Frequently Asked Questions

What is a Renewable Portfolio Standard (RPS)?

A state Renewable Portfolio Standard (RPS) requires utilities to use or procure renewable energy or renewable energy certificates (RECs) to account for a certain portion of their retail electricity sales. RPS laws of some sort have been enacted by 37 states—from North Carolina to Texas to Montana—resulting in cleaner air, economic development and lowered greenhouse gas pollution. Virginia is one of eight of those states whose RPS law is technically a goal, not a standard, because it is voluntary for utilities to participate. Rather than complying with a mandatory renewable energy requirement, like utilities do in states like North Carolina and Maryland, Virginia's utilities are offered a performance incentive in the form of slightly higher rates in exchange for meeting the RPS goals.

Why are clean energy advocates critical of Virginia's RPS?

The RPS was intended to spur the development of new renewable energy facilities in Virginia, contributing to:

- Healthy Families: The more clean, renewable energy that goes online, the less mercury, soot and other toxins are released by dirty, old power plants.
- A Healthy Climate: Putting more renewable energy online also reduces emissions of greenhouse gases. These gases contribute to climate change, leading to sea-level rise and more severe storms, among other impacts.
- A Healthy Economy: Growing a renewable energy industry in the commonwealth would create thousands of much-needed jobs.

Unfortunately, the results of the RPS are not matching the General Assembly's intentions. Virginia's investor-owned utilities (Dominion Power and Appalachian Power) have been meeting the goals almost entirely with power generated at facilities that were already built before the RPS was created. Some of the facilities are more than 100 years old, most of them are outside of Virginia and virtually none produce the cleanest forms of energy—wind and solar power.

For instance, if Dominion Power had developed enough wind and solar power to generate 1.7 million MWh (its yearly RPS goal for the beginning years of the program) instead of developing more fossil fuel generation, the resulting reduction in greenhouse gas emissions would be like taking 125,000 cars off the road. Instead, in 2011 (the most recent year for which data are available), greenhouse gas reductions associated with the RPS were equivalent to taking only 239 cars off the road.

As it is currently structured, the RPS is a rip-off, but it doesn't have to be. If the General Assembly strengthens the requirements for utilities to receive the performance incentives and closes loopholes under the law, Virginians would receive the benefits of cleaner air and new jobs.

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How can the RPS be fixed to ensure that it fulfills its purpose?

In order to fix the RPS for healthy families, a healthy climate and a healthy economy, we need to create minimum goals for Virginia-generated wind and solar power. A "carve-out" or "top tier" requirement within the existing goals would ensure that the law spurs the growth of a renewable energy industry in Virginia.

Why don't we just repeal the performance incentive for utilities?

The RPS has turned out to be a rip-off because the utilities are able to receive the performance incentives without actually doing what the General Assembly intended to reward. But throwing up our hands and giving up on the original intent of the law won't solve anything—it won't bring jobs to Virginia, make our air cleaner, or help to solve the climate change crisis.

The way to fix the RPS and stop the rip-off is to strengthen the requirements that utilities have to meet in order to receive the rewards.

Wouldn't repealing the performance incentive at least be a step in the right direction?

No. Thousands of Virginians have contacted lawmakers in support of making the RPS stronger so that it will live up to its original goals. What they're asking for—making the RPS stronger—would be a step forward on clean energy in Virginia. If the RPS performance incentive (sometimes referred to as the "RPS adder") were repealed, it would effectively repeal the RPS law, which would be a major step backward for renewable energy in Virginia.

Why would repealing the RPS performance incentive effectively repeal the RPS?

With no financial incentive to participate, utilities would be unlikely to do so over the long-term. In the 2012 General Assembly session, utilities opposed a bill introduced by Delegate Poindexter to repeal the RPS performance incentive. They agreed with environmentalists that the incentive was a key element to the RPS.

What about making the RPS mandatory?

We would strongly support a mandatory RPS in Virginia but only if it was fortified with stronger standards than what's included in the voluntary RPS. If the current RPS became mandatory tomorrow with no other changes, it still would not help to bring wind and solar power online, nor bring the associated health, climate and economic benefits. Unfortunately, many lawmakers are not willing to discuss the possibility of a mandatory RPS.

Isn't the potential repeal of the RPS performance incentive part of a larger discussion of regulatory accounting changes that could be a good deal for consumers overall?

The Attorney General's office and utilities are discussing a number of changes to the way that consumers' electricity rates are calculated. While some of the other provisions may be helpful to consumers, the effective repeal of Virginia's broadest clean energy law should not get lumped in as a "regulatory accounting change."

The repeal of the RPS performance incentive would have broad implications for the clean energy movement at the state and national levels. Squashing the possibility of a robust renewable energy industry in Virginia is not a good thing for consumers.

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