

ET Capital Solar Partners (USA), Inc.
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Orefield, PA 18069

January 17, 2018

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, PA 17105-3265

Re: Comments on the Proposed Implementation of Act 40 of 2017 - Docket Number M-2017-2631527

Dear Secretary Chiavetta,

ET Capital Solar Partners (USA), Inc. (“ET”) respectively submits these comments in response to the Commission’s Tentative Implementation Order on December 21, 2017. ET’s view is that the clear intent of the sections of Act 40 of 2017 related to modification of Pennsylvania’s Alternative Energy Portfolio Standard are to change the program to only allow projects located within the Commonwealth of Pennsylvania to generate alternative energy portfolio credits qualifying for the solar carve-out (SREC’s).

Comments from the Legislative and Executive branches of the commonwealth at the time of Act 40’s passage reflect an understanding that investment would be brought to Pennsylvania and jobs would be created within the commonwealth as a result of the solar portions of Act 40.

The solar energy industry and the clean energy sector in general, offers communities – both rural and urban – the opportunity to retool, reposition and modernize our economy to attract additional 21st century jobs.

Senator Mario Scavello

Sponsor of SB 404 which introduced the language that resulted in the solar related portions of Act 40

This legislation is a game changer. We are making sure that the benefits of increased renewable jobs, a cleaner environment, and a growing renewable economy will be felt in the commonwealth.

Governor Tom Wolf

Signed PA Act 40 of 2017 into law

Clearly, the intent of this legislation was to ensure that the investment underlying compliance with the solar carve-out in the Pennsylvania AEPS is directed at solar facilities within the commonwealth.

ET’s comments are primarily concerned with the Commission’s interpretation of Section 2804(2)(i).

A certification originating within the geographical boundaries of this commonwealth granted prior to the effective date of this section of a solar photovoltaic energy generator as a qualifying alternative energy source eligible to meet the solar photovoltaic share of this Commonwealth's alternative energy portfolio compliance requirements under the "Alternative Energy Portfolio Standards Act.

The Commission has determined that this language is intended to allow facilities outside of the commonwealth that had previously been registered for the PA AEPS prior to the passage of Act 40 to continue to qualify to supply SREC's. This interpretation would allow approximately 1,271 MW's of out-of-state facilities to continue to supply SREC's qualifying for the PA AEPS. When the PA AEPS requirement plateaus in June of 2020, the commonwealth will require less than 650 MW's of installed solar capacity to generate sufficient SREC's for compliance with the PA AEPS. Allowing the 1,271 MW's of out-of-state facilities to continue to supply PA AEPS compliant SREC's oversupplies the market and will not direct additional investment or jobs to the Commonwealth of Pennsylvania as intended by the drafters and signatories of Act 40.

ET would also note that a majority of the out-of-state facilities are from the states of Virginia and North Carolina. Facilities located in these states will generate significantly more SREC's per installed MW of capacity than facilities in Pennsylvania, further reducing the need for additional investment within the commonwealth. Allowing projects from these States and others to continue to receive revenue is not in line with the legislative intent of Act 40. Pennsylvania ratepayer payments supporting these existing facilities will not stimulate further investment or job creation in the commonwealth.

The Commission is placing emphasis on geographical boundaries being related to "systems certified by the Commission's AEC Program Administrator". ET notes that neither the current contracted AEC Program Administrator, InClime, or the past Administrator, Clean Power Markets, Inc., are necessarily located within the geographical boundaries of the commonwealth.

Additionally, the Commission's interpretation of Section 2804(2)(i) would make the additional language of Section 2804(2)(ii) redundant.

Certification of a solar photovoltaic system with a binding written contract for the sale and purchase of alternative energy credits derived from solar photovoltaic energy sources entered into prior to the effective date of this section.

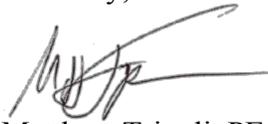
If the legislative intent of Section 2804(2)(i) follows the Commission's interpretation, there would be no need for the additional language of Section 2804(2)(ii) to further protect existing facilities that have entered into agreements with Pennsylvania EDC's and EGS's participating in the PA markets. The language of Section 2804(2)(ii) is further evidence that the legislative intent of PA Act 40 of 2017 is to stimulate further investment in solar facilities within the Commonwealth of Pennsylvania and not to allow out-of-state facilities to capture Pennsylvania ratepayer payments.

ET suggests that the Commission work to implement clear standards for out-of-state facilities that have commitments meeting the intent of Section 2804(2)(ii). ET suggests that the Commission modify its interpretation of Section 2804(2)(i) to restrict compliant SREC's from out-of-state facilities to those purchased by EDC's or EGS's or contractually committed prior to the passage of Act 40 on October 30, 2017.

In conclusion, ensuring that future compliance for the solar requirement of the PA AEPS is driven from investment in solar facilities located within Pennsylvania is the clear legislative intent of Act 40. The Commission's interpretation of Section 2804(2)(i) will allow too many SREC's from out-of-state to compete with incremental investment in new facilities in Pennsylvania. This interpretation threatens to result in little to no stimulation of solar investment within the commonwealth, negating any incremental impact from the passage of Act 40.

If the Commission has any comments, questions or concerns related to these comments, please feel free to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read 'MTripoli', with a long horizontal flourish extending to the right.

Matthew Tripoli, PE
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