

**SOUTHEASTERN  
ASSOCIATION OF  
REGULATORY  
UTILITY  
COMMISSIONERS**

**Daryl E. Bassett**

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REGULATORY AUTHORITY

May 31, 2007

Dear Senators Bingaman and Domenici, and Congressmen Dingell and Barton:

The undersigned state utility commissioners are writing to express our concerns about the nationwide, mandatory federal renewable portfolio standard (RPS) being discussed/introduced by Senator Bingaman. As state regulators, we are responsible for ensuring that retail electricity consumers receive affordable, reliable electric service. We are concerned that a uniform, federal RPS mandate fails to recognize adequately that there are significant differences among the states in terms of available and cost-effective renewable energy resources and that having such a standard in energy legislation will ultimately increase consumers' electricity bills.

The reality is that not all states are fortunate enough to have abundant traditional renewable energy resources, such as wind, or have them located close enough to the load to render them cost-effective. This is especially true in the Southeast and large parts of the Midwest. Even in regions of the country that do have access to wind energy, there is frequently stiff local opposition to building huge wind turbines, significant costs for the additional transmission needed, and reliability concerns. As a result, some wind renewable energy projects do not get built, while others take years to build. The availability of other renewable energy resources, such as geothermal, is even more limited.

Because of the limited availability and cost-effectiveness of traditional renewable energy resources, we are deeply concerned that our utilities will be forced to buy renewable energy credits from the federal government or from renewable energy generators in other regions of the country. Correspondingly, our retail electricity consumers will end up paying higher electricity prices, with nothing to show for it.

Renewable energy resources may be able to make a significant contribution to energy production in those regions of the country that have abundant renewable resources. In fact, over 20 states and the District of Columbia have already seen fit to approve their own RPS programs based on the resources available to them. Moreover, those states have included a wider array of energy resources in their definitions of eligible renewable resources than the proposed federal RPS mandate. Some states consider power produced from municipal solid waste, small hydroelectric facilities or coal waste to be renewable energy. Other states count expenditures on demand-side management or alternative compliance payments toward meeting the state RPS requirements. None of these alternative renewable energy resources, however, would receive credit under the Senate version of a federal RPS program.

May 22, 2007  
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While state public service commissions and energy service providers should certainly consider available and cost-effective renewable energy resource options as they make long-term decisions for incremental energy needs, the imposition of a strict federal RPS mandate, as contrasted with a state-driven cost-effectiveness determination, will only result in higher electricity prices for our consumers. Because the availability and cost-effectiveness of traditional renewable energy resources varies so widely among states and regions, we believe that decisions regarding renewable energy portfolios should be left to the states. If, however, the Congress desires to address renewable energy objectives in the upcoming Energy Bill, we urge you to expressly allow each individual state to determine the extent to which renewable energy can be reliably and cost-effectively utilized within that state.

Sincerely,



**STATE OF ALABAMA**  
ALABAMA PUBLIC SERVICE COMMISSION  
P.O. BOX 304250  
MONTGOMERY, ALABAMA 36130-4250

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SUSAN D. PARKER, PH.D., ASSOCIATE COMMISSIONER

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Susan D. Parker, Associate Commissioner

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Sandra L. Hochstetter  
Commissioner  
(501) 682-1455

Daryl E. Bassett  
Commissioner  
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PUBLIC SERVICE COMMISSION  
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A handwritten signature in cursive script that reads "Paul Suskie".

Paul Suskie, Chairman

A handwritten signature in cursive script that reads "Sandra L. Hochstetter".

Sandra L. Hochstetter, Commissioner

A handwritten signature in cursive script that reads "Daryl E. Bassett".

Daryl E. Bassett, Commissioner



COMMISSIONERS:

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# Georgia Public Service Commission

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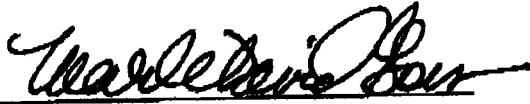
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[www.psc.state.ga.us](http://www.psc.state.ga.us)

Chairman Robert Baker  
Georgia Public Service Commission

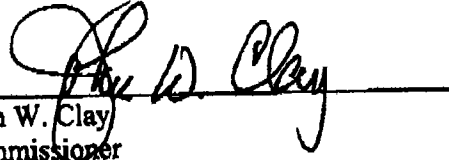
Commissioner Doug Everett  
Georgia Public Service Commission

Commissioner Stan Wise  
Georgia Public Service Commission

Vice Chairman Chuck Eaton  
Georgia Public Service Commission

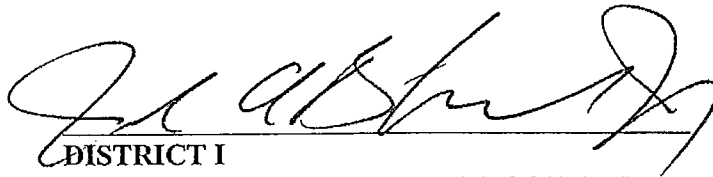


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Chairman  
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211 Sower Boulevard  
Frankfort, Kentucky 40601




