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November 16, 2010

VIA HAND-DELIVERY

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RE: Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period January 1, 2010 through May 31, 2013 to Modify its Procurement of Solar Energy Credits; **MAIN BRIEF OF SUSTAINABLE ENERGY FUND OF CENTRAL PENNSYLVANIA**

Dear Ms. Chiavetta:

Enclosed for filing with the Commission are an original and nine (9) copies of Main Brief of Sustainable Energy Fund of Central Pennsylvania. This filing has been served in accordance with the attached Certificate of Service.

If you have any questions concerning this filing, please do not hesitate to contact undersigned counsel.

Respectfully,

Craig R. Burgraff
Sustainable Energy Fund of Central Pennsylvania

CRB/bks

Enclosures

cc: The Honorable Susan D. Colwell (Via Electronic and Hand-Delivery)
Per Certificate of Service

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of PPL Electric Utilities :
Corporation for Approval of a Default :
Service Program and Procurement Plan : Docket No. P-2008-2060309
for the Period January 1, 2010 through :
May 31, 2013 to Modify its Procurement :
of Solar Energy Credits :

**MAIN BRIEF OF SUSTAINABLE
ENERGY FUND OF CENTRAL PENNSYLVANIA**

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DATED: November 16, 2010

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I. INTRODUCTION

A. Background

On May 18, 2010, PPL Electric Utilities Corporation (“PPL” or “Company”) filed the Petition of PPL Electric Utilities Corporation for Approval to Modify its Procurement of Solar Alternative Energy Credits Under the Default Service Procurement Plan (“Petition”). PPL’s Default Service Procurement Plan (“DSP Plan”) had been previously approved by the Pennsylvania Public Utility Commission (“Commission”) on June 30, 2009 at this docket.

This is PPL’s third petition to amend its DSP Plan. The first amendment, approved by Commission Order entered December 28, 2009, in this docket, removed the debt rating requirement of Article 4.1.1(3). This was intended to increase the number of solar alternative energy credits (“SRECS”) competitive bids submitted by small, non-rated entities that would not otherwise qualify to bid. The second amendment was approved by Commission Order entered June 24, 2010 at this docket, and permitted the reinstatement of an Action Revenue Rights allocation in a manner consistent with PPL’s Competitive Bridge Plan SMA, allowing PPL to proportionally assign the Action Revenue Rights to participating wholesale suppliers.

In its Petition, PPL requested approval of the following: (1) an amendment to its current DSP Plan to permit it to procure a portion of its SRECs obligation over a longer term delivery period such that this portion will no longer be procured under its DSP Plan’s fixed-price load following contracts; (2) a proposed Request for Proposals Process and Rules: Solar Receivable Energy Credits for Compliance with Pennsylvania’s Alternative Energy Portfolio Standards Act (“SREC RFP”);¹ (3) a proposed Solar Receivable Energy Credit Supply Master Agreement (“SREC SMA”); and (4) revision to the Company’s Generation Supply Charge – 1 to provide for

¹ Hereinafter the Act is referred to as “AEPS Act.”

the treatment of all costs and credits associated with the procurement of SRECs pursuant to its requested RFP process.

As part of the DSP Plan, PPL undertakes a series of competitive bid processes to obtain full requirements default service supply, spot market default service supply, block energy default service supply, and Alternative Energy Credits (“AEC RFP”). Under the full requirements and spot market contracts, each supplier must provide a proportional share of AECs, including SRECs, to fulfill the Company’s AEPS Act obligations. The approved full requirements and spot market procurements obtain supplies for periods up to two years in length. The block and AEC RFPs are conducted to acquire a portion of default supply solely for residential customers. The blocks supplies, totaling 350 MW, do not include AECS as part of the supply provided, and AECS, including SRECs, must be purchased for each portion of supply through a separate RFP. PPL’s Petition does not propose to modify the spot market, block and AEC RFPs as previously approved by the Commission.

The Petition does propose to competitively procure a portion of its SREC obligation in three solicitations occurring once per year during 2010-2012. These solicitations are designed to procure 50% of SREC requirements for the load following full requirement products. The initial proposed targets for each solicitation are based upon the purchase of 3,500 SRECs per year, resulting in target quantities of 31,500 SRECs for solicitation 1, the nine year delivery period solicitation proposed to occur on October 28, 2010, 28,000 SRECs for the eight year delivery period solicitation proposed to occur on July 28, 2011, and 24,500 SRECs for the seven year delivery period solicitation proposed to occur on July 26, 2012. Bidders that have the ability to deliver a minimum of 5,000 SRECs over the contracted delivery period and that meet the eligibility requirements, can participate in the solicitation. Bid participants may provide SRECs

from either current or proposed solar photovoltaic (“PV”) projects. Bid offers will not be based upon defined quantities. Bidders can offer any quantity of SRECs offered so long as the quantity exceeds the 5,000 delivery period minimum and does not exceed the maximum target quantity for each solicitation. Bidders may also submit multiple bids, allowing them to offer different supply amounts at different prices.

