

# Report: Policies to spur renewable energy can lower energy costs

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The South could pay less for its electricity in 20 years than is currently projected if strong public policies are enacted to spur renewable energy production and use, according to a report released today by researchers at the Georgia Institute of Technology and Duke University. The 190-page report, "Renewable Energy in the South," builds on a short policy brief released last summer and provides an in-depth assessment of the scope of renewable energy resources in the South and their economic impacts on electricity rates and utility bills in the region.

Skeptics of renewable energy production often cite the South as lacking renewable resources. However, the new report confirms that the right mix of public policies could drive the region to produce as much as 30 percent—up from less than 4 percent—of its [electricity](#) from renewable sources by 2030. Wind, biomass, hydro power and customer-owned renewables stand out as cost savers and are detailed for both utility-scale and customer-owned renewable, based on their cost-competitiveness.

"While the South enjoys some of the lowest electricity rates in the country, there is resistance to developing new technologies that seem much more costly than coal based electricity," said Etan Gumerman of Duke University's Nicholas Institute for Environmental Policy Solutions and a co-lead researcher on the study. "In reality, that's not the case."

With a customized version of the economic modeling system used by the U.S. Energy Information Administration (EIA), researchers found that if supportive policies and tax incentives are implemented or extended, total

regional energy costs would be 7 percent less by 2030 than they are projected to be if policies do not change. If no new policies are adopted, the EIA predicts the average electricity rates in the South will rise from the current 7.9 cents to 9.7 cents per kilowatt hour in 2030 – a 23 percent increase. The study finds that with a mix of policies designed to promote renewable energy, rates would rise to only 9 cents per kilowatt hour in 2030, saving electricity users in the region \$23 billion a year.

The report examines the economic impact of a number of renewable energy policies, including expanded research funding and tax incentives (such as those debated in several recent legislative initiatives) and the enactment of a national Renewable Electricity Standard (RES). In addition to considering the potential for large-scale energy producers to generate renewable energy, the report finds that end-users, such as households equipped with solar panels and industry with the ability to recycle waste heat, could generate a significant amount of the South's renewable electricity.

"This study takes a unique approach by considering both traditional, utility-scale renewable power production as well as renewable systems owned by consumers," said Dr. Marilyn Brown of the Georgia Institute of Technology and co-lead author of the study. "Our analysis shows that renewable energy could be a real economic boon to the Southern states, but only if elected officials, and consumers, take action to unlock the region's [renewable energy](#) potential."

**More information:** Read the full report here:  
[www.seealliance.org/PDFs/RENEWABLE  
%20ENERGY%20IN%20THE%20SOUTH.pdf](http://www.seealliance.org/PDFs/RENEWABLE%20ENERGY%20IN%20THE%20SOUTH.pdf)

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