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Public Service Commission of the District of Columbia
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March 31, 2009

VIA HAND DELIVERY

Cynthia Brock-Smith
Secretary to the Council
Council of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, D.C. 20004

RECEIVED

2009 MAR 31 P 5:20

PUBLIC SERVICE COMMISSION
DISTRICT OF COLUMBIA

Re: *Fourth Annual Report on the Renewable Energy Portfolio Standard*

Dear Ms. Brock-Smith:

Attached is the Public Service Commission of the District of Columbia's ("Commission") Report on the Renewable Energy Portfolio Standard, which is filed in accordance with § 34-1439 of the District of Columbia Official Code. Specifically, this section requires the Commission to file a report with the Council on or before April 1 of every year on the status of implementation of the Renewable Energy Portfolio Standard Act, including: the availability of tier one renewable resources; certification of the number of credits generated by the utilities meeting the requirements of § 34-1432; and any other such information as the Council shall consider necessary.

Thank you. If you have any questions, please do not hesitate to contact me.

Sincerely,

Dorothy Wideman
Commission Secretary

Attachment (1)

cc: The Honorable Betty Ann Kane, Chairman, Public Service Commission
The Honorable Richard E. Morgan, Commissioner, Public Service Commission
The Honorable Lori Murphy Lee, Commissioner, Public Service Commission
The Honorable Muriel Bowser, Councilmember (Ward-4)
The Honorable Mary M. Cheh, Councilmember (Ward-3)
The Honorable Jim Graham, Councilmember (Ward-1)
The Honorable Harry Thomas, Jr., Councilmember (Ward-5)
The Honorable Michael A. Brown, Councilmember (At-Large)

Public Service Commission

of the

District of Columbia

**Fourth Annual
Report on the Renewable Energy Portfolio
Standard**

March 31, 2009

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EXECUTIVE SUMMARY

On January 19, 2005, the District of Columbia Council enacted the Renewable Energy Portfolio Standard Act ("REPS Act"), which established a renewable energy portfolio standard ("RPS") through which a minimum percentage of District electric providers' supply must be derived from renewable energy sources beginning January 1, 2007, with an ultimate target of 11 percent by 2022. Renewable energy sources are separated into two categories, Tier I and Tier II, with Tier I resources including solar energy, wind, biomass, methane, geothermal, ocean, and fuel cells, and Tier II resources including hydroelectric power other than pumped storage generation and waste-to-energy.

The REPS Act requires that the Commission adopt regulations, or orders, governing the application and transfer of renewable energy credits and implementation of the REPS Act. The RPS rules became effective upon the publication of the Notice of Final Rulemaking in the *D.C. Register* on January 18, 2008. As part of its RPS rules, the Commission has established a process for certifying eligible generators. The certification process includes a streamlined application that the Commission developed, which has performed fairly smoothly. Renewable generators do not need to submit as much documentation for the streamlined application and the Commission is able to respond in a shorter period of time. At this time, there do not appear to be any problems that need to be addressed.

To date the Commission has approved sixty-five (65) renewable generators. Of the 65 facilities, fifty-two (52) use Tier I resources (including biomass, methane from landfill gas, solar, and wind) and thirteen (13) use Tier II resources (including hydroelectric and municipal solid waste). Since these renewable generators may be certified in other states that have a RPS as well, the renewable energy credits ("RECs") associated with the generating capacity are not necessarily fully available to meet the District's RPS.

Electricity suppliers filed their first RPS compliance reports for the 2007 compliance year pursuant to the RPS rules, which require the submission of annual compliance reports to the Commission by May 1 of the calendar year following the year of compliance. Pursuant to the Commission's RPS rules, all active electricity suppliers with retail sales in 2007—a total of fourteen (14)—submitted a compliance report for that calendar year. All the suppliers met the RPS requirements either through acquiring RECs or by submitting a compliance payment.

