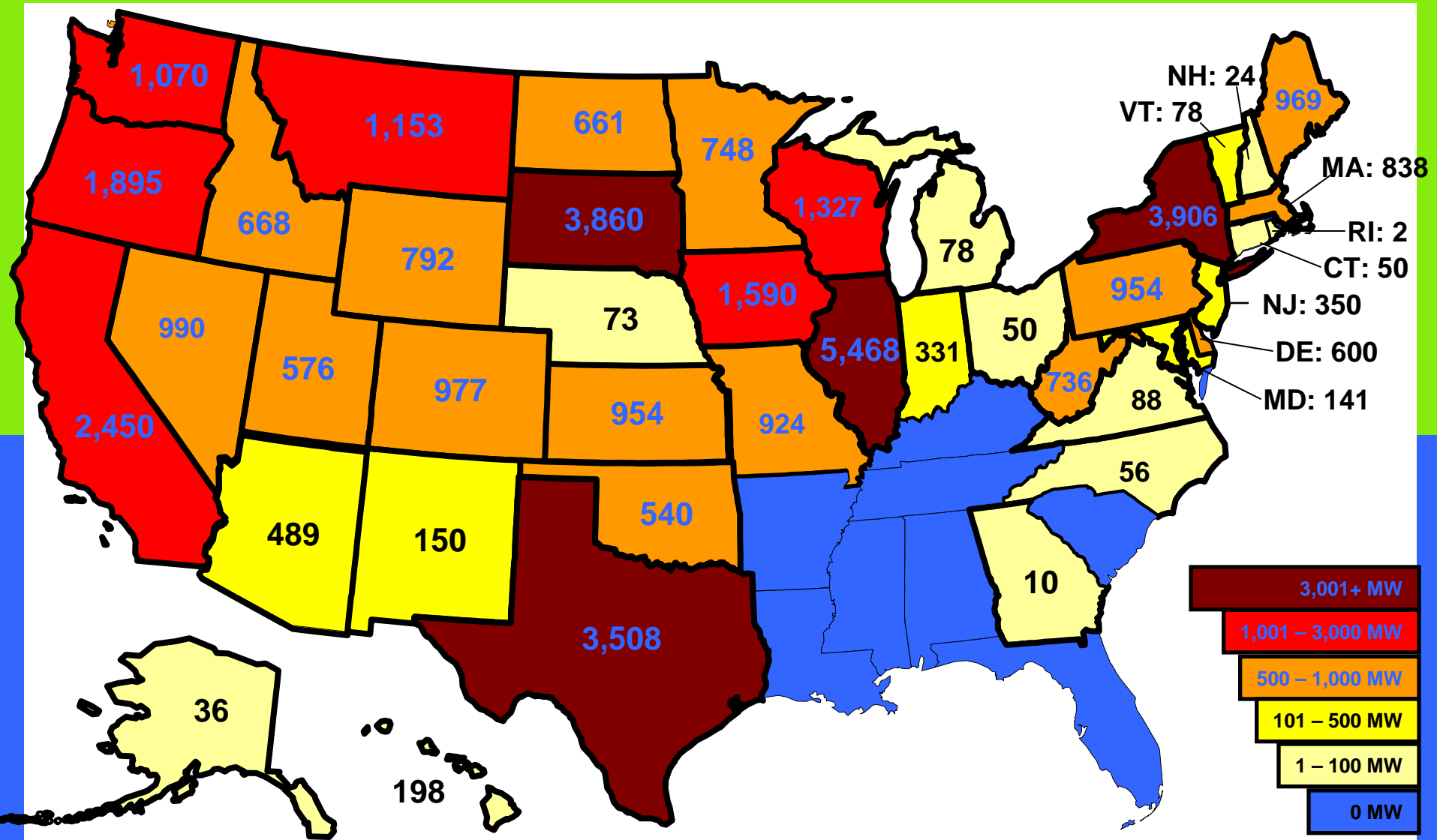
Data from the American Wind Energy Association (AWEA) and Global Energy Concepts (GEC) database.



