LPDD Top Tens: Electricity Charges, Mandates, and Subsidies

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LPDD.org is an extraordinarily vast database, spanning more than 2,000 model laws, best practices, and policy documents touching on 34 different pathways to reducing emissions in the United States, at every level of government (and some in the private sector). To help the busy changemaker approach our database in a brief time, we’ve drafted Top 10 lists for a subset of these pathways, highlighting some of the most interesting model laws or other resources that state or local governments can utilize.

**Top 10 State Resources on Electricity Charges, Mandates, and Subsidies**

1. **[State]** LPDD Model Law: *State Legislation to Decarbonize the Generation of Electricity*. This model legislation targets emissions-free electricity by 2045, and includes options regarding the phaseout of coal; GHG neutrality and phaseout; integration with regional energy markets; the role of hydroelectricity and nuclear generation; and more.

2. **[State]** *NY’s Climate Leadership and Community Protection Act*. One of several high-profile state laws from the last two years that sets binding targets for 100% carbon-free electricity, NY’s effort stands out for creating a cause of action against the state if it fails to meet its targets.

3. **[State]** *NM’s Energy Transition Act*. Another recent high-profile 100% zero carbon law, New Mexico’s 2019 effort features a funding mechanism through utility securitized bonds, and provides funding to support communities affected by fossil fuel plant closures.

4. **[State]** *Colorado’s HB-19-1261*. Colorado models a more delegatory approach to electricity decarbonization, granting their PUC broad powers to help meet established statewide GHG reduction goals, without setting specific targets for renewables or electric sector emissions.

5. **[State]** *Massachusetts Clean Peak Standard*. A Clean Peak Standard (CPS) can help avoid emissions from the dirtiest “peaker” power plants. Massachusetts took two years to go from a legislative mandate to develop their CPS, the first in the nation, to the final regulation in 2020.

6. **[State]** *Massachusetts Energy Efficiency Resource Standard (EERS)*. Massachusetts’ EERS has been called one of the best-performing in the country. The Green Communities Act (2008) established the program’s structure, requiring electric and gas utilities to secure cost-effective efficiency resources as a first recourse, while the Act to Advance Clean Energy (2018) expanded eligible investments to include certain electrification and renewable investments.

7. **[State]** *Counting GHGs in Utility Cost Tests*. Several states require their Public Utility Commissions to consider the impacts of GHGs in various cost tests employed for utility planning purposes. We call attention to examples in Washington, Minnesota, Colorado, and California.

8. **[State]** *Connecticut’s Acceptable Components of Utility Fixed Charges*. Utilities disincentivize private efficiency investments by making more and more of customer bills “fixed,” or invariable, no matter how much energy their customers use. Connecticut confronted this issue legislatively by defining acceptable components of a utility fixed charge, thereby limiting this practice.

9. **[State & Regional]** *Carbon Pricing in Wholesale Electricity Markets*. Several grid operators are considering pricing carbon into wholesale electric prices. This 2020 report summarizes legally permissible policy designs for a carbon-pricing rule in organized wholesale electricity markets.

10. **[State]** *California’s Time-of-Use Rates Order*. Varying the electric rate by time of use can help avoid investment in dirty “peaker” plants by shifting consumer behavior. California leads the nation by mandating time-of-use rates be made available for all customers.