

Harvesting the Sun, Wind and Biomass

Which states have the most solar installations? The first guess would likely be one of the states with lots of sun: Arizona, Florida, New Mexico or California. Well, California would be correct. It leads the nation. But you might be surprised that New Jersey is ahead of every other state.

New Jersey has made a commitment to increase electricity produced from renewable resources – solar, wind, biomass – as part of its overall plan to combat climate change and reduce its carbon footprint. Governor Corzine and the state legislature have set a target of producing 20 percent of New Jersey’s energy needs from renewable sources by the year 2020.

But, for now, renewable energy remains more expensive than electricity produced by traditional fuels. The trade-off for the added cost is the immediate and real benefit of lower carbon emissions. Eventually, research could produce technological breakthroughs that increase efficiency, expand storage capability and decrease costs as well. Costs for renewables can also be brought down by expanding access to lower-cost financing options for renewable projects.

Recent interest in renewables has been impressive. The wind-energy industry grew 45 percent in

the U.S. last year, adding more than 5,000 megawatts of capacity. Solar has expanded as well, mainly with smaller installations.

The surge in growth of renewable energy has been fueled by a federal investment tax credit (ITC) for solar and a production tax credit (PTC) for wind. Both are set to expire at the end of this year. Extending the ITC and PTC will be critical if

we want to assure continued growth with greater environmental benefits.

However, the current rules do not allow utilities to take advantage of the ITC. This does not make sense. With their experience and broad expertise in energy production and delivery, utilities can play a key role in promoting alter-

native energy – such as installing solar panels on schools, municipal facilities or hospitals.

New Jersey is at the front of the pack in encouraging renewable energy. To maintain its leadership position, the state needs to pursue aggressively the least-cost options for harnessing the sun and the wind and biomass. Utilities can help accomplish this.

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