The Commission did not receive any solar generator applications to satisfy the 2007 compliance year requirements. Thus, there were no solar RECs available for the District's RPS program in 2007. As a result, electricity suppliers paid the compliance fee of \$300 per MWH shortfall in order to meet the solar requirement. The total amount of money generated from the compliance fees was \$196,490. This money was deposited

into the Renewable Energy Development Fund administered by the District Department of the Environment's Energy Office ("DDOE").

The majority of the Tier I RECs used for compliance were from qualifying biomass resources, including black liquor and wood waste. Methane from landfill gas accounted for the remaining Tier I RECs. Tier II RECs were primarily from hydroelectric facilities, with the remainder accounted for by municipal solid waste. About 76 percent of the RECs used for compliance were generated in 2006. After reviewing the compliance reports, the Commission issued various Orders to ensure compliance with the RPS rules.

With respect to the availability of resources, the generation of electricity in the PJM region provides one perspective. In terms of the PJM system fuel mix, the overall renewable resources in the PJM region represent less than three percent of the available fuels. Hydroelectric power accounts for the largest share among renewable resources, close to one percent. Among other renewable sources, municipal solid waste represents the second largest resource, comprising less than one percent.

On October 22, 2008, the permanent version of the Clean and Affordable Energy Act of 2008 became law. This legislation, in part, amended the REPS Act and, among other things, changed the definition of solar energy to allow solar thermal applications that do not generate electricity, raised the RPS requirements to 20 percent by 2020, and increased certain compliance fees.

The Commission continues to address issues to implement the RPS. Through its website, the Commission is also making forms and the rules available, to help facilitate the process. In addition, a list of approved renewable generating facilities is posted on the Commission's website.

I. Introduction

The District of Columbia Council enacted the Renewable Energy Portfolio Standard Act (“REPS Act”) on January 19, 2005 and established a renewable energy portfolio standard (“RPS”), through which a minimum percentage of District electric providers’ supply must be derived from renewable energy resources beginning January 1, 2007.¹ The RPS minimum requirements, among other things, were amended by the Clean and Affordable Energy Act (“CAE Act”) of 2008.²

Renewable energy resources are divided into two categories, Tier I and Tier II, with Tier I resources including solar energy, wind, biomass, methane, geothermal, ocean, and fuel cells, and Tier II resources including hydroelectric power other than pumped storage generation and waste-to-energy. Although minimum percentage requirements are specified for Tier I and Tier II resources, Tier I resources can be used to comply with the Tier II standard. In addition, a minimum requirement is carved out specifically for solar energy. The REPS Act allows an electricity supplier to begin receiving and accumulating renewable energy credits as of January 1, 2006.

The REPS Act requires that the Commission adopt regulations, or orders, governing the application and transfer of renewable energy credits (“RECs”) and implementation of the REPS Act. The Commission is also tasked with establishing standards to account for customer generation from eligible renewable resources. The RPS rules became effective upon the publication of the Notice of Final Rulemaking in the *D.C. Register* on January 18, 2008.

The Commission must also provide a report to the Council, on or before April 1 of each year, on the status of implementation of the Act, including the availability of Tier I renewable sources, certification of the number of credits generated by the utilities meeting the requirements of D.C. Official Code § 34-1432—which outlines the minimum percentages to be derived from certain renewable resources—and any other such information as the Council shall consider necessary. This annual report fulfills the reporting requirement outlined in the REPS Act.

In Section II, we provide an update on the steps that the Commission has taken to implement the RPS in the District. Section III reviews the RPS compliance report submitted for the first compliance year of 2007. In Section IV, we present some information on the current availability of renewable resources. Section V addresses the impact of the Clean and Affordable Energy Act of 2008 on the District’s RPS program. Finally, Section VI summarizes other ongoing actions to implement the RPS in the District and next steps. In addition, we include Attachment 1, which provides a national perspective on what other states are doing with respect to the implementation of a renewable portfolio standard. Attachment 2 contains a list of selected orders that the Commission has issued to implement the RPS.

