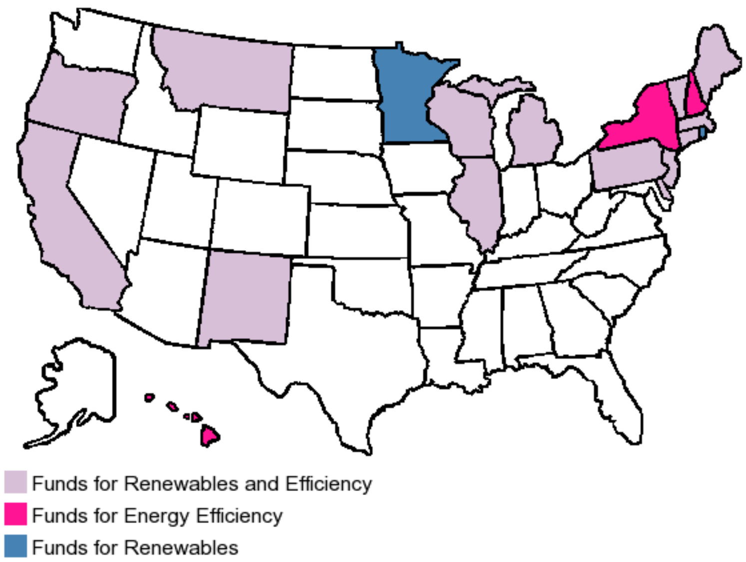
Public Benefit Funds



Many states have funds, often called ?public benefit funds? (PBF), dedicated to supporting energy efficiency, renewable energy and research and development. The funds are collected either through a small charge on the bill of every electric customer or through specified contributions from utilities. The charge ensures that money is available to fund these investments. Publicly managed clean energy funds from many of these states have joined with other organizations that deploy similar funds at the sub-national level to form the Clean Energy States Alliance (CESA). CESA helps clean energy fund managers develop and promote clean energy technologies. Many public benefit funds were created as part of the electric-industry restructuring movement in the late 1990s to fund initiativesthat are inadequately supported by competitive electricity markets.

California

California's 1996 electric industry restructuring legislation (AB 1890) authorized a public goods surcharge on ratepayer electricity use to create three public benefits funds for renewable energy, energy efficiency, and research, development & demonstration (RD&D). The RD&D fund is called the Public Interest Energy Research (PIER) Program. California's surcharge on ratepayer electricity use averages 0.16 cents/kWh for renewable energy, 0.54 cents/kWh for energy efficiency, and 0.15 cents/kWh for RD&D. Subsequent legislation in 2000 (AB 995) and SB 1194) extended the fundsfor 10 years beginning in 2002.

More information available here

Connecticut

Connecticut's original electric-industry restructuring legislation (Conn. Gen. Stat. § 16-245m), enacted in April 1998, created separate funds to support energy efficiency and renewable energy. In addition, each of Connecticut's municipal electric utilities is required by statute (Conn. Gen. Stat. § 7-233y) to establish a fund for renewable energy, energy efficiency, conservation and load-management programs.

Energy Efficiency Fund
The Energy Efficiency Fund is funded by a surcharge of $0.003/kWh on Connecticut Light and Power and United Illuminating customers' electric bills. Each of the two utilities administers and implements efficiency programs with approval from the Connecticut Department of Public Utility Control. The Energy Efficiency Fund also receives funding from the Regional Greenhouse Gas Initiative (RGGI), the Forward Capacity Market (FCM), and Class III Renewable Credits.

Connecticut Clean Energy Fund (CCEF)
Connecticut Clean Energy Fund (CCEF) is funded by a surcharge of $0.001 per kilowatt-hour for customers. The CCEF is administered by Connecticut Innovations, a quasi-governmental investment organization granted a significant amount of flexibility by the Connecticut General Assembly to develop programs and fund projects that meet the fund's mission.

More Energy Efficiency Information Available Here

More Clean Energy Fund Information Available Here

Delaware

Delaware has three public benefit funds: the original Green Energy Fund (collected from Delmarva Power and Light customers, the state's only investor-owned utility), the Delaware Electric Cooperative (DEC)'s Green Energy Fund, and Delaware Municipal Electric Cooperative (DEMEC)'s Green Energy Fund. The Electric Utility Restructuring Act of 1999 (26 Del. C. § 1014) created the Green Energy Fund, which collects $0.000356 per kWh (0.356 mills per kWh) annually from Delmarva Power and Light customers for efficiency and renewable programs. The money supports renewable energy incentives, energy efficiency education programs, Technology and Demonstration Grants, and Research and Development Grants. Under the 2005 Delaware renewable portfolio standard (RPS) legislation (26 Del. C. § 363), electric cooperatives and municipal utilities that opted out of the RPS schedule must contribute to the Green Energy Fund for investor-owned utilities or create their own green energy fund with an equal surcharge. As a result, both the DEC and DEMEC charge their customers $0.0001789/kWh and give the money to Delmarva Power's Green Energy Incentives Program.

