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Let all join in renewable revolution

By Jennifer Gleason

Every Oregonian should be able soon to generate renewable energy from the sun and sell it to their local utility at a fair price.

Gov. Ted Kulongoski's recently announced plan to protect the climate includes a pilot project that could make it possible for everyone in Oregon — including families, school districts, farms, vineyards, businesses and nonprofit organizations — to help generate energy from the sun.

If done well, this pilot project will be modeled on policies adopted in Europe that have made Germany the world leader in solar energy production. A well-crafted production incentive policy (known as a renewable energy payment, or REP, policy) guarantees that utilities will buy renewable energy — in this case, solar — at a fair price for an extended period.

The price is set to ensure that people generating the electricity will make a profit, but not a windfall profit.

With this guarantee, people are willing to invest in the equipment needed to produce renewable energy. Experience in Germany has shown that REP policies are the most effective and efficient way to promote the generation of electricity from renewable sources.

The Environmental Law Alliance Worldwide has been studying REP policies around the world to determine what makes such a program successful. We have been helping environmental advocates around the world promote renewable energy payment policies, and we are excited to bring these lessons home to Oregon.

A well-designed REP policy would help put Oregonians to work building, installing and servicing the equipment that makes generating and selling renewable energy possible. Other states — including Michigan, Minnesota, Florida and Hawaii — are considering adopting similar programs. Oregon should move quickly and be a leader so that its businesses can get a head start in producing the equipment needed to generate renewable energy.

Oregon's policy should give all Oregonians the opportunity to participate in this program. The Legislature may be tempted to limit the policy to investor--owned

utilities (PacificCorp and PGE) that distribute electricity to the Portland area and a few other parts of the state, but we should demand that all Oregonians can help meet our energy needs.

Those of us living in Eugene want to be able to afford to put solar panels on our rooftops, and farms and vineyards across the state should be able to sell electricity to their local utilities, too. The program should make it simple for anyone to participate. Ideally, it should go beyond solar and include other renewables as well.

REP policies differ from “net metering,” which already is available from Oregon utilities, in several important ways. Most importantly, Oregon utilities are not required to pay for excess electricity generated by the customers under net metering, and net metering is only for electricity that is primarily generated to offset part or all of the customer’s electricity use.

Under an REP policy, Oregonians would sell all of the electricity they generate to the utility at a price that would make it profitable to generate renewable electricity, and then they would buy back from the utility the electricity they need at the regular retail price.

There are several other important benefits to REP policies not included in net metering that make the governor’s plan a great step forward. Working with partners in Europe, the Environmental Law Alliance has identified three key elements that are required to make a renewable energy payment program succeed.

The policy must ensure that people who generate solar power are able to connect to the electric grid to deliver this power back to utilities. We must ensure that the grid is maintained and that access is transparent and fair.

The policy must set a fair price for purchasing electricity and guarantee that price for an extended period, so people are willing to invest in generating solar power. The price must include built-in adjustments over time and priority purchase for renewables.

The policy must work well with the state’s renewable energy goals and programs, and it must support local industry.

More can be learned about designing a strong REP policy at onlinepact.org. ELAW is partnering with the Alliance for Renewable Energy to promote strong REP policies in North America. Learn more about REPs at www.allianceforrenewableenergy.org.

Oregon has a great opportunity to lead the way in meeting climate challenges. A strong renewable energy payment policy will give all Oregonians the opportunity to generate renewable energy to meet our energy needs.

It will put Oregonians to work and help Oregon become a leader in building a green, sustainable economy.

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