## Climate Change and Clean Technology Blog

Highlighting Legal Issues Regarding Climate Change & Clean Technology

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### New Green Technologies Would Meet the Renewable Energy Standard Under the Support Renewable Energy Act of 2010

#### By <u>Adrienne Lee</u>

On February 23, 2010, Senators Feingold (D-WI) and Ensign (R-NV) introduced legislation that could create new green jobs, promote businesses that produce renewable energy technologies, and reduce the country's dependence on fossil fuels. Known as the "Support Renewable Energy Act of 2010," <u>Senate Bill 3021</u> would amend the Public Utility Regulatory Policies Act of 1978 to ensure that more forms of renewable energy would meet a new federal standard, called the Renewable Energy Standard (RES). Current proposals in Congress would require utilities companies to produce a certain percentage of their energy from renewable sources, but limit the types of renewable energy that would qualify. Senate Bill 3021 would authorize the Secretary of the Department of Energy to promulgate regulations permitting utilities to use a broader range of sources to comply with these renewable energy requirements.

The new legislation would expand the definition of renewable energy to include electric energy and technologies that directly use renewable sources, produced through consumer-sited renewable energy equipment. Consumer-sited renewable energy equipment include solar water heating, solar water and space heating or cooling, biogas, geothermal heating, and solar daylight and light pipe technology. Light pipe technology refers to equipment that uses a highly reflective pipe that has a solar collection component and distribution lens at the ends of the pipe to transport solar radiation to illuminate interiors of buildings. Solar daylight systems use lenses, prisms, glazing, reflectors, or concentrators to convey or diffuse natural light into a building.

The legislation would also issue renewable energy credits equal to 100 percent of the electricity (or thermal energy expressed in an electricity-equivalent) displaced by qualifying renewable energy equipment. Renewable energy credits are issued by certifying agencies to producers of renewable energy and represent proof that 1 megawatt-hour (MWh) of electricity was generated from an eligible renewable energy resource. These credits can then be sold on the open market to

utilities companies seeking to comply with their state-based RES and the proposed federal RES. Many states already have RES programs in place. For example, in California, Governor Schwarzenegger signed an <u>executive order</u> mandating electricity corporations to expand their renewable portfolio to 33% by the year 2020.

According to Senator Feingold's <u>press release</u> on February 23, 2010, this bill could stimulate local economies by promoting partnerships between utilities companies and local businesses to supply the renewable energy. The bill also aims to encourage individuals to install their own renewable energy systems, thereby boosting the number of construction jobs, particularly in roofing and plumbing. Additionally, Senator Feingold says the bill will reduce the strain on electricity transmission grids by encouraging renewable energies that do not have to go through the grid.

For more information, please contact <u>Adrienne Lee</u>. Ms. Lee is an associate in the Business Trial Practice Group in the firm's Orange County office.