

Green Power Purchasing/Aggregation Policies allow state and local governments, businesses, and other nonresidential customers to serve as role models to the rest of the community by purchasing electricity from renewable resources, through a practice commonly called green power purchasing. Some states even require that state government buildings use a certain amount of renewable energy. The process by which local governments combine electric loads from the whole community, or in cooperation with other communities, to form a green power purchasing block is called “community aggregation” or sometimes “community choice” (North Carolina State University, 2007).

Green Pricing Programs offer customers the option to pay an additional fee beyond their regular electric bills to support the utility’s effort to provide power from renewable sources. Customers who participate in these types of programs do not receive “green energy” directly, but rather help enhance the utility’s ability to generate or purchase more of its power from renewable sources (Pew Center for Global Climate Change, 2008). In 2006, there were 484 electric utilities in 44 states now offering green power to their customers (U.S. DOE, 2008). Some states have mandatory green pricing programs, where utilities are required to offer customers the option to purchase power from renewable energy sources, while in other states it is voluntary for utilities.

Figure 2: The majority of states offer green pricing programs. PEW CENTER ON GLOBAL CLIMATE CHANGE 2008.

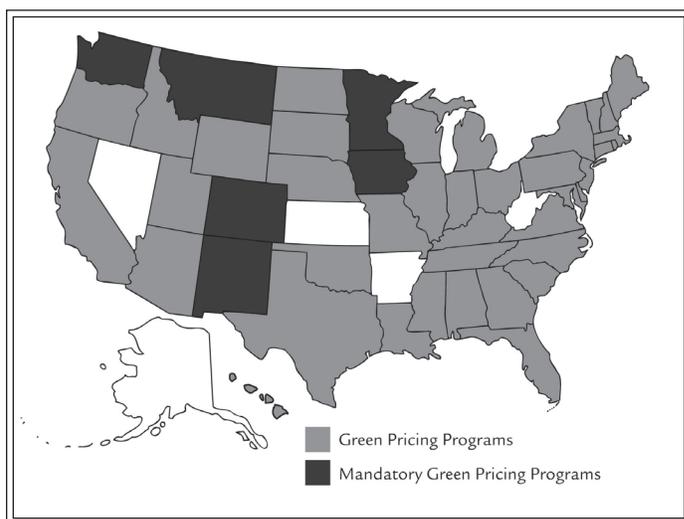
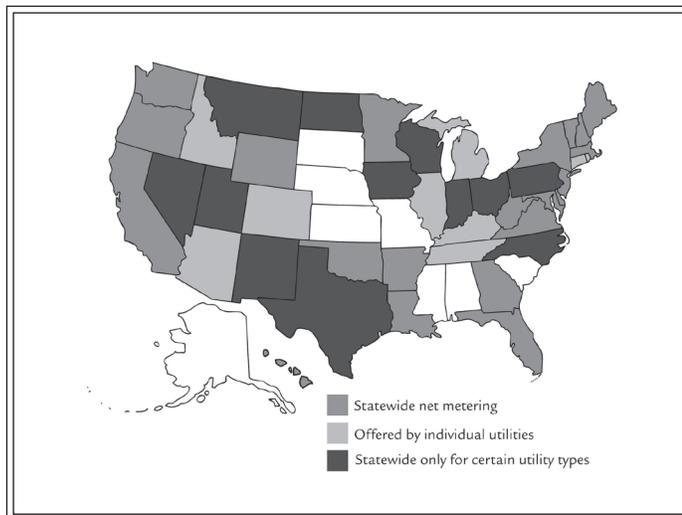


Figure 3: More than 20 states have statewide net metering statutes. PEW CENTER ON GLOBAL CLIMATE CHANGE 2008.



State and Local Incentives

Net Metering is a system for customers who have their own electricity generating units. When customers generate more electricity than their demand, the excess electricity is provided to the local power grid. The customers’ electric meter keeps track of the excess electricity as credit toward future power purchases (North Carolina State University, 2007). Twenty-one states and the District of Columbia had statewide net metering statutes in 2008 (Pew Center for Climate Change, 2008).

Public Benefit Funds (PBF) are used to support efforts such as energy efficiency, renewable energy projects, and programs for low-income households. The money for these support funds is commonly acquired by charging customers an added fee based on their electricity consumption. For example, the customer may be charged 0.2 cents for each kilowatt hour used. These funds can be used for rebates on renewable energy systems, funding for renewable energy research and development (R&D), and development of renewable energy education programs.

Various state and local incentives also exist for generating energy from renewable resources, including woody biomass. Incentives are usually expressed in state and local policies in the form of tax credits, rebates, grant and loan programs, or industrial and production incentives (Werner, 2004). For example, in Florida, a comprehensive four-year plan, the Florida Renewable Energy,

Technology & Energy Efficiency Act of 2006 provides rebates, grants, and tax incentives in order to increase the state's investments in renewable energy resources such as solar, hydrogen, and biofuels (Florida Energy Office, 2006).

As renewable and local sources of energy become more valuable, a variety of policies and incentive programs may make it easier for communities, industries, and forest landowners to develop woody biomass systems.

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