John W. Clay  
Commissioner  
Kentucky Public Service Commission  
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Frankfort, Kentucky 40601

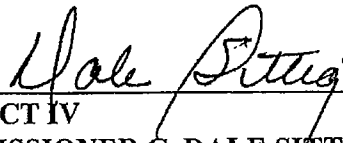
Louisiana Public Service Commission



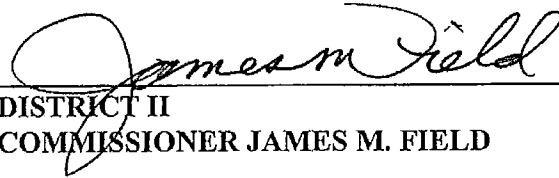
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DISTRICT V  
COMMISSIONER FOSTER L. CAMPBELL

# Mississippi Public Service Commission

Post Office Box 1174  
201-A Woolfolk State Office Building  
Jackson, Mississippi 39215-1174



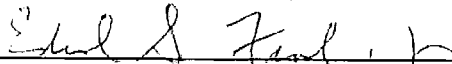
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(800) 356-6430  
(601) 961-5824 Facsimile


Nielsen Cochran  
Chairman


*Nielsen Cochran*


*Bo Robinson*

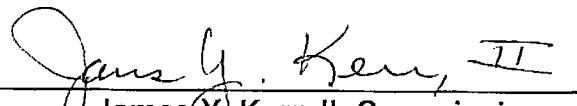
NORTH CAROLINA UTILITIES COMMISSION

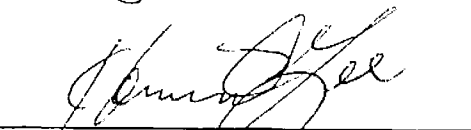
  
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Edward S. Finley, Jr., Chairman


  
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Robert V. Owens, Commissioner

  
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Sam J. Ervin, IV, Commissioner

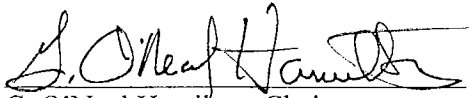
  
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Lorinzo L. Joyner, Commissioner

  
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James Y. Kerr, II, Commissioner

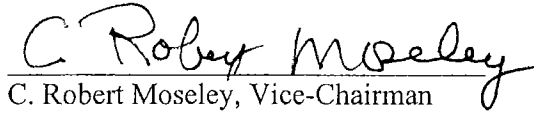
  
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Howard N. Lee, Commissioner

  
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William T. Culpepper, III, Commissioner

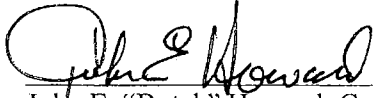
South Carolina Public Service Commission



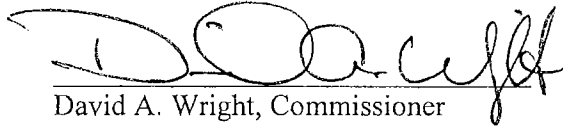
G. O'Neal Hamilton, Chairman



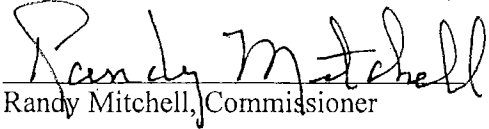
C. Robert Moseley, Vice-Chairman



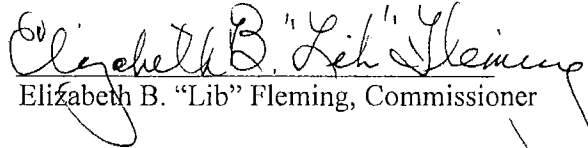
John E. "Butch" Howard, Commissioner



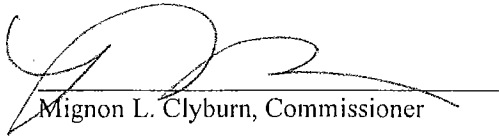
David A. Wright, Commissioner



Randy Mitchell, Commissioner



Elizabeth B. "Lib" Fleming, Commissioner

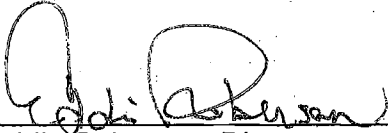


Mignon L. Clyburn, Commissioner



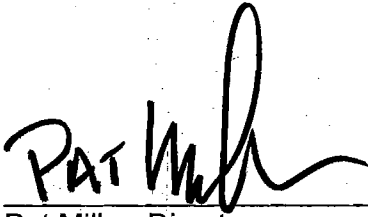
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Sara Kyle, Chairman  
Tennessee Regulatory Authority



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Eddie Roberson, Director  
Tennessee Regulatory Authority



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Pat Miller, Director  
Tennessee Regulatory Authority