

# Pennsylvania Update

MSEIA – 1st Qrtly Mtg - 2018

# Solar Update Highlights in PA – 2/15/2018

- Act 40 – Solar Jobs Bill (a.k.a., Close the Borders Bill) Enacted Oct 30, 2017. This was followed by the PA PUC issuing a disastrous Tentative Implementation Order ....
- C-PACE (SB234) passed the Senate, 42 to 8, in the last days of January, 2018. Getting through the House is next....
- Finding PA's Solar Future – DEP SunShot Project – draft plan stage.....
- PECO Interconnection Issues – 4 kV distribution lines continue to be problematic.....
- PA Community Solar Collaborative launched.....
- Solar jobs increase in PA in 2017 by 26%
- Philadelphia Solar Energy Association (PSEA) – Resurrected....

# Update on Some of the Legislative and Regulatory Activities Over the Last Quarter

**Signing of HB118, enacting Act 40 – PA SREC Border Bill (passed 10/18/2017; enacted 10/30/2017) – Problems followed by the PUC**

**HB1782** – Alternative Ratemaking - Rep. Delozier (referred to Consumer Affairs – 9/14/2017)

Alternative ratemaking methodologies being considered for further review

- Revenue decoupling
- Performance based ratemaking
- Formula rates
- Revenue Adjustment Mechanisms
- Multi-Year Rate Plans

Other considerations:

- Net metering issues
- Performance incentives
- Demand charges
- Time-of-Use rates
- Increased fixed charges
- Value of Solar
- Buy All / Sell All

Public Hearing on 11/20/2017; House Committee Consumer Affairs

Testimonies by **PUC**: Commissioner Place; **Utilities**: Energy Association of PA, PECO, PPL, Aqua PA, Peoples Network, ...; **Enviros & EE/DER**: KEEA, NRDC...; **EGS**: NRG, Just Energy,...; **Consumer Advocate**: PA Office of Consumer Advocate, Small Business Advocate, Industrial Business Advocate, Low Income Advocate

**HB1799** – PA Solar for All Program - Rep. Bullock (referred to Consumer Affairs – 9/20/2017)

- Make solar energy more accessible to low-income and disadvantaged Pennsylvanians
- Allow utilities - electric distribution companies (EDCs) to own and operate PA solar generation facilities
- Allow EDCs to offer incentives for net metered customer-generators to monitor and control electricity delivered to the grid (possibly for storage)
- Allow EDCs to create a low-income program and provide discounts to low income customers related to the solar energy credits generated from their facilities

**SB234** – C-PACE (Commercial Property Assessed Clean Energy) - Sen. Blake (Referred 1/31/2017; Amended & First Consideration 10/24/2017)

## Interconnection

- PUC Joint Solar Collaborative statewide was held on Nov 17, 2017, including solar professionals, EDCs and others (180 days – app life)
- PECO interconnection seminar for municipalities – coordinated by DVRPC, on Nov 8, 2017

# Act 40 – Solar Jobs Bill

- Act 40 – Solar Jobs Bill (a.k.a., Close the Borders Bill) Enacted Oct 30, 2017

Intent – PA solar compliance could only be met by SRECs generated from PV facilities installed in PA;

