



RENEWABLE ENERGY POLICY PATHWAYS REPORT

AN ANALYSIS OF STRATEGIES TO INCREASE COMMERCIAL AND INDUSTRIAL CUSTOMER ACCESS TO RENEWABLE ENERGY

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The Renewable Energy Policy Pathways Report, released by the REBA Institute, is an analytical report that assesses policy pathways to expand access and decrease costs of renewable energy procurement across the U.S. Despite strong growth of renewable development driven by corporate buyers, procurement opportunities for the next generation of motivated buyers remain limited by electricity market structures and utility offerings. This report is intended to serve as a roadmap of options for policymakers, utilities, and other stakeholders to help unlock the marketplace for cost-effective, customer-driven, and expedient renewable electricity.

Why Now?

Commercial & Industrial (C&I) customers collectively use over half of the electricity generated in the U.S. Businesses of all sectors and sizes are increasingly setting ambitious corporate goals to use clean or renewable energy to power their operations and facilities, including roughly half of the Fortune 500.

C&I customers are driving significant amounts of renewable energy. In 2018, corporate buyers accounted for over one-fifth of the renewable energy power purchase agreements (PPAs) in the U.S. and have collectively deployed over 26 GW of new renewable energy over the last 10 years.

However, different policy and market structures constrain options available to C&I customers to buy the renewable energy they want across markets in the U.S. Large energy buyers of many types – from businesses, to cities, to higher-ed – are increasing their commitments to renewable energy, and at times are making decisions about expanding or siting facilities based on access to renewable energy. This study is intended to help identify the most promising pathways to expand access to renewable energy across market types.

Key Takeaways

The report's findings indicate:

- Allowing C&I customers the option to choose their suppliers provides opportunities to expand access to renewables – potentially up to 100% of C&I needs. This option can lower the cost of renewable energy procurement by up to 11% compared to if customers do not have supply options.
- Utilities' renewable energy subscription programs in states where C&I customers do not have supply choice can provide attractive near-term opportunities to improve access to renewables. This is particularly the case when utilities replace their retiring fossil generation with renewable energy for C&I.
- Moderate RPS expansions have the potential to green the grid for all customers, but do not directly provide procurement options for C&I customers to go beyond state established renewable energy targets.

Additionally, the report shows that participation in centrally organized wholesale markets makes any of the examined policy pathways cheaper and is key to increasing customer options, reducing costs, and facilitating greater renewable energy integration.

The Methodology

The Renewable Energy Policy Pathways report analyzes three overarching policy pathways for increasing renewable energy procurement for C&I sector customers between now and 2030:

1. Advancing state renewable portfolio standards (RPS) that would accelerate renewable energy procurement for all customers,
2. Expanding utilities' renewable energy purchasing programs available to C&I, and
3. Introducing supply choice for C&I.

The report then identified eight sample states to represent a diverse set of market, regulatory, and regional features to model the potential pathways. It also modeled near- and long-term market and policy strategies on the following impact metrics:

1. Percent of C&I customer demand with access to 100 percent renewable energy supply,
2. Potential amount of renewable energy capacity, and
3. Potential procurement costs for each pathway.

States evaluated: AZ, CA, CO, GA, MA, MN, NC, VA