

# Penn State Extension

## Future Times Energy Newsletter

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Volume I Issue III

### Update On Alternative Credit Market

As you are likely aware if you are a veteran or a newcomer to our aggregation cooperative market pricing, the demand for Solar sourced credits has been downright lackluster in recent months. As we have discussed in earlier additions of this newsletter market supply, because of the rapid installation of new solar systems statewide and in neighboring states, outgrew the demand for credits beginning last year about this time. The main cause of this oversupply condition provides a lesson we can hopefully learn from so as not to make the same mistake twice if presented the chance in the future.

Under the Rendell administration laws were passed mandating the expenditure of up to 100 million dollars of bond financed funding for grants to build out the solar electricity generating capacity in the state. At the onset, the dollars per watt grant amount was enough to spur many people to move forward with installations that they

otherwise would not do. The grant money found its way to a backlog of projects that were ready to be built. The rapid infusion of money resulted in expansion of capacity that started at around 6 megawatts in 2008 and grew to a capacity of approximately 100 megawatts today.

The market design, however, established a demand that could be met with just 44 megawatts in 2012 and 70 megawatts in 2013. As a near term fix to this oversupply condition the State legislature will likely begin consideration

this fall of a bill that would slide the year to year increase in the number of credits required by the market forward by one year. The bill would also close the borders of the state and not allow new registrations for out-of-state systems. There is considerable by-partisan sponsorship for this measure known as house bill 1580. If you are in favor of adding these pricing supports to credit pricing in the state it is not too late to let your elected representatives know your position.



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## *Meanwhile, Also In Harrisburg—*

**A**t the end of August the House Republican Policy Committee held a hearing to hear the opinions of industry leaders on the costs and effects of two Rendell era laws. The law being reviewed of primary concern is the Alternative Energy Portfolio Standards act of 2004. This law set the authority, ground rules and provided guidance for the establishment of the Alternative Energy Credit market.

The inquiry is an effort to determine what impact the laws enactment has had on electric rates and where rates may be heading as a result of the requirements this law places on Electric Distribution Companies and competitive Electric Generation Suppliers in the State. The first hearing was aimed at getting the perspective of the statewide electric distribution industry. Comments were provided by representatives of two utilities from the eastern side of the state and the president of the electric utility trade organization. An additional hearing will be held at a date and time to be



determined to take input from representation on the other side of the table. So to make sure your position as a system owner and credit market participant is known, we have offered to participate in the discussion on behalf of the Future Times Energy Aggregation Group. If you have an opinion and would like us to make sure it is conveyed, please don't hesitate to pass along an E-mail or give us a call at 724-837-1402 stating your perspective.

### **Reminders:**

- *Don't forget to pass along a meter reading from your system meter three to four times a year. This helps us make sure your account is being properly credited. A simple E-mail message that includes your name works great.*
- *If there is weather or storm damage to your system that*

*has caused reduced production, or if you have added additional capacity let us know so we can make adjustments to maintain accuracy of reporting.*

- *Cashing you payment checks helps us keep our records straight, so when you get a check for credit sales make sure to take to the bank or agency and cash it, oh and then enjoy the proceeds. If you set it aside and let it age too long your institution may not cash it and that will create extra work.*

### **An OUTREACH program of the College of Agricultural Sciences**

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