¹ D.C. Official Code § 34-1432(c) (2008 Supp.). See D.C. Law 17-250.

² The permanent version of the CAE Act became law on October 22, 2008.

II. Update on the Implementation of the Renewable Energy Portfolio Standard

This section provides a brief description of the history of actions that the Commission has undertaken to implement the RPS. In order to establish a record and to begin implementation of the Act, the Commission issued Order No. 13566 on April 29, 2005, inviting interested parties to submit their views on twelve (12) RPS-related issues. The twelve issues addressed:

- the process and timeline that the Commission should adopt to implement the Act;
- the procedure to apply for, verify, and transfer renewable energy credits (“RECS”);
- the type(s) of renewable energy projects that are feasible within the District;
- the process for certifying the eligibility of generating facilities;
- the standards that should apply to customer generators;
- the information that should be submitted in an electricity supplier’s annual compliance report;
- the appropriate procedures for cost recovery by PEPCO;
- the standards that the Commission should employ for determining whether the compliance costs claimed by PEPCO were prudently incurred;
- the verification of an electricity supplier’s compliance with the RPS;
- the imposition of an administrative fee;
- the data and confidentiality concerns of stakeholders; and
- the states that qualify as being within or adjacent to the PJM Interconnection Region.

In Order No. 13766, released on September 23, 2005, the Commission addressed the various issues based on the record developed in response to Order No. 13566. Among other things, the Commission directed interested parties to form a RPS Working Group to examine in more detail certain issues related to the implementation of the REPS Act, and to propose a timeline and recommendations for a two-phased approach to resolving those issues.³ The Commission also indicated that the PJM Environmental Information Service (“PJM-EIS”) Generation Attribute Tracking System (“GATS”) would be used in the implementation of the Act. In addition, the Commission indicated its intent to establish regulations to govern the application and transfer of RECs, on an interim basis, prior to January 1, 2006.

RPS Rules

Based on input from the Working Group, the Commission established interim RPS rules in Order No. 13840 (December 28, 2005). These rules were subsequently amended in Order No. 13899 (March 27, 2006) and Order No. 14225 (March 2, 2007). The Commission eventually established a formal rulemaking process and on November 2, 2007 a Notice of Proposed Rulemaking (“NOPR”) appeared in the *D.C. Register* requesting comments on revised RPS rules that were based, in part, on the interim RPS

³ In Attachment A of Order No. 13766, the Working Group was asked to address 23 issues.

rules. After receiving and reviewing comments on the NOPR, the Commission issued Order No. 14697 (January 10, 2008) and adopted Chapter 29 of Title 15 District of Columbia Municipal Regulations (“Final Rules”). The Final Rules became effective upon the publication of the Notice of Final Rulemaking (“NOFR”) in the *D.C. Register* on January 18, 2008.

On October 3, 2008, a Notice of Proposed Rulemaking (“NOPR”) appeared in the *D.C. Register* that contained revisions to the RPS rules that would, among other things, allow an applicant seeking to certify a renewable generator for the District’s RPS program to provide a self-certified Affidavit of Environmental Compliance. This Affidavit helps provide documentation that the renewable generating facility complies with all applicable state and federal environmental requirements. OPC filed comments on November 3, 2008. On January 2, 2009, the Commission issued an amended NOPR that superseded the October 3 NOPR. OPC filed comments on February 11, 2009. The Commission is preparing to issue a Notice of Final Rulemaking.

The following issues are addressed in the RPS rules. In particular, the current rules establish definitions for various terms consistent with the REPS Act, compliance requirements for electricity suppliers, certification of renewable generators, policies regarding the creation and tracking of RECs, and directives concerning the recovery of fees and costs.

