# States Cooling to Renewable Energy

## *Bills to Curb Requirements for Utilities Crop Up Nationwide, Generally in GOP-Led Legislatures*

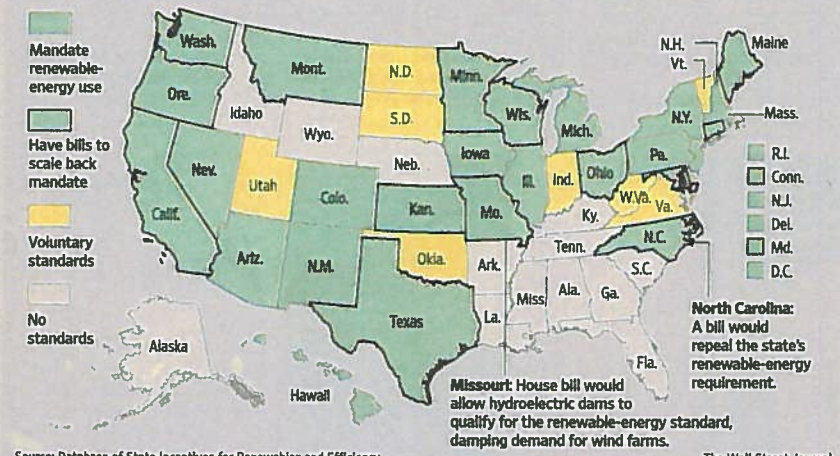
By Ryan Tracy

Legislatures in half the states that require electric utilities to buy renewable energy are considering proposals to roll back those mandates.

The policies have helped fuel a huge expansion of U.S. solar and wind capacity in recent years. Now debates are arising, especially in Republican-held statehouses, about whether they increase costs for customers.

There is no federal rule requiring utilities to purchase renewable energy, but mandates require it in 29 states. This year, legislators in at least 14 of those states have introduced bills that would water down or repeal renewable-energy mandates, according to the Database of State Incentives for Renewables and Efficiency at North Carolina State University, though none has been signed into law so far.

**Power Plays** | State renewable-energy standards




Source: Database of State Incentives for Renewables and Efficiency

The Wall Street Journal

Ohio state Sen. Bill Seitz, a Republican who is leading a review of his state's renewable-energy mandate, said the policy reminded him of "Joseph Stalin's five-year plan." He added that his main interest is "in what delivers the lowest price for electricity in our state. That is what we are trying to figure out."

Backers of the mandates say the U.S. needs to shift away from fossil fuels to prevent global warming and disruptive climate changes, and that the policies create jobs and entice companies to invest in the U.S.

The state battles show how the front lines of energy policy are moving away from a gridlocked Congress. "We've shifted a lot of resources away from federal lobbying," said Michael Brune, executive director of the Sierra Club, the big environmental group that has pushed for more use of renewable energy. The club boosted its presence in North Carolina ahead of the 2012 elections and is keeping staff on the ground to work on several energy bills there.

Meanwhile, Grover Norquist, the antitax advocate better known for his influence with conservatives in the nation's capital, has signed letters to lawmakers in Kansas, North Carolina and other states urging them to support the rollbacks, saying a mandate "acts much like a tax increase" by boosting energy bills. Studies from conservative think tanks have predicted double-digit cost increases from various state mandates.

Supporters of renewable energy call the projections of cost increases overblown. The Kansas state utility regulator recently estimated the state's mandate accounted for less than 2% of electricity costs in 2012.

States with mandates "have seen in some cases over a billion dollars of investment and thousands of jobs both in construction and manufacturing," said Rob Gramlich, interim chief executive of the American Wind Energy Association. "The benefits are no longer hypothetical."

Most of the current policies act like North Carolina's. Utilities there must generate energy from sources the law classifies as renewable—including wind and solar farms and landfill gas—or cut usage through energy efficiency. The renewable sources and efficiency savings must account for 12.5% of retail electricity sales by 2021.

North Carolina adopted the law in 2007, when Democrats controlled the legislature. Both chambers flipped to Republican hands in 2010, one of 11 states nationwide where the GOP took control that year. Now, some leading North Carolina lawmakers are backing a repeal of the 2007 law.

Utility companies are generally steering clear of the state frays. North Carolina-based **Duke Energy** Inc., for one, hasn't taken a position on the repeal effort there.

The American Legislative Exchange Council, a nonprofit whose members include fossil-fuel companies and mostly Republican state legislators, created a model bill for rolling back the standards last year and urged its members to pass similar bills in 2013.

Rhone Resch, president of the Solar Energy Industries Association, said the push to repeal the mandates was coming from conservative think tanks "funded by fossil-fuel interests."

Todd Wynn, who directs ALEC's energy task force, said in an email, "I have not received one dime to work directly on renewable-energy mandates."

In Texas, freshman state Rep. Scott Sanford, a Republican, said he got the idea to introduce a bill to eliminate the state's mandate from a paper by the Texas Public Policy Foundation that found the policy was increasing costs for Texas consumers.

According to a list of its 2010 donors, the foundation received funding from individuals affiliated with a range of fossil-fuel companies. The author of the foundation paper said funding didn't influence the study's outcome.

Mr. Sanford said he wrote the bill because he is opposed to government mandates, not because he favors any particular energy source—a sentiment echoed by legislators in other states. "Texas is blessed with a lot of incredible resources for energy, wind and solar amongst them. But they need to be developed with free-market principles, not with the heavy hand of government directing us to an inefficient process," he said in an interview.

The bills have passed one legislative chamber in both Montana and Missouri. But in Kansas, a bill to delay the state mandate has stalled in the House. The state Senate, also in Republican hands, rejected a similar bill.

Among those voting against it: Sen. Terry Bruce, the majority leader, whose district includes a Siemens AG plant that makes wind turbines. Mr. Bruce said Thursday that Kansas' mandate has boosted the state's economy and hasn't led to a jump in electricity prices.