California's renewables portfolio standard (RPS) is a flagship component of the state's robust portfolio of climate change policies. The RPS is <u>complex</u>, but the basic concept is simple: state law requires electric utilities to procure a minimum percentage of their retail electricity from qualifying renewable sources under rules set by the California Public Utilities Commission. California has successfully employed the policy for over 15 years, and last fall set a new standard with a target of 60 percent renewables by 2030 (as well as zero-carbon electricity by 2045).

California is by no means the only state to employ an RPS; wind-heavy Midwestern states pioneered the policy in the 80s and 90s, and last year <u>over half of states</u> had some minimum renewable procurement requirement. But California's RPS has long been the most aggressive for a state of its size, and the most prominent in the country due to California's market influence and diversity of population, energy needs, and physical environments. Apparently news of California's success—and it's ambition to obtain more than half of its energy from renewables in a decade—is spreading, since a growing number of other states are starting to follow its lead:

- <u>New Mexico</u>: Last week the legislature passed and the governor signed a law setting the state's RPS at 50 percent by 2030 and 80 percent by 2040, with a zero-carbon goal for 2045.
- Nevada: This week three state senators introduced a bill that would accelerate the state's RPS to 50 percent by 2030 and set a zero-carbon goal for 2050.
- <u>Maryland</u>: Last month state house and senate Democrats introduced legislation setting a 50 percent RPS for 2030.

These are only the most recent and concrete examples of increasingly aggressive RPS requirements around the country. <u>Hawaii</u>, with its unique island geography and high insolation, has actually met or exceeded California's standards since 2015, when the state enacted an RPS of 30 percent by 2020, 70 percent by 2040, and 100 percent by 2045. In 2017, <u>Oregon</u> set a California-level RPS target of 50 percent by 2040. And the <u>Washington</u>, <u>DC</u> city council set a 100 percent RPS by 2032 earlier this year, although its laws are subject to congressional approval.

It may not be fair to give California all the credit. But California's consistent success in meeting and increasing its renewables targets has clearly played a role in pushing more states to match them.

A brief history of that success is informative. The original 2002 RPS legislation, $\underline{SB\ 1078}$, set a target of 20 percent renewable power by 2017. In 2006, seeing rapid uptake, the

legislature <u>advanced</u> that target to 2010. In 2011, <u>SB X1-2</u> (Simitan) set a further target of 33 percent by 2020. In 2015, <u>SB 350</u> pushed the target to 50 percent by 2030. And in 2018, <u>SB 100</u> increased the 2030 target to 60 percent (along with the 2045 zero-carbon electricity goal, which does not currently follow the same rules as the RPS).

California <u>has exceeded</u> the RPS minimum every year since 2011. In 2017, the three major utilities reached <u>36 percent renewables</u>, achieving the 2020 goal far in advance, while other retail sellers were on track to meet their minimum requirements. And California's <u>economy</u> <u>has grown</u> faster than the nation's during this same period, showing that states can meet aggressive RPS targets without harming their economies. As the recent New Mexico, Nevada, and Maryland examples show, the rest of the states are catching on.

Progress has not come without costs, of course. The state cannot always employ its (primarily solar) renewable resources <u>optimally</u>, achieving the highest percentages of renewable power will present a <u>whole new challenge</u>, and Californians pay among the <u>highest retail electricity prices</u> in the nation (although <u>appropriately high</u> electricity rates to discourage excessive consumption should be part of any comprehensive climate policy).

Moreover, the RPS is only one part of a much larger <u>climate policy framework</u>. If states like New Mexico, Nevada, and Maryland do not also follow through with aggressive <u>vehicle</u> <u>electrification targets</u>, <u>low-carbon fuel standards</u>, <u>building energy efficiency codes</u>, carbon pricing via <u>cap-and-trade</u> or a carbon tax, and more, their RPS successes will have a helpful but inadequate impact on reducing greenhouse gas emissions. And just following <u>California's lead is inadequate</u>: we have tremendous work ahead, from <u>increasing housing</u> <u>density</u> and <u>curbing vehicle miles traveled</u> to <u>reducing oil and gas extraction</u> and <u>modernizing the electricity grid</u> in order to handle the RPS mandate and new physical risks posed by climate change.

Nonetheless, more states representing diverse geographies and needs (if not diverse politics) taking on ambitious legal mandates for renewable power is undeniably a hopeful sign. California has shown that a strong RPS is feasible and effective policy, even if it is only the first step of many. As the rest of the country catches on, it may see that the rest of the climate policy framework is achievable too.