



# **Feed in Tariffs and Federal Preemption**



# Federal Preemption

**Wholesale Sales**  
(sale to utility)



**Federal (FERC)**  
**Set rates**  
(exceptions exist)

**Retail Sales**  
(sale to end user)



**States (PUCs)**  
**Set rates**



## State FIT Design Option 1

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**Municipal utilities and other public utilities that are not regulated by the Federal Power Act**



## State FIT Design Option 2

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**Any utility may voluntarily  
implement a FIT**

## **State FIT Design Option 3**

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**FIT rate may be based on the avoided cost of the electricity, plus a payment for the associated RECs under PURPA (seller is a QF)**



## **State FIT Design Option 4**

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**State may set the rates and seek FERC approval of the rates**



## **State FIT Design Option 5**

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**Utilities required to  
purchase electricity from a  
State agency at set rates**



## More Information

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***Renewable Energy Prices in State-Level Feed-in Tariffs: Federal Law Constraints and Possible Solutions, the National Renewable Energy Laboratory (NREL) (January 2010)***