

PA PUC Steps Into The Fray

By now most residents of Pennsylvania have heard that the electricity markets of Investor Owned Utilities have been deregulated. Finally, after a prolonged rate cap period, the entire state gained the same deregulated status on January 1 of 2011. Now you might think that with complete deregulation the Public Utility Commission (PUC) could take a little breather and let the market take its natural course. Well don't jump too quickly to that conclusion. At the end of the month of April the PUC issued an order to begin an inquiry as to the current state of the deregulated market and for insight into how the competitive marketplace could be made better. That sounds like a great idea until you read a little closer. In issuing the order the Commission asked interested parties to answer 11 questions and provide comments back to them. Some of the questions were general and of no consequence but others could spell particular trouble for customer generators who are *Net Metered*.

In review of the 11 questions several centered on what could be done differently to relieve the Electric Distribution Companies (that is what we call the old Investor Owned Utilities now) of their obligation to provide default

service. That's service for electric customers who don't shop for generation supply. Sounds fair but EDCs have been given the obligation to provide net-metering which they would be absolved from if a "third party" took over default supply. Also, where systems generate more than they consume EDCs reimburse for excess kWh's at the EDC's *Price to Compare*. That has the same problems. In short should the PUC relieve the EDC's of this obligation, net-metering would be in for a major upheaval.

Having detected this and a number of other problems that the questions from the PUC posed the administrator of Future Times Energy Aggregation Group, that's us, submitted comments on behalf of our more than eighty statewide members.

Those and comments from others active in the marketplace are posted on the PUC website. We urge our members to take a look at the questions, the response of FTE Aggregation Group, and those of other responders. Staying informed and being prepared to oppose actions that could be detrimental to the rules and regulations that investments in renewable energy projects where based on is the

best defense against tampering with the market by well intentioned but over-zealous regulators. Also, be advised that there are well funded well healed players in Harrisburg that have their best interest at heart, not yours, when they try to manipulate regulations. The comments are posted at: http://www.puc.state.pa.us/electric/Retail_Electricity_Market.aspx The comments of our aggregation group, we are the ones looking out for your best interest, are under the heading **Future Times Energy Aggregation Group**.

Important reminders: First, please remember to send in a periodic reading from your system meter, or inverter register. *When you get a check in the mail cash it promptly, this helps us keep our books up-to-date.* Finally, if anything changes like an addition to or failure of your system, changes in E-mail address or phone numbers or if sell your system and move, let us know so we can keep up-to-date.

It is easiest to Email us at EXJ11@psu.edu or by phone at 724-837-1402. You can also reach us by mail at 214 Donohoe Road, Suite E, Greensburg, PA 15601.

Rumblings from Harrisburg:

There is still more activity in the State Capitol to alert members to. As a result of the rapid decline in the price of Solar Credits that were reported on here and in our last newsletter, forces in the market have enlisted the help of the original sponsor of the Alternative Energy Portfolio Standards legislation. Representative Chris Ross has once again stepped forward as lead sponsor of a short piece of legislation called House Bill 1580 to correct the problem. Representative Ross, from Chester County, has taken the lead by alerting members of the State House to the opportunity to become a co-sponsor. To his credit and as a result of many others behind the scene, at last check well over twenty-five Representatives some from each party, have signed on.

What the legislation does is modify the schedule of increased Solar Credit requirements from year to year that were intended to mirror the growth in installed capacity. Effective with the start of the 2013 Energy Year (June 1, 2012) the requirement would change from .051 percent to .15 percent of all electricity sold in the State. The following two years are also slide forward to increase the Solar Credit Supply need.

On paper this sounds like a good idea but, if passed and

signed into law by the governor, time will tell. A potential negative outcome would be that the price of Solar Credits increases too quickly. The PUC has long pushed the notion that large projects, those 200 kW or greater, should be under contracts of five years or more. Projects that have gone that route, should credit prices spike upward, would find



themselves stuck with underperforming assets and may renege on their obligations. This would throw the market into a short position and prices would further escalate. If the market were not able to respond fast enough by adding new capacity to cover the shortfall the PUC has the *Force Majeure* protection that allows them to declare the market non-functional at which

point anything could happen. No one is predicting this outcome, but readers of the newsletter should be aware that there likely is no quick fix to this problem.



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