More information Available Here

Hawaii

In June 2006, the Hawaii State Legislature (HRS § 269-121 et seq.) authorized the creation of a public benefits fund for energy efficiency and demand side management. The Hawaii Energy Efficiency Program was created in 2009 and is administered by a third-party organization. A small portion of the fund goes to a solar water heater rebate program, and the majority of the fund goes towards energy efficiency improvements. All utilities in Hawaii (except KIUC) charge customers based on a percentage of total utility revenue. The surcharge is determined by dividing the target budget (based on a percentage of total utility sales) by projected sales. 45% of collections come from residential customers for residential programs, and 55% of collections from commercial and industrial customers for commercial and industrial programs. For 2011 and 2012, the PBF will have a target budget of 1.5% of total projected revenue. From 2013 onwards, the PBF will have a target budget of 2% of total projected revenue.

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Illinois

Illinois's 1997 electric-industry restructuring legislation (§ 20 ILCS 687/6-1 et seq.) created a separate renewable energy fund and a residential energy efficiency fund. The funds will collect money until December 12, 2015 and are administered by the Illinois Department of Commerce and Economic Opportunity. Electric utilities and alternative retail electric suppliers contribute annually a pro-rata share of a total amount of $3 million to the Energy Efficiency Trust Fund, based on the number of kilowatt-hours sold during the previous year. The Renewable Energy Resources Trust Fund (RERTF) is funded from a surcharge on customers' electric bills and gas bills. Half of the money collected by the surcharges supports the RERTF, while the other half supports the Coal Technology Development Assistance Fund, another public benefit fund established by the 1997 law. Additionally, in June 1999, Illinois and ComEd created (§ 220 ILCS 5/16-111.1) the one-time $250 million Illinois Clean Energy Community Trust to fund energy efficiency and renewable energy projects.

More Energy Efficiency Information Available Here

More Renewable Energy Resources Information Available Here

Maine

Maine's electric-industry restructuring legislation (CMR 65-407-380) in 1997 created an Efficiency Maine fund and a Renewable Energy Fund. In 2009, the ?Act Regarding Maine's Energy Future? (Public Law 372) created the Efficiency Maine Trust, which took over Maine's energy efficiency and renewable energy programs on July 1, 2010. Utilities collect 0.145 cents/kWh for the Trust's energy efficiency programs and administrative costs. The Trust's Renewable Resource Fund gains money from customers who check off a voluntary contribution of $1, $5, $10 or other amount each month on their electric bill. Revenue for the fund also comes from the state's renewable portfolio requirement (Public Law 403).

Renewable Energy ProgramIinformation Available Here

Energy Efficiency Fund Information Available Here

Massachusetts

Massachusetts's 1997 electric-utility restructuring legislation (M.G.L. ch. 25, § 19) created a renewable energy fund and an energy efficiency fund, both of which were significantly revised by the Green Communities Act in July 2008 (S.B. 2768). The efficiency programs are administered by electric utilities and municipal aggregators, and they are funded by several sources: a non-bypassable surcharge of $0.0025/kWh on customers' bills from investor-owned electric utilities, the Forward Capacity Market program, the Regional Greenhouse Gas Initiative, and the NOx Allowance Trading Program. The Massachusetts Renewable Energy Trust Fund, administered by The Massachusetts Clean Energy Center, is supported by a surcharge of $0.0005/kWh, imposed on customers of all investor-owned electric utilities and competitive municipal utilities.

Renewable Energy Program Information Available Here

Energy Efficiency Fund Information Available Here

Michigan

In June 2000, the state's energy restructuring legislation (Act 141) authorized the Low-Income and Energy Efficiency Fund (LIEEF). Michigan's largest utilities, Detroit Edison, Consumers Energy, and Michigan Consolidated Gas Company, contribute to the fund with money from charges on customers' bills. 75% of the fund supports grants for energy efficiency projects and energy assistance for low-income residents, and the remaining 25% supports grants for energy efficiency projects, many of which include renewable energy investments.