Compliance Requirements for Electricity Suppliers

The RPS rules include compliance requirements for electricity suppliers beginning in 2007. Suppliers are to file annual reports that include the following components: (1) the quantity of annual District retail electricity sales; (2) the quantity of any exempt retail electricity sales to a customer with a Renewable On-Site Generator; (3) a calculation of the annual quantity of required Tier I, Tier II, and Solar Energy Credits; (4) the quantity of Tier I, Tier II, and Solar Energy Credits purchased and evidence of those purchases; (5) the quantity of Tier I, Tier II, and Solar Energy Credits transferred to the electricity supplier by a Renewable On-Site Generator; (6) a calculation of any compliance fees owed by the energy supplier; (7) certification of the accuracy and veracity of the report; (8) all documentation supporting the data in the annual compliance report; (9) a list of all RECS used to comply with the RPS; (10) a summary report of RECs retired during the reporting period; and (11) the total price paid for Tier I, Tier II, and Solar Energy Credits. Suppliers that purchase RECs solely via bundled products are exempt from including the total price paid for Tier I, Tier II, and Solar Energy Credits in their annual compliance report. The Commission allows the information in item (11) to be filed confidentially. An electricity supplier that fails to meet its RPS requirements must submit an annual Compliance Fee to the District of Columbia Renewable Energy Development Fund administered by the District Department of the Environment’s Energy Office (“DDOE”) by May 1 of the calendar year following the year of compliance.

To facilitate the compliance reporting, the Commission issued Order No. 14782 on April 10, 2008 and adopted a 2007 Compliance Report form for the District’s RPS

Program, along with the associated filing instructions. This material was made available on the Commission's website. Electricity suppliers used the form to submit the 2007 compliance reports due May 1, 2008. A revised compliance reporting form was included in the January 2, 2009 NOPR.

Certification of Renewable Generators

The RPS rules outline the process for certifying renewable generating facilities within a certain period of time. Renewable generators, including behind-the-meter ("BTM") generators, must be certified as a qualified Tier I or Tier II resource through the completion of an application form approved by the Commission.⁴ In situations where the applicant has obtained certification as a renewable energy resource by another PJM state where the Commission determines certification to be comparable to the RPS requirements in the District, the applicant may submit a "streamlined" application that requires less documentation to be filed. The Commission assigns a unique certification number to each eligible renewable generator that is approved. Renewable generators may be decertified by the Commission if they are determined to no longer be an eligible renewable resource due to a material change in the nature of the resource, or fraud. Before being decertified, a renewable generator will be given thirty (30) days' written notice and an opportunity to show cause why it should not be decertified.

In Order No. 14809, issued May 12, 2008, the Commission directed the RPS Working Group to comply with the RPS rules and submit an update for the Tier I and Tier II eligibility matrices. The matrices allow an applicant that has already been certified by another PJM state to use the streamlined process for certification, provided that the Commission determines that the certification by the other PJM state is comparable to the RPS requirements in the District. The Working Group responded on October 31, 2008 that no update was required. Subsequently, the Commission issued Order No. 15192 on February 18, 2009, directing the RPS Working Group to again comply with the rules and submit an update for the Tier I and Tier II eligibility matrices within 60 days of the date of the Order. The Commission noted in that Order that since 2007, four (4) additional states that are part of the PJM Interconnection region—Illinois, Michigan, North Carolina, and Ohio—have adopted renewable energy portfolio standards and/or begun certifying renewable energy generators.

Creation and Tracking of RECs

The RPS rules specify that RECs shall be created and tracked through PJM-EIS GATS beginning January 1, 2006. Through the GATS system, PJM-EIS collects generation data from facilities certified for RPS programs in various states. Upon issuance of a District-specific RPS certification number, a facility may open a GATS account for use with the District's RPS program. Facilities often are eligible for participation in several state RPS programs and, thus, will be certified with multiple

⁴ A behind-the-meter generator is defined as a renewable on-site generator that is located behind a retail customer meter such that no utility-owned transmission or distribution facilities are used to deliver the energy from the generating unit to the on-site generator's load.

states and receive multiple state certification numbers. GATS creates renewable energy credits ("RECs") at the end of each month—one REC represents one megawatt-hour of electricity from a renewable resource. The number of RECs created reflects the amount of electricity associated with renewable resources. Each REC tracked has a unique serial number that aids in ensuring against the double counting of RECs and helps distinguish between RECs that are created by a certain facility and by fuel type, in a given month.

