

## Help Save Solar Energy Jobs in Pennsylvania

Pennsylvania Solar Energy Industries Association has invited Representative Chris Ross, chief House sponsor of new legislation to fix the solar renewable energy credits market in Pennsylvania, to speak at a press conference launching his solar bill #1580.

**JOIN US ON TUESDAY, MAY 24<sup>TH</sup> AT 9:30 AM at the Media Center on the ground floor of the State Capitol Building in Harrisburg for our campaign launch, press conference and lobby day.**

Legislative action is critical to sustain and help grow the solar industry in Pennsylvania. Without it, solar businesses may be forced to close, many planned solar projects will never get off the ground, and solar system owners will not see the full value of their investment. Your presence is crucial to help convey the necessity of this bill and ensure the survival of solar energy in Pennsylvania over the next few years.

**Please RSVP to Linda Johansson via email at [ljohansson04@yahoo.com](mailto:ljohansson04@yahoo.com) or by phone at 215-514-9823**

We need to know if we can count on you  
May 24, 2011.

*Brian Communications (Brian Tierney) is assisting PASEIA organize this key event.*

### Take Action: Two things you can do to help today.

**Action 1.** Stay on top of developments and participate by joining PASEIA as a solar professional [www.mseia.net/membershipapp.php](http://www.mseia.net/membershipapp.php). (Very soon, you will also be able to join PASEIA as a solar energy supporter - stay tuned)

**Action 2. MOST IMPORTANT** - Contact your House Representative **ASAP** and ask him/her to co-sponsor Representative Chris Ross' solar bill, [Draft HB1580](#), which he will be introducing very soon ([memo](#)). The bill provides an easy "bridge" solution by adjusting the requirement in years 2012-2015 and restricting out of state projects so that Pennsylvania ratepayers would have to pay for out of state development of solar. If you are not sure who your Representatives are, it's easy to

find out: go at [www.legis.state.pa.us](http://www.legis.state.pa.us) – in the upper right hand corner, enter your zip code and you will see their contact information. Representative Ross' draft HB1580

*It would be great if you can make a call to your legislator:*

#### **Talking with Pennsylvania Legislators about Solar**

- The solar industry and its customers are currently experiencing a dramatic drop in the price of solar credits due to the lack of market demand for solar credits. This situation is getting worse and it is not going to improve for the next few years because the number of solar credits utilities need to comply with the law is set too low for the number of projects currently in operation or planned. The result is there is virtually no market for Pennsylvania SRECs.

#### **What Pennsylvania Solar Energy Industry Association is asking our legislators for in Pennsylvania**

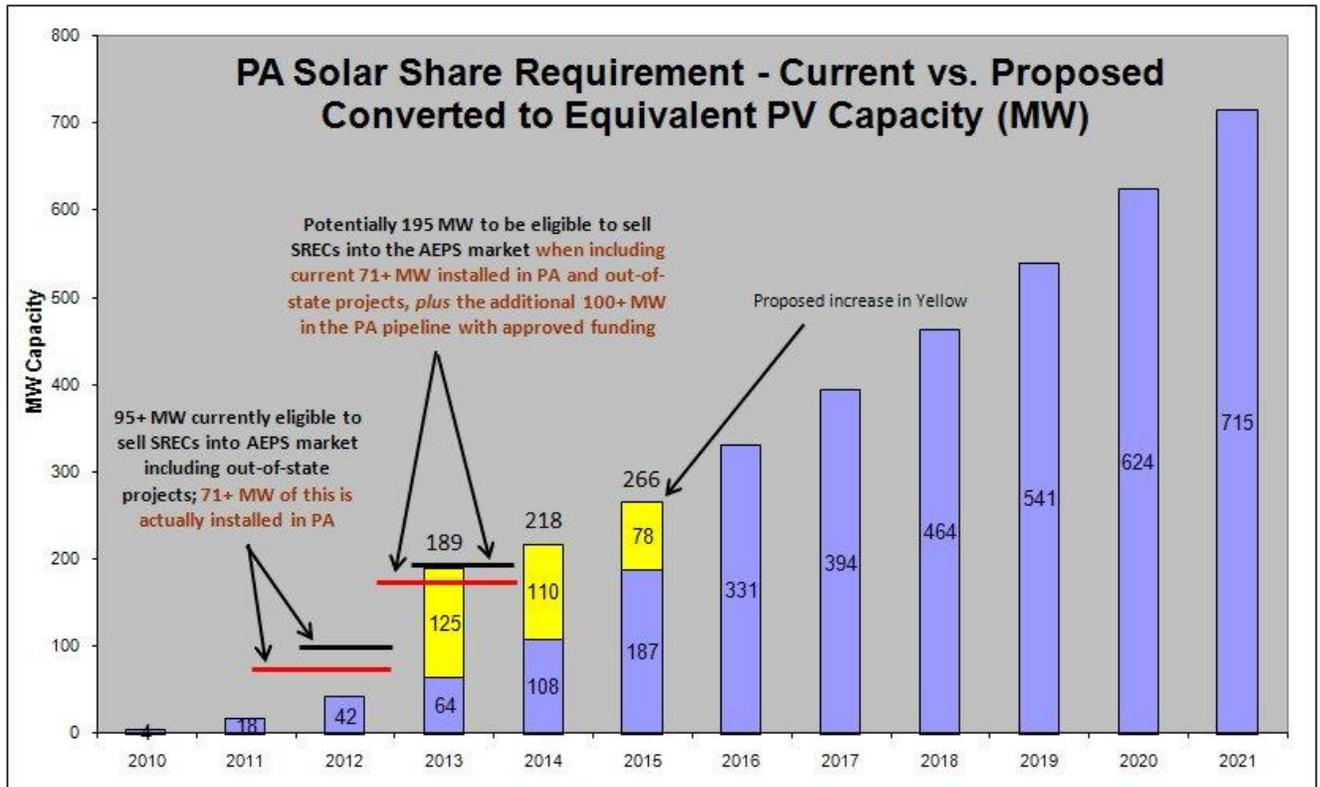
- A small fix to the solar share in the years 2012-2013 through 2014-2015 so the requirement more closely matches the growth in solar demand with the market.
- Closure of the state borders so that Pennsylvania can restrict the flow of out of state projects which is contributing to the oversupply of SRECs. Pennsylvania will benefit from the jobs and development of in-state solar projects and the societal benefits of having solar projects limited to in-state. This approach is consistent to what has been done in New Jersey, New York, Delaware, Maryland and also proposed in DC. Ohio's AEPS mandates 50% of the projects (SRECS) come from in state resources.