U.S. Department of Energy
National Renewable Energy Laboratory



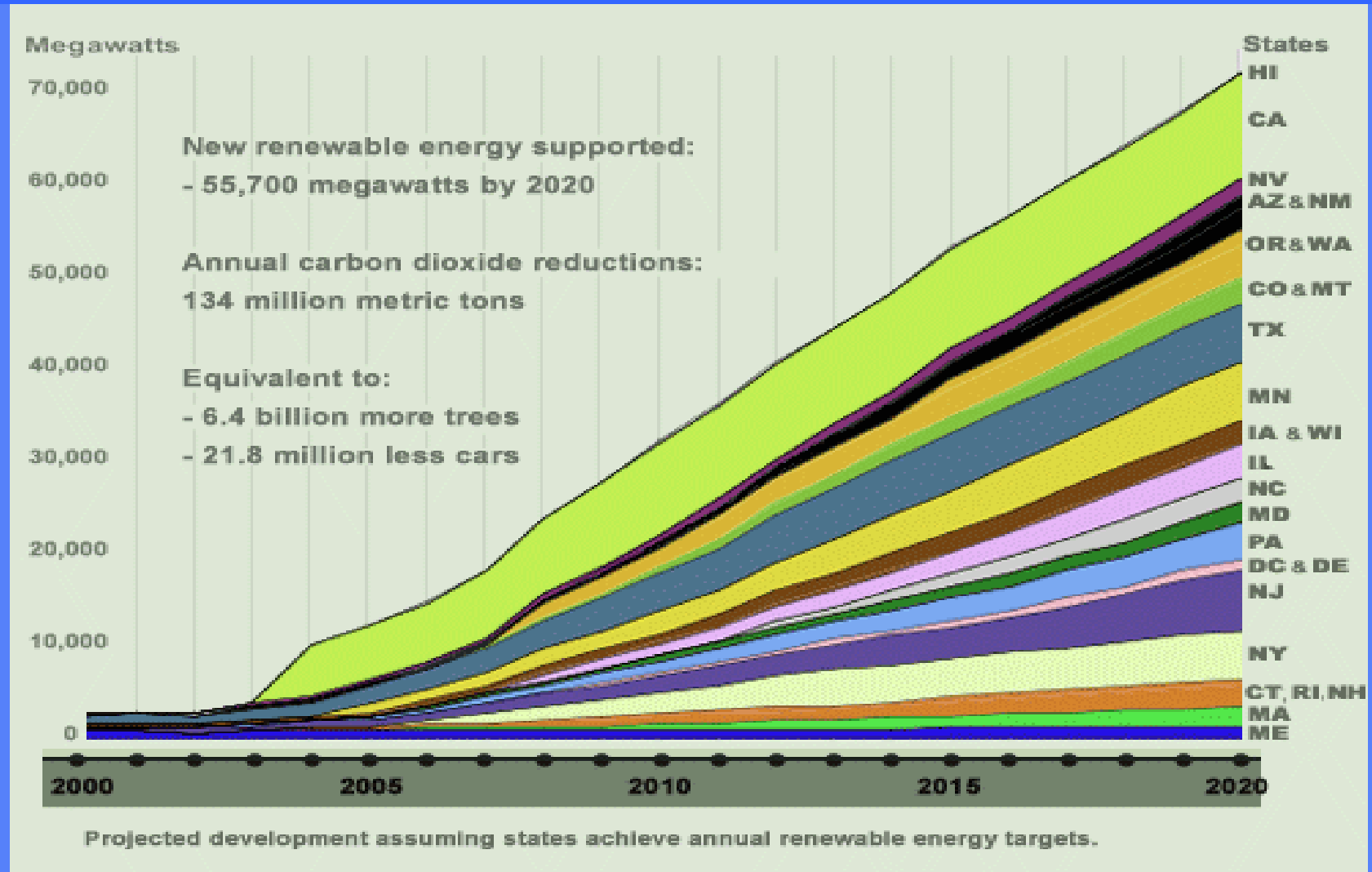
Projected Wind Capacity Development 2006-2020



