






Senate of Pennsylvania

OCT 21 2011

TO: All Senators

FROM: Senator Dave Argall   
Senator Edwin B. Erickson   
Senator John P. Blake 

DATE: October 20, 2011

SUBJECT: Solar Renewable Energy Credits

The Alternative Energy Portfolio Standards Act was passed in 2004. At that time the solar energy requirements were structured to start low and increase gradually over a ten year period. The legislation also allowed solar energy providers in neighboring states to qualify for solar energy credit incentives.

In recent years, solar installations have increased substantially due to grant programs such as Pennsylvania Solar. This increase in installations has overwhelmed the solar renewable energy requirements and has created a potential crisis in the solar energy development industry in Pennsylvania. The current year credit requirements are at 44 megawatts, but Pennsylvania has 78 megawatts registered that qualify for credits.

In the near future, based on Pennsylvania solar grant approvals, another 110 megawatts will be coming online. This increase will eliminate all incentives for new installations until 2015. Because of this disparity, a number of solar developers have confirmed that they are pulling out of Pennsylvania to move to more solar friendly states. In addition to the loss of jobs, neighboring states have refused to extend reciprocity to Pennsylvania and either restrict or don't accept Pennsylvania solar installations as qualifying for their state's renewable energy credits.

Our legislation will adjust the solar renewable energy credits for years 2012-13, 2013-14 and 2014-15 to allow for the increased demand for credits. It will also require future registration of solar installations be restricted to those tied to Pennsylvania's distribution network.

If you would like to co-sponsor this legislation, please contact Susan Bentzel at 7-2637 or at [sbentzel@pasen.gov](mailto:sbentzel@pasen.gov).