#### **Rationale:**

- Solar renewable energy credits account for a significant percent of the revenue stream over the life of the solar project and without a fair price for the SREC, many projects will not be financeable.
- Consumers who were counting on receiving a higher value for their SRECs will be disappointed, confused and generally very concerned with the crashing value because it will increase their "payback" period.
- Customers with systems recently completed will have great difficulty selling their SRECs which was a strong selling point to invest in solar.
- Additional projects are unlikely to be financeable - halting solar development for several years until the requirement catches up to the SRECs supply
- Customer confusion in the marketplace as to the reliability of SRECs pricing is undermining the solar market in the state.
- Jobs will be lost at a time when the industry is growing and reducing prices and more workers are getting trained in solar fields.

Here are two sample letters if you prefer to write your legislator. One is for [Solar Installers](#), and the other one is for [Solar Owners](#).

Below shows the current solar share requirement, along with the current status of installed systems, and the proposed increase of the solar share requirement over the next few years:





AN ACT

1 Amending the act of November 30, 2004 (P.L.1672, No.213),  
 2 entitled, "An act providing for the sale of electric energy  
 3 generated from renewable and environmentally beneficial  
 4 sources, for the acquisition of electric energy generated  
 5 from renewable and environmentally beneficial sources by  
 6 electric distribution and supply companies and for the powers  
 7 and duties of the Pennsylvania Public Utility Commission,"  
 8 further providing for alternative energy portfolio standards  
 9 and for portfolio requirements in other states.

10 The General Assembly of the Commonwealth of Pennsylvania  
 11 hereby enacts as follows:

12 Section 1. Sections 3(b)(2) and 4 of the act of November 30,  
 13 2004 (P.L.1672, No.213), known as the Alternative Energy  
 14 Portfolio Standards Act, amended July 17, 2007 (P.L.114, No.35),  
 15 are amended to read:

16 Section 3. Alternative energy portfolio standards.

17 \* \* \*

18 (b) Tier I and solar photovoltaic shares.--

19 \* \* \*

20 (2) The total percentage of the electric energy sold by  
 21 an electric distribution company or electric generation

1 supplier to retail electric customers in this Commonwealth  
2 that must be sold from solar photovoltaic technologies is:

3 (i) 0.0013% for June 1, 2006, through May 31, 2007.

4 (ii) 0.0030% for June 1, 2007, through May 31, 2008.

5 (iii) 0.0063% for June 1, 2008, through May 31,  
6 2009.

7 (iv) 0.0120% for June 1, 2009, through May 31, 2010.

8 (v) 0.0203% for June 1, 2010, through May 31, 2011.

9 (vi) 0.0325% for June 1, 2011, through May 31, 2012.

10 (vii) [0.0510%] 0.1500% for June 1, 2012, through  
11 May 31, 2013.