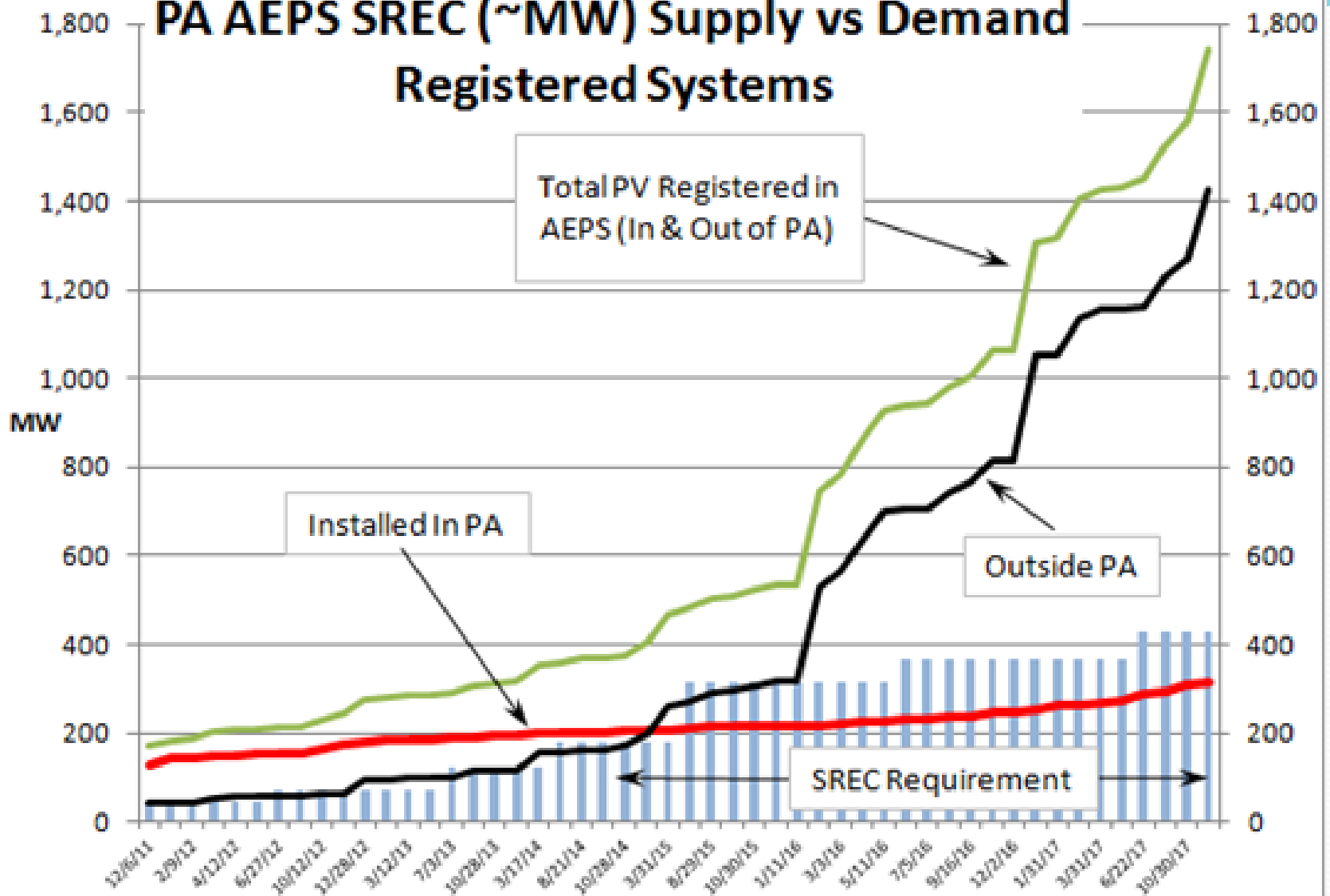
Exceptions – SRECs from out-of-state PV facilities having existing contracts with obligating entities (primarily EDCs and EGSs) were still eligible to meet the solar compliance, until those contracts ended (renewals not allowed).

Out-of-state facilities still eligible to sell SRECs into the Tier 1 (non-solar) compliance market;

# Act 40 – Solar Jobs Bill

- PASEIA learned that the PA PUC was grossly misinterpreting Act 40
- PASEIA sent a detail memo clarifying the intent of Act 40 to each of the PUC Commissioners before the PUC took action (i.e., issued an order)
- The PUC issued a Tentative Implementation Order (TIO) for Act 40, which was grossly out of alignment with the act's intent, as it currently grandfathers all existing certified out-of-state solar facilities eligible to continue to sell SRECs to PA's solar compliance market.
- 2 of the 5 Commissioners issued a separate Joint Statement that was aligned with the act's intent. Apparently, PASEIA's memo was the basis for the Joint Statement.
- PASEIA's memo was also the basis for most of the comments that poured into the PUC, which addressed the following issues:
  - Certification language
  - Contract language
  - Out-of-state banked SRECs eligibility
  - Allowing new out-of-state PV facilities to be certificated after Act 40 was enacted
- SUNWPA prepared comments for group signatures with resulted in, 89 businesses, +87 solar businesses, + 1,158 residential solar customers.

