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FOR IMMEDIATE RELEASE

New Study Finds that Solar Power is a Bargain for Ratepayers in New Jersey and Pennsylvania

The value solar energy delivers exceeds its cost by 50% to over 100%

Bordentown- November 5, 2012 - The Mid-Atlantic Solar Energy Industries Association (MSEIA) and the Pennsylvania Solar Energy Industries Association (PASEIA) today released a study by consulting firm Clean Power Research showing that solar power in New Jersey and Pennsylvania delivers value to the electric grid that exceeds its cost by a large margin, making it a bargain for energy consumers.

Energy providers in New Jersey and Pennsylvania are required to buy certain amounts of solar power each year. They pay a premium for that solar power in the form of Solar Renewable Energy Certificates, or SRECs, and pass this premium cost on to ratepayers. The study found that solar power delivers a total levelized value ranging from \$256 to \$318 per MWh (25.6 cents to 31.8 cents per kWh). However, this includes a premium value in the range of \$150 to \$200 per MWh (15 cents to 20 cents per kWh), above the value of the solar electricity generated. The SRECs in New Jersey currently cost about \$60/MWh (6 cents per kWh), and in Pennsylvania they cost about \$20/MWh (2 cents per kWh).

“This indicates that electric ratepayers in the region are getting more than a two-to-one return on their investment in solar energy”, said Dennis Wilson, President of MSEIA, “Although the current SREC prices are unsustainably low, our analysis indicates that SRECs can increase in price, deliver net benefits and still support strong solar growth. Solar power has proven it can deliver value that exceeds its cost by 50% to over 100%. This net positive benefit will only increase as solar technology continues to drop in cost”.

Full text of the report is available at: <http://mseia.net/site/wp-content/uploads/2012/05/MSEIA-Final-Benefits-of-Solar-Report-2012-11-01.pdf>

“Both states have considered expanded investments in solar energy. This study shows that such programs and policies are well justified from an economic standpoint and generate far more in-state jobs than central plant generation. Add together the proven public health, security and environmental benefits, and it’s clear that aggressive solar power development is a win for these states and their residents,” said Lyle Rawlings, Vice President of MSEIA, New Jersey division.

“We are very excited about this study”, said Ron Celentano, President of PASEIA and Pennsylvania VP of MSEIA. “For the first time the solar industry can show the quantitative benefits of implementing solar energy technologies specifically in Pennsylvania and New Jersey. For more than three years we have been unsuccessful with enhancing our solar share requirement in Pennsylvania, largely because solar was perceived as only a cost to rate payers. But this study concludes that the value of solar far exceeds the costs to both the rate payer and taxpayer.”

“Solar PV does not get a fair shake in our current utility accounting protocols because those rules evolved for centralized, large scale power plants” says Roger Clark, manager of The Reinvestment Fund’s Sustainable Development Fund, a major funder of this study. “We supported this study because it is critical to understand the costs and benefits of solar so that our energy policies, such as Pennsylvania’s Alternative Energy Portfolio Standards Act, are grounded on an accurate perception of the value of solar energy.”

Both New Jersey and Pennsylvania are major solar markets in terms of the amount of solar capacity already installed. Each has great opportunity for continued clean energy industry growth. New Jersey, the nation’s second-largest solar market with 900 MW of solar capacity, is the first state to generate more than 1% of its annual electricity from solar energy. Its annual solar share is now approaching one and a half percent, with contributions during peak demand periods several times higher. Once one of the nation’s fastest growing solar markets, Pennsylvania has since fallen to eighth place in installed capacity. Increasing the state’s near-term solar commitment would put Pennsylvania solar growth back on track.

According to Richard Perez, one of the authors of the study, “This report broke new ground in that it incorporated a wealth of utility power cost data, enabling detailed analysis of economic drivers such as the ‘merit order effect’, according to which power can have different values depending on when it is generated. Solar energy has inherent advantages stemming from such economic drivers”. Today’s report assessed the value of modest solar penetration (15% of utility peak load) at six locations: Pittsburgh, Harrisburg, Scranton, Philadelphia, Newark, Atlantic City, and Jamesburg. Research concluded that by offsetting the need for conventional power, distributed solar power delivers measurable benefits, including:

- Lower conventional electricity market prices due to reduced peak demand;
- Valuable price hedge from using a free, renewable fuel rather than variably-priced fossil fuels;
- Avoided costs of new transmission and distribution infrastructure to manage electricity delivery from centralized power plants;
- Reduced need to build, operate and maintain natural gas generating plants;

- Reduced outages due to a more reliable, distributed electric power system;
- Reduced future costs of mitigating the environmental impacts of coal, natural gas, nuclear, and other generation;
- Enhanced tax revenues associated with local job creation, which is higher for solar than conventional power generation.

Prepared by Clean Power Research, the report was funded by the following organizations: The Reinvestment Fund's Sustainable Development Fund, Mid Atlantic Solar Energy Industries Association, Advanced Solar Products, SMA Americas, Vote Solar, Renewable Power, and Geoscape Solar.

About MSEIA

MSEIA, the Mid-Atlantic Solar Energy Industries Association, is a solar energy advocacy trade association which represents over 100 solar companies doing business in New Jersey, Pennsylvania, and Delaware.

Established in 1997 by solar energy advocates, MSEIA is an historic and highly-effective non-profit membership organization created to advocate for solar energy incentives, create permanent solar energy jobs and a renewable energy infrastructure, and promote solar energy as a viable and important source of energy for the future. Our efforts in the legislature and with the Board of Public Utilities have been instrumental in helping to create the New Jersey solar industry.

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About PASEIA

The Pennsylvania Division of MSEIA. PASEIA is an organization of manufacturers, developers, contractors, installers, architects, engineers, consultants and other industry professionals dedicated to advancing the interests of solar energy and to developing a strong local PA industry offering high quality installation and professional services to business and residential customers in the region we serve.

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