



Solar in Pennsylvania and the Need for House Bill 1580

The Issue

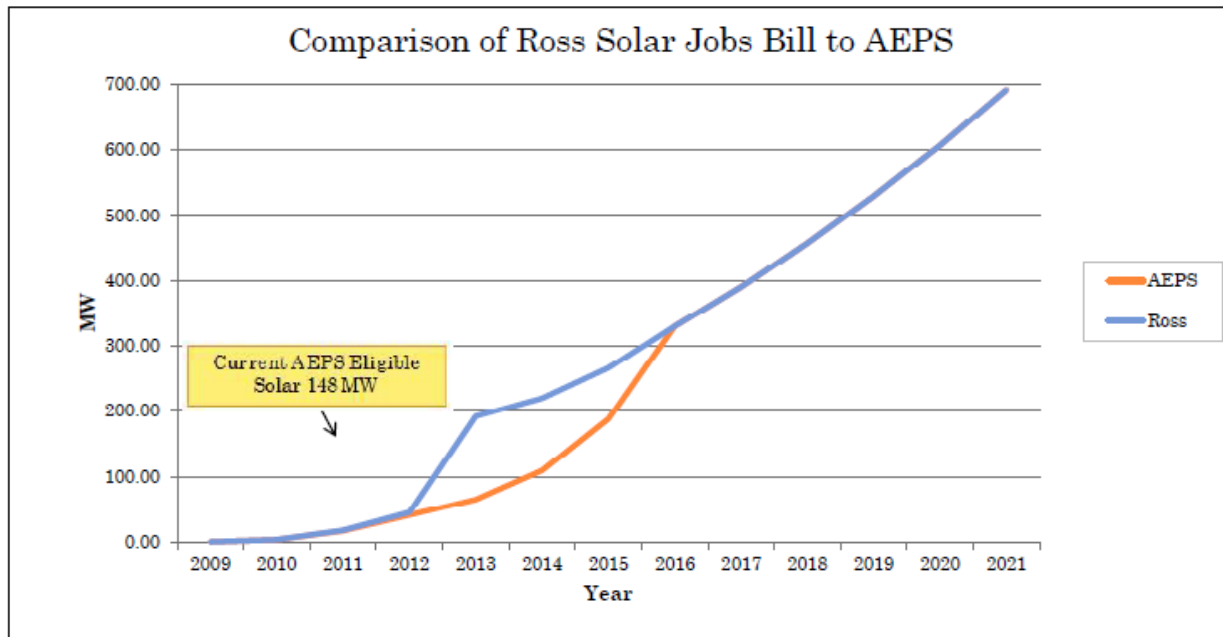
The price of Pennsylvania SRECs has dropped significantly over the last several months because of a large oversupply in the market. Without a small correction to the utilities' requirements to purchase solar energy credits, and without a provision that requires the utilities to purchase SRECs in Pennsylvania, the price of SRECs can be expected to remain low for the next few years, until the utilities' SREC purchasing requirements catch up with what is available.

The recent price drop can be attributed to several factors, but a few are worth noting:

- Pennsylvania is the only state in the PJM region that allows SRECs from any other PJM state to be used for compliance by the utility companies. This has diluted the value of Pennsylvania-generated SRECs. (PJM is the regional grid operator, and operates the electric transmission grid for 14 states.)
- The utilities have a very small requirement to purchase solar energy credits relative to requirements in other states.

Facts about House Bill 1580

- House Bill 1580 proposes a small correction in the amount of SRECs the utility companies must buy in the years 2012 through 2015, so that the requirement more closely matches the growth of solar demand.
- This legislation will not increase the overall solar requirement in Pennsylvania, but instead shifts the requirement forward so that the solar energy industry can be sustained and continue to grow.
- Importantly, the bill requires utility companies in Pennsylvania to obtain SRECs solely from projects within the state. This will ensure that Pennsylvania solar will be used to satisfy Pennsylvania's solar requirement, instead of subsidizing solar in other states.



Benefits of Solar Energy

- Solar is the cleanest and most abundant energy source available.
- Solar energy is the fastest growing energy technology in the country, with the U.S. solar market currently a \$6 billion industry.
- Last year, the U.S. ranked fourth in the world for new solar electric installations behind Germany, Italy and the Czech Republic.
- The U.S. solar industry currently employs over 93,000 solar workers.
 - In 2011, Pennsylvania has 4,703 solar jobs, ranking # 4 in the nation.
 - There are 750 companies in the solar industry in Pennsylvania, including manufacturers and installers.
- Solar energy helps lower utility bills for everyone, because it provides power to the grid during peak hours (like hot summer afternoons), when utility companies charge the most.

Link to House Bill 1580

<http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=HTM&sessYr=2011&sessInd=0&billBody=H&billTyp=B&billNbr=1580&pn=2593>