

The Regulatory Environment for Renewable Energy Development

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An Era for Renewables?

Growth and Interest:

- Wind
- Biomass
- Solar
- Geothermal
- Other

What's driving it?

Acronym Soup:

- PTC
- RPS
- PURPA
- RECs
- SBC, etc.

What's Really Driving It

- Environmental Benefits
- National Security
- Economic Benefits
- Prices?

And?

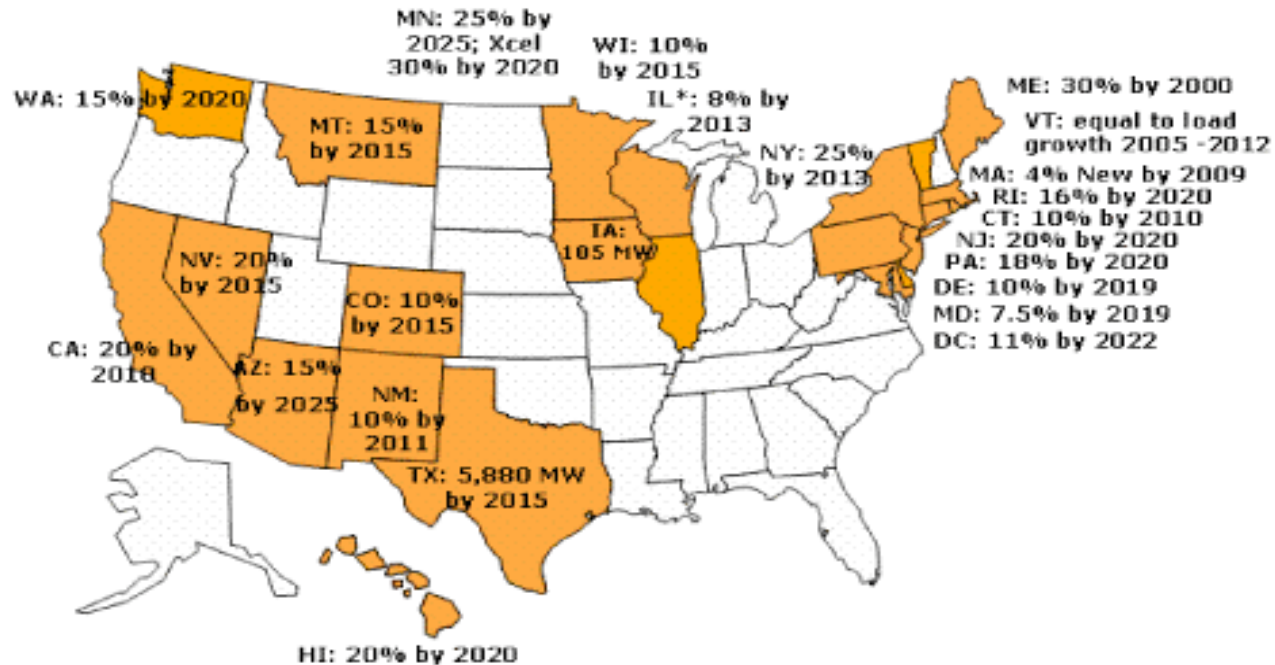
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Why Not More Already?

- Costs
- Past Practices
- Siting
- Operations
- Little pressure

Key Current Drivers

- Renewable Portfolio Standards



* IL implements its RPS through voluntary utility commitments

- Production Tax Credit - 1.9 ¢ /kWh tax credit for the first 10 years of a renewable energy generator's operation.

Promoting Renewables – the Big Picture

<i>Incentives</i>	RETAIL	WHOLESALE
VOLUNTARY	<ul style="list-style-type: none">• Green Power Marketing• RECs	Utility purchases induced by: <ul style="list-style-type: none">• PTC• Subsidies• Grants• Social Pressure
MANDATORY	Government Retail Purchases	Utility purchases required by: <ul style="list-style-type: none">• Renewable Portfolio Standards• PURPA (old)• Feed-In Tariffs

What Works Best?

- **Mandatory Wholesale Procurement**
 - PURPA
 - Feed-in Tariffs (Europe)
 - RPS
- **Impact of PTC**
 - Financial Certainty
 - New Players

Future Developments?

- **More RPS?**
- **PTC Extension?**
- **Climate Change Legislation?**
 - Regional Impact
 - Renewable energy v. CO2 reduction
 - Nuclear power

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