According to the RPS rules, RECs shall be valid for a three-year period from the date of generation beginning January 1, 2006, except where precluded by statute. A REC shall be retired after it is used to comply with any state's RPS requirement. The accumulation of retroactive RECs created before January 1, 2006 is not allowed. In Order No. 13804, the Commission noted that the intent of the REPS Act is to encourage the production and siting of renewable resources prospectively, so as to reduce the need for the use of retroactive RECs.

With respect to BTM generators, the RPS rules require an authorized representative of the renewable on-site generator to file a BTM generator report with the Commission. RECs created by BTM generators must be recorded in GATS at least once each calendar year, in order to be eligible for compliance. The BTM generator report will contain, at a minimum, the following information: (a) a certification that the RECs attributable to the on-site generation have not expired, been retired, been transferred, or been redeemed; and (b) a report or statement indicating the quantity of electricity generated as determined by an engineering estimate (if appropriate) or revenue-quality meter.

To ensure that all BTM generators were in compliance with the Commission's rules, Order No. 14798 (issued April 29, 2008) directed BTM generators certified for the District's RPS program to submit a BTM generation report by May 20, 2008. In addition, as part of the approval of 20 solar generators in Order No. 15185 (issued February 9, 2009), the Commission pointed out that these generators must provide BTM generation reports consistent with the RPS rules.

Recovery of Fees and Costs

The RPS rules state that the local electric distribution company may recover prudently incurred RPS compliance costs, including REC purchases and any compliance fees. The rules also state that the electric distribution company's compliance costs for Standard Offer Service ("SOS") shall be considered prudent if SOS energy suppliers are selected through a competitive bid process and the cost of complying with the RPS is included in the supplier's bid prices. With respect to the distribution company's compliance costs for Market Price Service ("MPS"), recovery shall be through the MPS Procurement Rate Schedule.⁵ Any cost recovery approved by the Commission may be in the form of a nonbypassable surcharge to current applicable customers and shall be disclosed on their bills. The RPS rules also indicate that no electric supplier shall recover

⁵ Market Price Service refers to a variable price service option where the rates change hourly.

any compliance fee levied pursuant to D.C. Official Code § 34-1434 from its customers without receiving prior approval from the Commission.

III. RPS Compliance Reports for 2007

Pursuant to the Commission's RPS rules, all active electricity suppliers with retail sales in 2007—a total of fourteen (14)—submitted a compliance report for that calendar year; including BGE Home Products and Services; Consolidated Edison Solutions; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Hess Corporation; Horizon Power and Light; Integrys Energy Services; Liberty Power District of Columbia, LLC; Pepco Energy Services; Potomac Electric Power Company; Reliant Energy Solutions East, LLC; Sempra Energy Solutions LLC; SUEZ Energy Resources NA, Inc.; and Washington Gas Energy Services. All the suppliers met the RPS requirements either through acquiring RECs or by submitting a compliance payment.

Renewable Energy Credits ("RECs") and Compliance Payments

The Commission did not receive any solar generator applications to satisfy the 2007 compliance year requirements. Thus, there were no solar RECs available for the District's RPS program in 2007. As a result, electricity suppliers paid the compliance fee of \$300 per MWH shortfall in order to meet the solar requirement. However, electricity suppliers generally did not have to pay a compliance fee for meeting the Tier I or Tier II requirements.⁶ The total amount of money generated from the compliance fees was \$196,490. This money was deposited into the Renewable Energy Development Fund administered by the District Department of the Environment's Energy Office ("DDOE").