More information Available Here

Minnesota

Xcel Energy's Renewable Development Fund (RDF), a Minnesota Public Benefits Fund designed to support renewable energy production incentives , was created in 1999 pursuant to the 1994 Radioactive Waste Management Facility Authorization Law (Minn. Stat. § 116C.779). Up to $10.9 million annually must be allocated from Xcel Energy into RDF. According to this agreement, Xcel must put money towards renewable energy development in return for the privilege to store nuclear waste at Xcel Energy's Prairie Island plant. Additionally, May 2007 (S.F. 2096) amendments require Xcel to contribute $350,000 towards the fund for each dry cask storage device containing spent fuel at the Monticello plant for as long as the plant remains in operation and $5.25 million annually for each year the plant is not in operation. A 2009 Minnesota law also requires Xcel to provide an additional $20 million to fund a grant for the University of Minnesota's Initiative for Renewable Energy and the Environment (IREE).

More information Available Here

Montana

Universal System Benefits Program:
Montana established the Universal System Benefits Program (USBP) in 1997 as part of its restructuring legislation (MCA 69-8-402). The USBP supports cost-effective energy conservation, renewable energy projects and applications, and research and development programs related to energy conservation and renewables. The surcharge was initially based on 2.4% of electric utilities' 1995 revenues, and beginning in 1999 (MCA 69-8-402), all electric utilities must contribute revenue generated from a surcharge on customers' electricity use. Utilities may spend all or a portion of the funds on internal programs, or may opt to contract or fund eligible programs externally.

More information Available Here

New Hampshire

New Hampshire's 1996 electric-industry restructuring legislation (New Hampshire Statutes § 374-F:3 et seq.) authorized the creation of a System Benefits Charge (SBC) to support energy efficiency programs and energy efficiency programs for low-income residents. The efficiency fund is financed by a non-bypassable surcharge on electric customers' bills of $1.5 mills/kWh. A separate surcharge that supports low-income home energy efficiency programs was raised to $1.8 mills/kWh in January 2010. All efficiency programs are administered by the state's utilities, with oversight from the New Hampshire Public Utilities Commission.

More information Available Here

New Jersey

New Jersey's 1999 electric-utility restructuring legislation (N.J. Stat. § 48:3-60) created a Societal Benefits Charge (SBC) to support investments in energy efficiency and renewable energy. The SBC funds New Jersey's Clean Energy Program (NJCEP), a statewide initiative administered by the New Jersey Board of Public Utilities. The SBC is collected as a non-bypassable charge imposed on all customers of New Jersey's seven investor-owned electric public utilities and gas public utilities. In September 2008, the BPU approved a 2009-2012 budget of $1.213 billion, with approximately 80% of the budget for energy efficiency programs and 20% for renewable energy programs.

More information Available Here

New Mexico

The Efficient Use of Energy Act of 2005 (N.M. Stat. § 62-17-1 et seq.) allows public electric and natural gas utilities to implement cost-effective renewable energy, load management, or energy efficiency programs. The programs may be funded through a surcharge for energy-efficiency and load management programs. The charges on the consumer cannot exceed the commission's approved tariff for that customer's bill or $75,000 per year, and a distribution cooperative cannot collect a renewable energy and conservation fee of more than one percent of the customer's bill.

More information Available Here

New York

New York's System Benefits Charge (SBC), established in 1996 by the New York Public Service Commission (PSC) (New York PSC Opinion No. 96-12 (Cases 94-E-0952 et al.)), supports energy efficiency, education and outreach, research and development, and low-income energy assistance. The state's six investor-owned electric utilities collect funds from customers through a surcharge on customers' bills. Each year from 2006-2011 (New York PSC Order (Case 05-M-0090)), each utility must collect and remit to the New York State Energy Research and Development Authority (NYSERDA) a sum equal to 1.42% of the utility's 2004 revenue. In 2005, the PSC (New York PSC Order (Case 05-M-0090)) extended the SBC through June 30, 2011. Although SBC funds may be used to support renewable-energy infrastructure, the program no longer provides financial incentives for most renewable-energy systems.

