

THE NEW REALITY OF
RENEWABLE PORTFOLIO STANDARDS



RENEWABLE PORTFOLIO STANDARDS

Following a European trend, many U.S. states have passed requirements that call for up to a 25% renewable portfolio by as early as 2011, and federal mandates may be on the horizon.

For most power companies, dealing with the new reality of Renewable Portfolio Standards (RPS) will be complex and challenging. Uncertainties surrounding renewable power definitions and performance comparisons mean decisions may be based on incomplete data. The technologies themselves often have high capital costs and variable resource availability—and may lack a mature manufacturing and delivery infrastructure. And the expectations of shareholders, customers, and policymakers are often at odds.

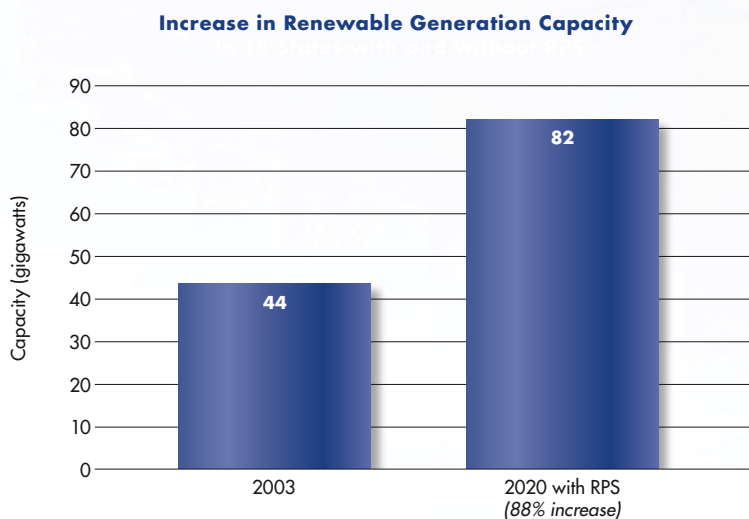
It's clear that developing the most sensible RPS strategy for your company, while influencing policy and managing costs and expectations, will be no easy task.

How you confront RPS now may determine the integrity of your business tomorrow—as well as your bottom line.

CONFRONT RPS HEAD-ON WITH ELECTRIC POWER RESEARCH INSTITUTE (EPRI) RESOURCES

Drawing on decades of experience in renewables technology and policy, EPRI has developed a unique menu of information, analysis, and expertise for navigating the maze of RPS compliance. Leveraging your company's investment by working with EPRI is a clear route toward achieving the best RPS solution for your company. Our resources can help you:

- Positively influence RPS policy-making to better align with business objectives, operational issues, and technical feasibility
- Design custom RPS strategies tailored to your business operations, regional resources, and strategic goals
- Deploy renewable power resources using state-of-the-art technology to maximize business investment and support your core business
- Stay ahead of RPS policy as you plan for fossil plant replacement and invest in new technology
- Diversify power supply sources, reduce dependence on fossil fuels, and respond to customer and public support for renewable energy



Investment Required for New Generation Capacity (per kW, 2004 dollars)

New Conventional Generation

Coal	\$1,100 - \$1,400
Gas	\$450 - 600
Nuclear (ALWR)	\$1,000 - \$1,400

Renewable Generation

Wind	\$1,000 - \$1,600
Solar	\$4,000 - \$6,000
Biomass	\$1,200 - \$1,600
Ocean/Tidal	\$2,000 - \$3,000

With existing RPS in 18 U.S. States, Renewable Energy will increase 88% by 2020 (A 20 state scenario increases by 112%). 18 States represent 37% of US Capacity in 2003.

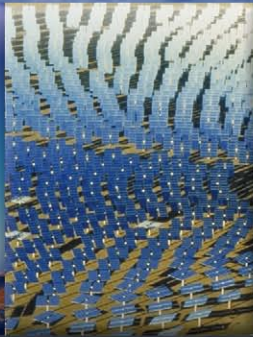
Source: EEI, *Statistical Yearbook of the Electric Utility Industry, August 2001*; EEI/DOE; NCSU and the Interstate Renewable Energy Council, *Database of State Incentives for Renewable Energy*

ARE NOW A REALITY

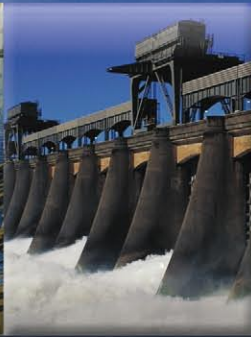
RENEWABLE OPTIONS – WHICH COMBINATION IS RIGHT FOR YOUR COMPANY?



Wind



Solar



Hydro



Geothermal



Biomass



Green Power Trading

ARM YOUR COMPANY WITH TOOLS FOR RPS SUCCESS

Investing in renewable technology research today can help the success of your RPS program.

Only EPRI can provide your company with:

- Credible and unbiased technical information on renewable power generation technology, performance, cost, availability and environmental impact to inform policymaking and RPS planning and implementation
- Comprehensive information on RPS requirements, case study implementations, and forums to share and strategize on RPS issues and solutions
- Powerful analysis tools and financial models with accompanying technical support to evaluate renewable options and optimize RPS strategy
- World-class technical expertise on all aspects of renewable power generation, green credit trading, plant siting, and related technical issues such as transmission impacts, grid connectivity, and weather patterns
- Understanding of complex market interactions to assure system compatibility
- Opportunities to participate in ongoing collaborative R&D to address evolving RPS issues and renewable energy technology

Meeting the challenges of RPS means more to your company than simply achieving regulatory compliance. It can help you shape policies in ways that make sense for your company and your customers, solidify your company's ability to diversify fuels, and maintain your position as a leader in creating the power industry of the future.

For more information on how EPRI can help you, please contact the EPRI Customer Assistance Center at 800.313.3774 or askepri@epri.com.

The Electric Power Research Institute (EPRI)

The Electric Power Research Institute (EPRI), with major locations in Palo Alto, California, and Charlotte, North Carolina, was established in 1973 as an independent, nonprofit center for public interest energy and environmental research. EPRI brings together member organizations, the Institute's scientists and engineers, and other leading experts to work collaboratively on solutions to the challenges of electric power. These solutions span nearly every area of power generation, delivery, and use, including health, safety, and environment. EPRI's members represent over 90% of the electricity generated in the United States. International participation represents nearly 15% of EPRI's total R&D program.

Together...Shaping the Future of Electricity

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