Some suppliers used Tier I RECs to meet their Tier II requirement based on § 34-1433(a)(2) of the D.C. Official Code, which indicates that energy from a Tier I resource may be applied to the percentage RPS requirements for either Tier I or Tier II renewable sources.⁷ The majority of the Tier I RECs used for compliance were from qualifying biomass resources, including black liquor and wood waste. Methane from landfill gas accounted for the remaining Tier I RECs.⁸ Tier II RECs were primarily from hydroelectric facilities, with the remainder accounted for by municipal solid waste. A breakdown of the number of RECs submitted by fuel type is provided in the table below:

⁶ Only one electricity supplier did not acquire sufficient RECs to meet its Tier II requirement, resulting in a payment based on a fee of \$10 per MWH shortfall. The Commission does not believe that this reflects a problem in acquiring RECs at this time.

⁷ In particular, seven (7) of the suppliers used Tier I RECs to meet the Tier II requirement. Five (5) of the seven (7) suppliers used only Tier I RECs.

⁸ According to § 34-1433(f) of the D.C. Official Code, on or before December 31, 2009, an electricity supplier shall receive 110% credit toward meeting the renewable energy portfolio standard for energy derived from methane.

Renewable Energy Credits

	No. of RECs	Share of Tier
Tier I Resource		
Black Liquor	133,695	56.7%
Methane from Landfill Gas	78,987	33.5%
Wood Waste	23,185	9.8%
Tier II Resource		
Hydroelectric	233,322	98.7%
Municipal Solid Waste	3,182	1.3%

The Commission had certified three (3) wind generators eligible to provide RECs for the 2007 compliance year—two in Illinois and one in Pennsylvania—but suppliers did not submit RECs from those facilities.

The majority of the RECs were generated in 2006. In particular, about 76 percent of the RECs used for compliance were generated in 2006. Section 2903.2 of the RPS Rules indicates that RECs shall be valid for a three-year period from the date of generation, beginning January 1, 2006, except where precluded by statute.

Most suppliers provided the REC prices for all their resources. The range and weighted average price of a REC, by fuel type, is provided in the table below:

REC Pricing

	Avg. Price
Tier I Resource	
Black Liquor	\$1.56
Methane from Landfill Gas	\$1.03
Wood Waste	\$0.55
Tier II Resource	
Hydroelectric	\$0.51
Municipal Solid Waste	\$1.00

With respect to REC pricing across states, Figures 1 and 2 below were taken from a report by the Lawrence Berkeley National Laboratory.⁹ That report indicated that spot REC prices have varied substantially across regions and resource types, with significant price fluctuations possible within a particular state over time.¹⁰ In particular, the report notes that **“Class I REC prices in Connecticut have shown particularly striking swings, largely reflecting policy changes in resource eligibility rules over time. New Jersey’s Class I REC prices rose partly because that state’s renewable energy targets are increasing and partly because the growth in RPS requirements in the PJM region is placing greater competition on available supply. The sudden spike**

⁹ Ryan Wisser and Galen Barbose, *Renewables Portfolio Standards in the United States: A Status Report with Data Through 2007*, Lawrence Berkeley National Laboratory (April 2008) (“LBNL Report”).

¹⁰ The data was obtained from Evolution Markets.

and then (more modest) drop in prices may also have reflected, to some degree, an (incorrect) belief that supply was severely limited and/or hoarding of RECs by some parties. Prices trended downwards in Texas, Maryland (Class I), and Washington D.C. (Class I) due to a surplus of eligible renewable energy supply relative to RPS-driven demand in those markets. New Jersey's solar RECs, on the other hand, continue to fetch more than \$200/MWh due to the underlying cost of solar electricity."¹¹ For Tier II prices, the report mentions that "prices for 'Class II' or 'existing tier' RECs remained low, and trended downwards in most markets. Prices in these cases appear to largely reflect transaction (rather than supply) costs, since REC supply appears to far exceed REC demand in all of these markets."¹² Based on the report, Tier I and Tier II REC prices for the District are comparable to Maryland.