12 (viii) [0.0840%] 0.1700% for June 1, 2013, through  
13 May 31, 2014.

14 (ix) [0.1440%] 0.2041% for June 1, 2014, through May  
15 31, 2015.

16 (x) 0.2500% for June 1, 2015, through May 31, 2016.

17 (xi) 0.2933% for June 1, 2016, through May 31, 2017.

18 (xii) 0.3400% for June 1, 2017, through May 31,  
19 2018.

20 (xiii) 0.3900% for June 1, 2018, through May 31,  
21 2019.

22 (xiv) 0.4433% for June 1, 2019, through May 31,  
23 2020.

24 (xv) 0.5000% for June 1, 2020, and thereafter.

25 \* \* \*

26  
27 Section 4. Portfolio requirements in other states.

28 (a) General rule.--If an electric distribution supplier or  
29 electric generation company provider sells electricity in any  
30 other state and is subject to renewable energy portfolio

1 requirements in that state, they shall list any such requirement  
2 and shall indicate how it satisfied those renewable energy  
3 portfolio requirements. To prevent double-counting, the electric  
4 distribution supplier or electric generation company shall not  
5 satisfy Pennsylvania's alternative energy portfolio requirements  
6 using alternative energy used to satisfy another state's  
7 portfolio requirements or alternative energy credits already  
8 purchased by individuals, businesses or government bodies that  
9 do not have a compliance obligation under this act unless the  
10 individual, business or government body sells those credits to  
11 the electric distribution company or electric generation  
12 supplier. Energy derived from alternative energy sources inside  
13 the geographical boundaries of this Commonwealth shall be  
14 eligible to meet the compliance requirements under this act.  
15 Energy derived from alternative energy sources located outside  
16 the geographical boundaries of this Commonwealth but within the  
17 service territory of a regional transmission organization that  
18 manages the transmission system in any part of this Commonwealth  
19 shall only be eligible to meet the compliance requirements of  
20 electric distribution companies or electric generation suppliers  
21 located within the service territory of the same regional  
22 transmission organization. For purposes of compliance with this  
23 act, alternative energy sources located in the PJM  
24 Interconnection, L.L.C. regional transmission organization (PJM)  
25 or its successor service territory shall be eligible to fulfill  
26 compliance obligations of all Pennsylvania electric distribution  
27 companies and electric generation suppliers. Energy derived from  
28 alternative energy sources located outside the service territory  
29 of a regional transmission organization that manages the  
30 transmission system in any part of this Commonwealth shall not

1 be eligible to meet the compliance requirements of this act.

2 Electric distribution companies and electric generation  
3 suppliers shall document that this energy was not used to  
4 satisfy another state's renewable energy portfolio standards.

5 (b) Solar photovoltaic technology.--To meet the requirements  
6 of this section, all solar photovoltaic technology registered  
7 after January 1, 2012, shall directly deliver the electricity it  
8 generates to the distribution system operated by an electric  
9 distribution company operating within this Commonwealth and  
10 currently obligated to meet the compliance requirements  
11 contained in this act.

12 Section 2. This act shall take effect in 60 days.

**CHRIS ROSS, MEMBER**  
158TH LEGISLATIVE DISTRICT

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P.O. BOX 835, UNIONVILLE, PA 19375  
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**House of Representatives**  
Commonwealth of Pennsylvania  
Harrisburg

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**COMMITTEES**  
URBAN AFFAIRS, MAJORITY CHAIRMAN  
ENVIRONMENTAL RESOURCES & ENERGY

**MEMBER**  
POLICY COMMITTEE  
LOCAL GOVERNMENT COMMISSION

To: All House Members

From: Rep. Chris Ross *CR*

Date: May 6, 2011

Subject: Proposed Legislation - **Solar Renewable Energy Credits**

In the near future, I will be introducing legislation to address the rapidly unfolding crisis in the solar energy development industry here in Pennsylvania.

When we created the Alternative Energy portfolio Standards legislation in 2004, the solar energy requirements were carefully constructed to start low and increase very gradually over the first 10 years. We also allowed facilities that were established in other neighboring states and were part of our PJM management transmission network to qualify for Pennsylvania's solar renewable energy credits.

Over the past several years, a very substantial increase in solar installations, due to grant programs such as Pennsylvania Solar, have overwhelmed the solar renewable energy requirements. For example, the credit year total requirements are 44 megawatts, but we currently have at least 78 megawatts that are registered and which qualify for credits.

In the near future, based on Pennsylvania solar grant approvals, another 110 megawatts will be coming on line, which will eliminate all incentives for new installations until 2015. A number of solar developers have confirmed that they are pulling out of Pennsylvania and taking their jobs to other states. Furthermore, neighboring states have refused to extend reciprocity, and either restrict or don't accept Pennsylvania solar installations as qualifying for their renewable energy credits.

