



Pennsylvania Solar Jobs Bill

Protecting our state's small businesses and workers

Senators Scavello and Argall introduced the PA Solar Jobs Bill (or Solar Energy Credit Legislation) – SB 404. The bill will allow only PA-sited solar facilities to generate PA certified solar renewable energy credits (SREC) and will end subsidization of companies and solar projects in other states.

WHAT IS THE SOLAR CARVE OUT in the AEPS?

The Alternative Energy Portfolio Standard (AEPS) of 2004 requires that 8% of our electricity comes from renewable energy sources. Of that, 0.5% is required to come from solar photovoltaic (PV) energy generated from about 645 megawatts (MW) of installed PV capacity by the year 2021. This law was enacted to encourage the adoption of renewable energy in the Commonwealth.

WHAT IS AN SREC?

When a solar system produces 1 megawatt hour (MWh) of power, that system earns one solar renewable energy credit (SREC). A typical residential system would earn about 6 – 9 SRECs each year. The SRECs are sold on a market and are purchased by the utilities to fulfill the requirements specified in the AEPS. The price of the SREC drives investment into solar energy systems by farmers, homeowners, businesses, investors and others.

THE AEPS IS NOT WORKING PROPERLY

Unfortunately, the AEPS allows any solar system located in the 13 states of the PJM Interconnection region to be eligible to receive our SRECs. Most other states only allow in-state solar to qualify for their credits. This loophole has resulted in a massive over-supply of solar from other states registered in the Pennsylvania AEPS compliance program and far exceeds the solar requirement of the AEPS for 2021 – ***five years ahead of schedule and 78% of that is from out-of-state solar projects.*** [SEE FIGURES 1 AND 2]. This oversupply has resulted in a devastating drop in the SREC price. Several years ago Pennsylvania's SREC was worth as much as \$350/SREC, but is now worth \$7/SREC or less.

DEVASTATING LOSS OF PENNSYLVANIA JOBS

The devaluing of Pennsylvania's solar has led to the dramatic loss of investment and jobs while at the same time other states such as New Jersey, Massachusetts, New York, Maryland and North Carolina see their solar industry hiring thousands of new workers every year. ***Pennsylvania ratepayers are essentially subsidizing thousands of out-of-state jobs and rewarding solar owners outside of PA for their investment.*** Our state dropped from the 4th leading solar state in 2013 to 17th place today.

SOLUTION: Close the borders of the AEPS and allow only Pennsylvania-sited solar systems to receive credit under the AEPS.

Other facts:

- Total solar PV capacity registered (1,218 MW) into the PA AEPS has significantly exceeded the final solar requirement by 2021 (~ 645MW) – **five years ahead of schedule by more than 89%**.
- Of the total solar capacity registered in PA, **78% is coming from out-of-state projects** and most of the out-of-state (613MW) came online in 2016, alone (PA installed 37 MW during that time).
- **North Carolina has registered well over twice the solar capacity in the PA AEPS compared to all the solar installed in Pennsylvania.**
- The PA SREC price hangs at ~\$7 per SREC versus New Jersey's at ~ \$230/SREC. New Jersey has a higher solar requirement and a closed border - and is the 4th leading solar state.

FIGURE 1: Amount of Solar Registered (supply) Vs. Amount of Solar Required by AEPS (demand) for Out-of-State Systems (black), Pennsylvania Systems (red) and Total Capacity (PA + Out-of-State; green)

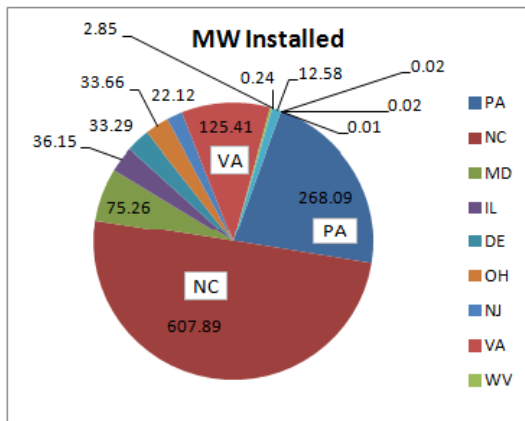
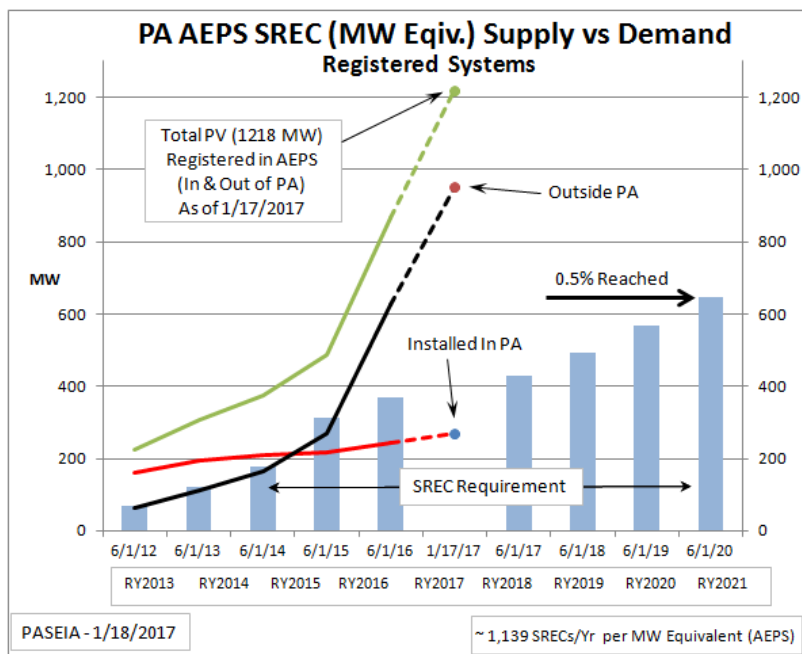


FIGURE 2: Number of Solar PV Systems and Solar Capacity (MW) Registered in the Pennsylvania AEPS Program – by State of Origin

State	MW	# Systems
PA	268.1	11,042
	22%	71%
NC	607.9	59
VA	125.4	1,716
MD	75.3	223
IL	36.1	113
OH	33.7	391
DE	33.3	1,606
NJ	22.1	81
IN	12.6	13
WV	2.9	304
DC	0.2	68
MI	0.0	3
TN	0.0	3
KY	0.0	1
Subtotal	949.5	4,581
	78%	29%
Grand Total	1,217.6	15,623

