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Marine Policy Seminar Abstract
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Renewable Energy and Regional Compacts

Renewable energy development has moved to the forefront of the policy debate in recent years. Federal policy makers have proposed solutions to the nation's energy crisis that include offshore wind initiatives by agencies such as DOE (the 20% wind energy by 2030 guideline) and BOEMRE (the 'Smart from the Start' program). However, in the absence of federal legislation and regulation, individual states have begun to employ a variety of methodologies to encourage renewable energy development, such as implementation of state renewable portfolio standards and other 'green energy' laws. Frequently, policy makers create incentives to justify the economic costs of such policies by drafting laws that favor in-state generation and create local jobs. While these policies create a relatable and tangible platform for boosting local economies, laws that favor in-state generation may employ economically protectionist means to the disadvantage of other states. These laws may run afoul of the Dormant Commerce Clause of the United States Constitution, and are currently the source of litigation for imposing upon the well-established domain of Congressional legislation.

Regional compacts, or interstate agreements have the potential to avoid prospective Commerce Clause litigation while encouraging development of region-specific sources of renewable energy. As a case study, I will propose a regional compact for the states of Delaware, Maryland, Virginia, and New Jersey. By capitalizing on the powerful wind resource of the mid-Atlantic bight, these four coastal states in the PJM Interconnection region can achieve economies of scale and avoid duplicative infrastructure development. Further, such an approach has the potential to both mitigate ratepayer cost increases and encourage large-scale regional investment.

The seminar presentation will focus on regional compacts as a means to increase environmental and economic welfare through region and resource specific development. I will identify the benefits, challenges, and policy implications of such an undertaking, and will contend that an interstate compact can create an economically efficient and inclusive approach to renewable energy development.