More information Available Here

Oregon

Oregon's 1999 electric-utility restructuring legislation (SB 1149) required Pacific Power and Portland General Electric (PGE) to collect a 3% public-purpose charge from their customers to support renewable energy and energy efficiency projects. The Oregon Public Utility Commission OPUC then authorized the Energy Trust of Oregon, an independent non-profit organization, to administer these programs beginning in 2002. Of the funds collected by the electric utilities, 56.7% must be allocated towards energy efficiency programs and 17.1% to renewables. The remaining funds support low-income housing energy assistance and K-12 school energy-conservation efforts. In 2007, Oregon's renewable portfolio standard legislation (SB 838) extended the program until 2025.

More information Available Here

Pennsylvania

After Pennsylvania's December 1996 electricity restructuring law, four renewable and sustainable-energy funding programs were subsequently created through individual settlements with the state's five major distribution utilities. These utilities created individual "Sustainable Energy Funds" with the goals of promoting (1) the development and use of renewable energy and advanced clean-energy technologies, (2) energy conservation and efficiency, and (3) sustainable-energy businesses. As of 2011 the fund with West Penn Power SEF was the only fund still scheduled to receive additional revenue, equivalent to a $0.0001/kWh charge on utility distribution sales. It is administered by The Energy Institute of Penn State University, in partnership with Energetics, Inc. A recent settlement agreement (PUC Docket Number A-2010-2176732) extended funding to 2012.

More information Available Here

Rhode Island

Rhode Island's Public Utilities Restructuring Act of 1996 (R.I. Gen. Laws § 39-2-1.2) created the Rhode Island Renewable Energy Fund (RIREF) for renewable energy and demand-side management (DSM). The RIREF's renewable-energy component is administered by the Rhode Island Economic Development Corporation (RIEDC). Legislation enacted in May 2011 (H.B. 5281) extended the fund through 2018 and removed the specific surcharge amounts for DSM programs. Legislation (H.B. 7806) enacted in July 2008 requires the RIEDC to create a new program, the Municipal Renewable Energy Investment Program, to provide grants of up to $500,000 per project for municipal renewable-energy projects. This program is funded from the lesser of 50% or $1 million collected annually from the $0.3 mill/kWh surcharge for renewable energy programs. The RIEDC must also create a second grant program, the Nonprofit Affordable Housing Renewable Energy Investment Program, using the lesser of 10% or $200,000 collected annually from the $0.3 mill/kWh surcharge for renewable energy programs.

More information Available Here

Vermont

Clean Energy Development Fund (CEDF)
Vermont's Clean Energy Development Fund (CEDF) was established in 2005 (10 V.S.A. § 6523) to promote renewable energy, combined heat and power (CHP), thermal, and geothermal energy. Vermont's Clean Energy Development Fund receives funding ranging from $1.3-$7.2 million annually from Entergy, the owner of the Vermont Yankee nuclear power plant. However, legislation enacted in June 2010 (781) required that a dollar amount equal to the cost of the business solar energy income tax credits be transferred from the CEDF to the general fund, and it caps the amount of money authorized for tax credits at $9,400,000.

Efficiency Vermont
Authorized by 1999 legislation (30 V.S.A. § 209), the PSB set a charge on all electric customers' bills and established Efficiency Vermont (CVR 30-000-051) with no expiration date. The Vermont Energy Act of 2009 (PSB Order Establishing SMEEP) amended Efficiency Vermont and directed the PBS to develop a self-managed energy efficiency program (SMEEP) for eligible transmission and industrial electric ratepayers (customers whose charges to the statewide energy efficiency fund were $1.5 million or more in 2008). SMEEP program participants need not participate in Efficiency Vermont as long as they comply with SMEEP requirements.

More Clean Energy Development Fund Information Available Here

More Energy Efficiency information Available Here

Wisconsin

The Wisconsin Focus On Energy program supports statewide programs that promote energy efficiency, research projects by the Focus on Energy's Environmental and Economic Research and Development Program (EERD), and renewable energy. Focus on Energy was initially created by Act 9 of 1999 as a public benefit fund and was amended in 2006 (Wis. Stat. § 196.374). This 2006 law replaced existing renewable energy and energy efficiency PBF programs with programs that utilities create and fund through contracts with private program administrators, with oversight and approval by the Public Service Commission of Wisconsin. Each electric utility and natural gas utility must spend 1.2% of the latest 3-year average of its gross operating revenue on energy-efficiency programs and renewable-resource programs. The EERD explores how energy use impacts Wisconsinn's natural environment and economy. The state's municipal utilities and electric cooperatives can elect to participate in the state program or run their own programs, which must follow the criteria for energy efficiency and renewable resource programs (sub. (2) (a) 1).

More information Available Here