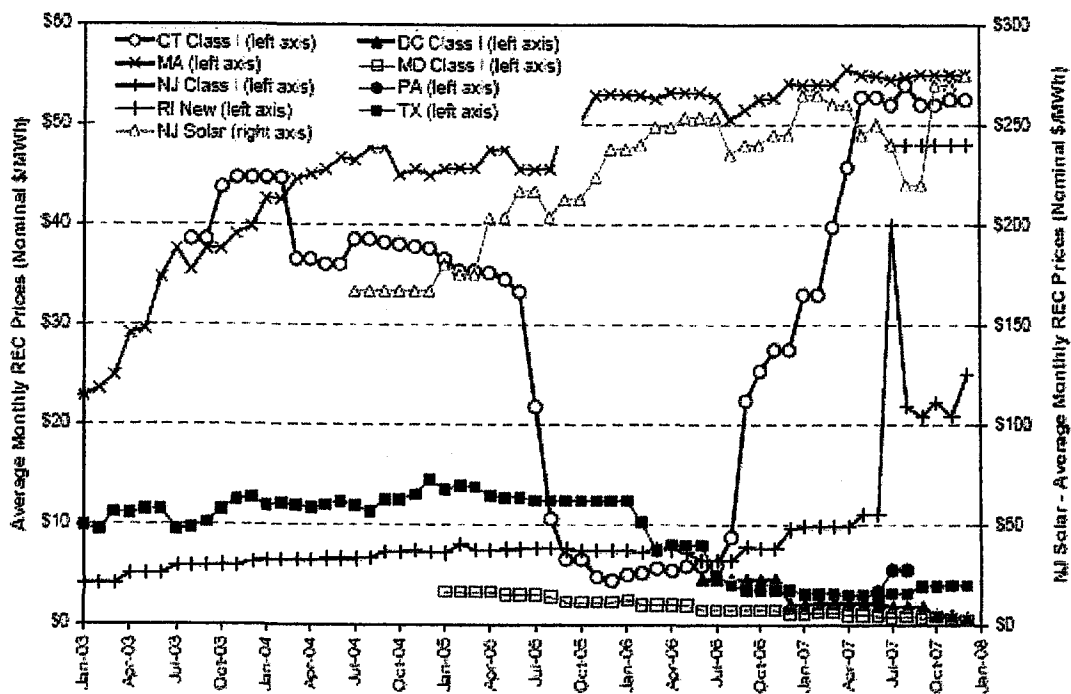


Figure 1. REC Prices in RPS Compliance Markets (Main Tier and Class I)

¹¹ LBNL Report at 28.

¹² Ibid.