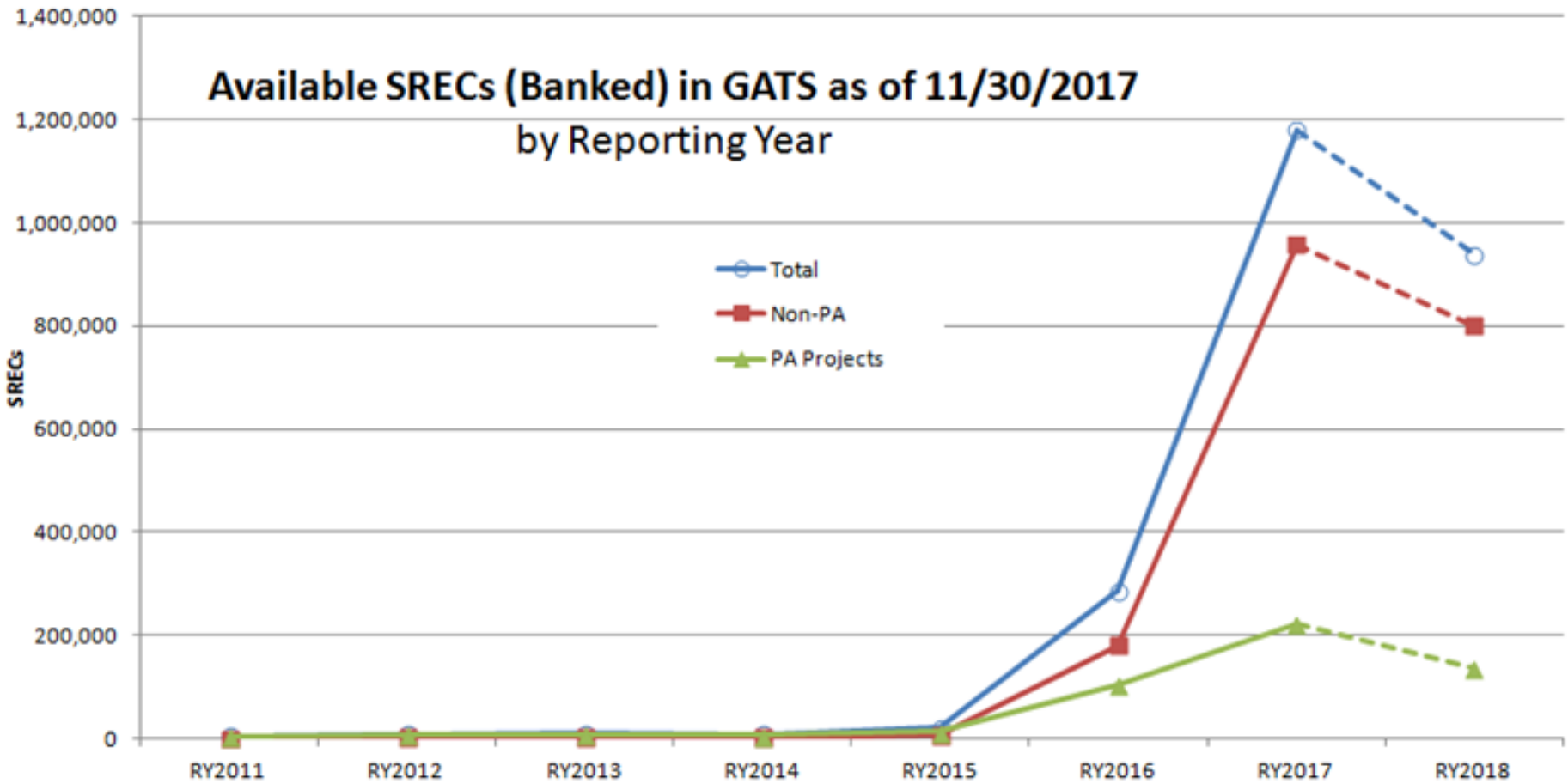
# PA AEPS SREC (~MW) Supply vs Demand Registered Systems



PASEIA - 12/10/2017

~ 1,139 SRECs/Yr per MW Equivalent (AEPS)

## Available SRECs (Banked) in GATS as of 11/30/2017 by Reporting Year



# Finding Pennsylvania's Solar Future

The Finding Pennsylvania's Solar Future Initiative brought together a diverse array of stakeholders and project partners to explore the pathways to increase solar energy production in Pennsylvania such that a goal of **10 percent** of Pennsylvania's electricity consumption may come from in-state solar generation resources **by 2030**. Reaching that goal would represent an approximate additional deployment of over 11 GW of solar generation capacity in Pennsylvania over the next 12 years.



# Finding Pennsylvania's Solar Future

- Consists of three workgroups:
  - Regulatory and Ratemaking
  - Markets and Business Models
  - Operations and Interconnection
- Held Four Quarterly Stakeholder Meetings, so far
  - March 2017 – Harrisburg, PA
  - June 2017 – Pittsburgh, PA
  - September 2017 – Philadelphia, PA
  - December 2017 – Harrisburg, PA

Next two meetings – March 2018 in Pittsburgh, PA, and June 2018 in Philadelphia, PA

- Held two webinars: 1) Alternative Ratemaking, and 2) Low Income Community Solar
- Completed final draft of our Strategy Brief
- Completed 1<sup>st</sup> draft of PA Solar Future Plan – working on recommendations



# Finding Pennsylvania's Solar Future

	Reference Scenario	Solar A	Solar B
<b>Overall Target</b>	0.5% solar by 2020	10% in-state solar by 2030	10% in-state solar by 2030
<b>Total Solar Capacity in 2030</b>	1.2 GW	11 GW	11 GW
<b>Distributed Capacity in 2030</b>	0.6 GW	3.9 GW (35% of total) ½ residential and ½ commercial	1.1 GW (10% of total ) ½ residential and ½ commercial
<b>Grid Scale Capacity (&gt;3MW) in 2030</b>	0.6 GW	7.1 GW (65% of total)	9.9 GW (90% of total)
<b>Alternative Energy Portfolio Standard (AEPS)</b>	Assumes AEPS efficiency trends continue support beyond 2020	Assumes AEPS efficiency trends continue support beyond 2020	Assumes AEPS efficiency trends continue support beyond 2020
<b>Federal ITC</b>	Modeled as a reduction in installed costs. Phase out by 2023	Modeled as a reduction in installed costs. Phase out by 2023	Modeled as a reduction in installed costs. Phase out by 2023

Using the LEAP model (Long-range Energy Alternatives Planning System). LEAP offers a framework for energy supply and demand accounting, enabling users to work with existing data sets to construct and compare future energy scenarios.