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For Immediate Release: December 2, 2010

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On behalf of Mid-Atlantic Solar Energy Industries Association and Pennsylvania Solar Energy Industries Association (MSEIA/PASEIA), the largest solar trade association in the mid-Atlantic region, I want to thank Penn Environment and its research partners for focusing on documenting solar jobs in the nation and in Pennsylvania in particular. Pennsylvania has seen substantial solar growth since the passage of the Advanced Energy Portfolio Standard of 2004. At that time, there were about a dozen solar installers in Pennsylvania, many of whom were working with the Sustainable Development Fund's PV Grant Program, a small program that incentivized residential solar projects in the Philadelphia area. Now, there are over 700 solar installers approved by the Department of Environmental Protection and many more people working as solar laborers, bookkeepers, cashiers, manufacturing, distributors, researchers, engineers, consultants; and in sales, finance, government relations to name a few. Solar development in our state is truly a success story. This new report shows Pennsylvania earned second place in the country by creating an estimated 6,700 solar jobs based on their survey results, only behind California. One of the true values of the Solar Foundation and their partners report is that it relied exclusively on actual survey responses by solar employers and was

not based on economic and job model projections. Several other studies have been conducted, such as the one done for Pennsylvania by Black & Veatch which showed impressive job growth in our state if our legislature had increased the solar share from 0.5% to 3%; but these jobs are not expected to materialize because the solar legislation did not pass before the session ended.

The Solar Foundation Report demonstrates that the solar industry is growing at a much faster rate than the economy overall. The Report also sought to find out if solar companies expected to add or cut jobs over the next twelve months. Fifty-five percent of surveyed firms expect to add employees while only two percent expect to cut workers over this period. Yet, I'm not at all convinced right now that Pennsylvania will see any solar growth in the next few years without a change in state policy. In fact, I would predict that Pennsylvania could easily be part of the 2% statistic "cutting jobs". Why? Without a legislative change to the solar share, solar businesses are likely to go to where there are solar friendly policies. Most of Pennsylvania's neighboring states, (New Jersey, Maryland, Delaware), now have more aggressive solar requirements than Pennsylvania. We were a leader in the country but we haven't kept pace and are rapidly falling behind. These neighboring states require an average of 2% of their electricity to come from solar while Pennsylvania is stuck at 0.5%. Without a higher requirement for this coming year and next, there will be virtually no market in Pennsylvania for solar renewable energy credits. The ability to sell these credits drives solar development.

The attached graph illustrates how the solar industry could become a victim of its own success. We have more projects installed and under development than we have buyers for the credits. This graph represents the solar credits - converted to solar PV capacity (MW) - the utilities and electric generation suppliers need to purchase each year compared to the number of projects already installed. Each installed project creates solar credits. Credits represent about one-half of the revenue stream to make solar projects financially viable. Without a market for the credits, projects can't be developed. In addition, the state solar rebate program, the PA. Sunshine Program is almost fully subscribed and Commonwealth Financing Authority's solar grant and loan program is fully subscribed.

With the rebate money almost exhausted, that leaves the solar industry even more reliant on the revenue from the solar renewable energy credits to stay in business. The solar industry in PA. is likely to come to a grinding halt if the legislature doesn't act to increase the solar requirement very soon.

The state of solar development in Pennsylvania is in serious jeopardy unless action is taken when the legislature returns. It will be up to Governor Corbett and the new legislature to answer the question as to whether Pennsylvania will be part of the continued growth of the solar industry or will fall victim to failed policy.

Maureen Mulligan

Sustainable Futures Communications on behalf of MSEIA/PASEIA

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