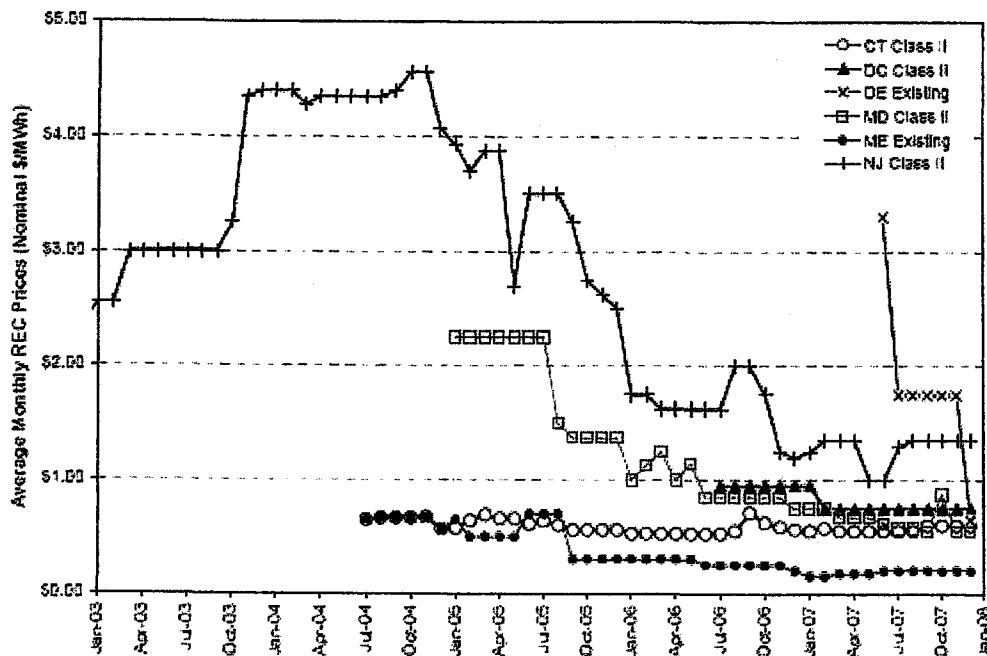


Figure 2. REC Prices in RPS Compliance Markets (Existing Tier and Class II)

To ensure compliance with the RPS rules, after reviewing the various compliance reports, the Commission subsequently released various Orders to address certain issues. In Order No. 14885, issued August 11, 2008, the Commission directed certain suppliers to file evidence that a Generation Attribute Tracking System account was established and that the renewable energy credits (“RECs”) reported in their Compliance Reports were properly retired. By Order No. 15077, issued October 1, 2008, the Commission denied Washington Gas Energy Services’ request to waive the compliance fee for solar RECs because the existing legislation does not allow an exception.

IV. The Availability of Renewable Resources

This section discusses the availability of Tier I renewable sources, as required in the Act. The issue of available resources is affected by geographic restrictions in the RPS. The REPS Act indicates that a:

“Renewable energy credit” or “credit” means a credit representing one megawatt-hour of electricity consumed within the PJM Interconnection Region that is derived from a Tier I renewable source or a Tier II renewable source that is located:

1. In the PJM Interconnection region or in a state that is adjacent to the PJM Interconnection Region; or

2. Outside the area described in subparagraph (1) of this paragraph but in a control area that is adjacent to the PJM Interconnection region, if the electricity is delivered into the PJM Interconnection Region.

The REPS Act does not provide a definition for adjacent states or an adjacent control area. In its third report, the Working Group was not able to reach a consensus on the definition of “adjacent” states and, thus, presented two different interpretations. Ultimately, the Commission adopted the broader definition of “adjacent” and determined that states “adjacent” to the PJM Interconnection Region (“PJM”) should help lessen the cost that ratepayers will have to pay for the renewable portion of their fuel mix.¹³ In particular, the following states are currently deemed adjacent to PJM: Alabama, Arkansas, Georgia, Iowa, Mississippi, Missouri, New York, South Carolina, and Wisconsin.

Table 1 below provides a measure of some of the renewable resources available in the PJM region for 2008. The following information provides a perspective on the renewable resources in the PJM region associated with the generation of electricity:

**Table 1: PJM System Fuel Mix
2008**

Fuel	Share
Coal	55.62%
Nuclear	34.92%
Natural Gas	6.75%
Oil	0.27%
Hydroelectric	0.93%
Other Renewable	1.51%
Captured Methane Gas (Landfill and Coal Mine)	0.24%
Geothermal	0.00%
Solar	0.00%
Municipal Solid Waste	0.56%
Wind	0.49%
Wood, other biomass	0.22%
Total	100.00%

Source: PJM-EIS GATS

Based on Table 1, the overall renewable resources in the PJM region represent less than three percent of the available fuels. Hydroelectric power accounts for the largest share among renewable resources, close to one percent. Among other renewable sources, municipal solid waste represents the second largest resource, still comprising less than one percent. Both hydroelectric and municipal solid waste would be counted as Tier II resources under the District’s renewable portfolio standard. Methane gas and wood-related fuels are approximately 0.2 percent each.¹⁴ Wind energy is approximately 0.5

¹³ The RPS rules indicate that states within the PJM Interconnection Region are currently defined to include: Delaware, the District of Columbia, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia.

¹⁴ Coal mine methane gas is not generally eligible under most RPS policies.