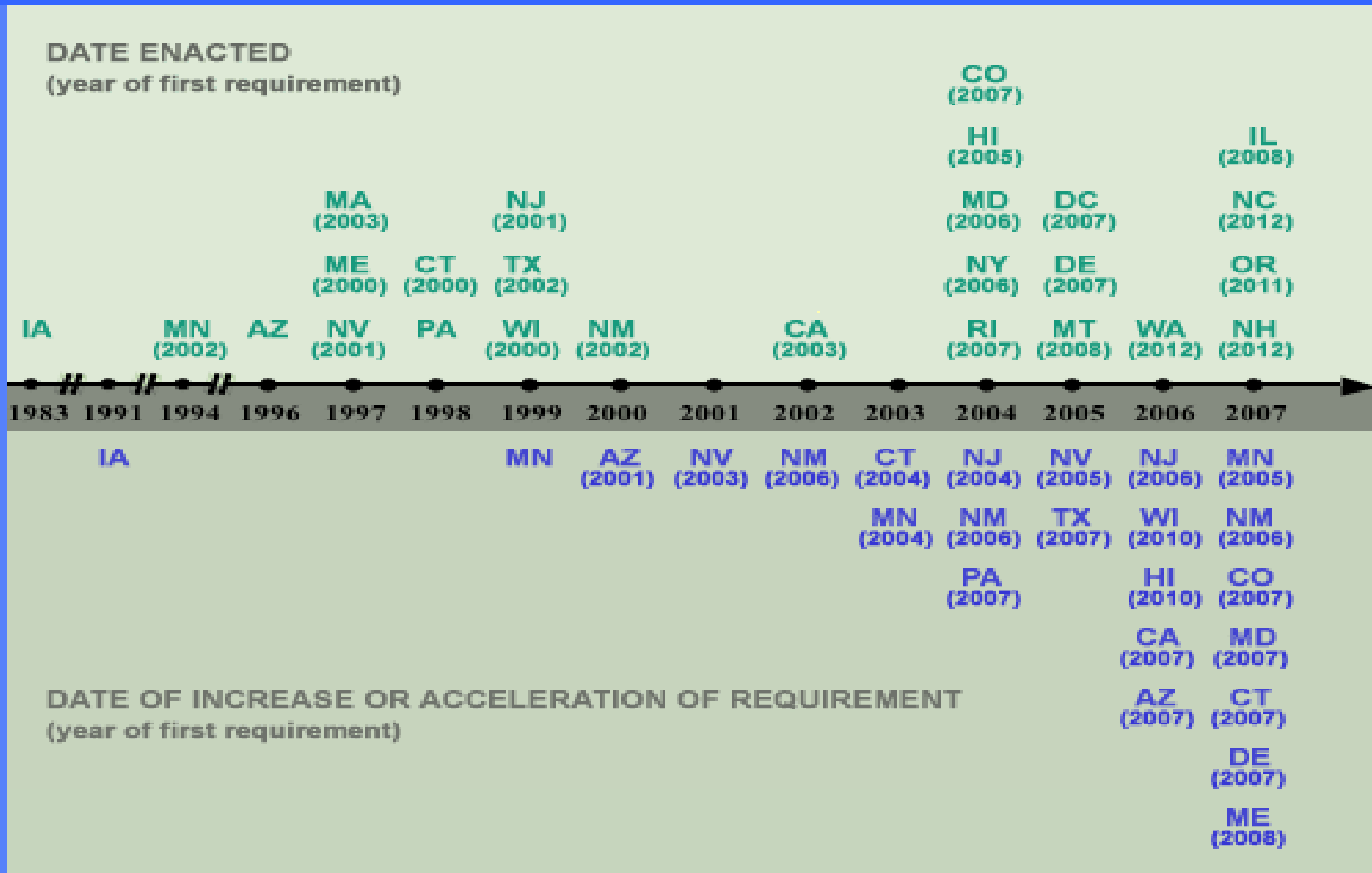
Source: Black & Veatch Analysis of Global Energy Decisions Energy Velocity Database

>40,000 MW Planned

Increase of US electric supply from renewable energy



Increases in State Renewable Energy Standards after passage



Expected Benefits of the RES - Environmental

- Each megawatt hour of coal energy displaced by renewable energy is equal to about 1.15 tons of carbon dioxide.
- In the first year of operation, the Illinois RES will avoid approximately 920,000 tons of carbon dioxide.
- This is the equivalent of taking 150,000 cars off the road.

Expected Benefits of the RES Economic Development

Each 100 megawatts of wind power development produces:

- \$200 million in capital investment
- 8 direct, 10 indirect/induced permanent jobs
- \$300,000 in annual lease payments
- \$1 million in local property taxes payments

Expected Benefits of the RES Rate Stability & Lower Rates?

- Long term, fixed cost contracts for renewable energy provides cost certainty therefore long term rate stability.
- As cost of other forms of generation rise (coal and natural gas), renewable energy will become a least cost resource. The RES requirement will ensure low cost power is available for Illinois ratepayers in the future.



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