



The Renewable Energy Certainty Act

Introduced By: Senators Peter Welch (D-Vt.); Sheldon Whitehouse (D-R.I.); Chris Van Hollen (D-Md.); Jeanne Shaheen (D-N.H.); Ben Cardin (D-Md.)

Background:

In 2022, renewables generated more than [20%](#) of all electricity in the U.S. and surpassed coal generation for the first time in history. Since then, the United States has built and deployed renewable energy at record rates following the passage of the *Inflation Reduction Act (IRA)*. While the renewable energy market in the U.S. is growing, the industry still faces many challenges, including the rising cost of capital.

As the [largest consumer of energy](#) in the country, the federal government can spur and benefit from clean energy development by entering into Power Purchase Agreements (PPAs) with renewable energy providers. However, current regulations prevent most federal agencies from entering PPAs with contract terms longer than 10 years, which can stifle renewable energy buildout at federal facilities. Shortened contract terms can also limit renewable energy providers' ability to offer federal agencies the best financial terms for PPAs while still prioritizing larger research and development investments.

Legislation:

The *Renewable Energy Certainty Act* will facilitate renewable energy buildout at federal facilities by amending the [National Energy Conservation Policy Act of 1978](#) to extend the maximum length of Federal Power Purchase Agreements from 10 to 30 years for renewable energy and cogeneration/combined heat and power facilities. Extending the duration of PPAs will also make clean energy investments more economically viable for renewable energy developers by establishing a longer pay-back period.

Additionally, the legislation directs the U.S. Secretary of Energy to establish a standardized energy purchase agreement to help federal agencies cut through bureaucratic red tape when acquiring energy from renewable sources or cogeneration facilities.

Endorsing Organizations:

The *American Renewable Energy Act* is endorsed by American Clean Power and the Solar Energy Industry Association.