Therefore, my legislation would propose to adjust the solar renewable energy credits for years 2012-13, 2013-14 and 2014-15 to bring the demand for credits back in line with expected supply, and require future registration of solar installations to be restricted to those tied to Pennsylvania's distribution network.

If you wish to cosponsor this legislation, please contact Rita Markle, 717-783-1574 or via Groupwise at: [rmarkle@pahousegop.com](mailto:rmarkle@pahousegop.com).

CR/dlm

Dear Representative \_\_\_\_\_,

I'm a solar professional working in Pennsylvania. I'm concerned with the industries ability to move forward unless there is a change to the solar share. Despite strong advocacy from solar installers, businesses and individuals interested in advancing solar, the legislature has yet to act to fix the solar share. Whether the solar market in Pennsylvania will continue on its growth trajectory or whether it will experience job losses is dependent on fixing the current solar requirement. The price of the solar credits is dropping so dramatically due to lack of demand for the credits that few solar projects will be financeable in the foreseeable future. There are currently many more solar projects generating solar credits than the utilities currently have to purchase, and this situation is unlikely to improve until approximately 2015-2016 without legislative attention. In the meantime, many solar businesses will not be able to remain afloat if they can't make project financing work.

In addition to the oversupply from Pennsylvania based solar facilities, Pennsylvania is one of only two states (the other is Washington, DC, which will be closing its border soon) that will accept solar credits from any of the other 13 PJM states. This is contributing to the influx of projects from other states, and will crowd out future installations in Pennsylvania. This is taking away working opportunities for Pennsylvanian contractors like my business. Why should Pennsylvania ratepayers support jobs and solar installations in other states? The Ross legislation closes this loophole.

There are many benefits to Pennsylvania when individuals and businesses invest in solar including helping to reduce wholesale electricity prices which determine the price all consumers pay; and providing Pennsylvania with well paid, in-state clean energy jobs. According to a 2010 Solar Foundation Report, Pennsylvania is a US leader in creating solar jobs. These jobs and future project solar development are at risk if the legislature takes no action at this time.

Specifically PASEIA and my business respectfully request that you co-sponsor Representative Chris Ross' solar bill, reserved as House bill #1580, which is about to be introduced to correct these two issues. First, the bill would move some of the solar demand in future years to next year. It won't increase the overall solar requirement at the end of the AEPS program in 2021, it will merely move it up sooner to correct the current supply and demand imbalance caused by the successful Sunshine Grant Program and federal tax incentives. Also, it would close the borders of Pennsylvania, so that only solar facilities based in Pennsylvania would receive financial support from Pennsylvania ratepayers.

Passing this bill will substantially help keep my business continue to install solar projects in Pennsylvania, otherwise the near term future for my business doing any solar work is very uncertain.

We look forward to your help.

Sincerely,

Dear Representative \_\_\_\_\_,

I am writing this letter to ask for your help. We recently installed solar photovoltaic panels on our property in \_\_\_\_\_. Even with the PA Sunshine Grant the upfront cost was substantial. We were counting on the Solar Renewable Energy Credits (SRECs), which the state created, to make the solar project affordable. Unfortunately, due to the tremendous success of the Sunshine Grant Program and large federal tax incentives, there is now a massive oversupply of SRECs on Pennsylvania and their value has dropped by more than 70% in the last 6 months from over \$300/SREC to under \$100/SREC. Without any changes from Harrisburg, the market has enough solar installed now to meet demand for the next three years. We won't see any recovery in prices and the state will lose many of the jobs that were created by the solar industry.

In addition to the oversupply from Pennsylvania based solar facilities, Pennsylvania is one of only two states (the other is Washington, DC) that will accept solar credits from any of the other 13 PJM states. This will crowd out future installations in Pennsylvania and makes our ratepayers support jobs and solar installations in other states. That makes no sense at all, especially when most other states with solar credit programs have closed their borders.

I am asking you to co-sponsor Representative Chris Ross' solar bill, reserved as House bill #1580, which is about to be introduced to correct these two issues. First, the bill would move some of the solar demand in future years to next year. It won't increase the overall solar requirement at the end of the AEPS program in 2021, it will merely move it up sooner to correct the current supply and demand imbalance caused by the successful Sunshine Grant Program and federal tax incentives. Also, it would close the borders of Pennsylvania, so that only solar facilities based in Pennsylvania would receive financial support from Pennsylvania ratepayers.

I hope you will use your leadership position to quickly move this important legislation forward without amendments.

Thank you for your help with this important matter and I look forward to hearing from you.

Sincerely,

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