PPL posits that the requested modification to its existing DSP Plan for SREC procurement is in the public interest since it will encourage the development of new solar PV projects to satisfy the AEPS Act. It also opines that its requested new, long-term SREC procurement process is in response to the Commission’s goals in the Commission’s proposed solar policy statement.² It believes that its proposal will provide the longer term revenue stability that is likely needed to support both small-scale and large-scale solar development in Pennsylvania, and will remove other barriers to the development of new solar projects by increasing the number of solar projects, the number of bidders and the amount of SRECs qualified for use by PPL to meet its AEPS Act obligations.

The Sustainable Energy Fund of Central Eastern Pennsylvania (“SEF”) filed its Answer to PPL’s Petition on June 7, 2010. One of the concerns raised by SEF in its Answer was whether PPL’s proposed modification to its DSP Plan fully met the Commission’s goals of promoting both small-scale and large-scale solar energy development, especially where PPL’s proposal favored the continued piece-meal promotion of large-scale solar projects at the expense of small-scale projects. It requested that the Commission investigate and determine if PPL’s proposal should include the meaningful promotion of small-scale projects. The Commission’s proposed solar policy statement desired the provision of a framework whereby existent barriers preventing

² *Policy Statement in Support of Pennsylvania Solar Projects*, Docket No. M-2009-2140263 (December 10, 2009) (“December 10 Order”).

new solar projects in Pennsylvania, principally through longer-term price certainty, may be removed.

As noted, PPL proposed three solicitations with target quantities of 31,500 SRECs, 28,000 SRECs and 24,500 SRECs for the three solicitations. This equated to an initial target level of 3,500 SRECs per year. However, bidders must have the ability to deliver a minimum of 5,000 SRECs, over the contracted delivery period. As SEF pointed out, PPL's proposal favored large-scale projects. There is no provision for bilateral contracts with small-scale solar projects including agreements with solar aggregators. In fact, it is not clear from PPL's proposal whether solar aggregators can participate in the proposed RFP process. SEF noted that the Commission's policy goals include the promotion of small-scale solar projects and that PPL must begin to proactively take steps to include small-scale solar projects.

B. The Commission's Solar Policy Statements

The Commission's Proposed Solar Policy Statement desired to provide a framework whereby existent barriers preventing new solar projects in Pennsylvania, principally through long-term price uncertainty, could be removed. It encouraged Electric Distribution Companies ("EDCs") to issue RFPs for large-scale solar projects whose SREC output will be used to meet EDC obligations under the AEPS Act. It also encouraged EDCs to procure SRECs from small-scale solar projects, through both a competitively bid RFP process, adhering to the same standards in use for large-scale solar project RFPs, and bilateral contracts.³ It expressly noted that the bilateral contract approach should be used to support the development of small-scale solar projects located in Pennsylvania,⁴ and encouraged EDCs to contract for SRECs with solar aggregators that obtain SRECs from creditworthy residential owners of small-scale solar

³ Proposed Section 69.2903 of 52 Pennsylvania Code.

⁴ *Id.*

projects.⁵ Standardized contracts for the long-term procurement of SRECs should be from 5 to 20 years in length.⁶

The Commission's goals were clearly stated in the December 10 Order. After reciting the requirements of the AEPS Act, the Alternative Energy Investment Act ("AEI Act") and Act 129, along with its rulemaking orders and regulations, the Commission stated:

The legislation and regulations discussed above establish a clear policy to promote the construction of solar projects in this Commonwealth. Even with the establishment of such a clear policy, the Commission is concerned that there are still barriers to a more expansive development of solar projects within Pennsylvania. The Commission believes that Pennsylvania EDCs, their customers and those interested in developing solar projects in Pennsylvania are impeded in their economic analysis of such projects due to solar alternative energy credit price uncertainty. The purpose of this proposed policy statement is to develop a process to overcome such price uncertainty, which will in turn promote funding of future solar projects that will benefit electronic consumers in this Commonwealth.⁷

The Commission also clearly stated that the intent of the proposed policy statement was to outline a process to provide more solar alternative energy credit price certainty and to reduce or eliminate barriers to solar project development within Pennsylvania.⁸

Following the filing of PPL's Petition, the Commission issued its Final Policy Statement Order.⁹ It adopted the Policy Statement in Support of Pennsylvania Solar Projects ("Solar Policy Statement") adding Sections 69.2901-69.2904 to Chapter 69 of the Commission's regulations in Title 52 of the Pennsylvania Code. The Commission's final policy statement is

⁵ Proposed Section 69.2904 of 52 Pennsylvania Code.

⁶ *Id.*

⁷ December 10 Order at 5.

⁸ *Id.* at 5-6.

⁹ *Policy Statement in Support of Pennsylvania Solar Projects*, Docket No. M-2009-2140263 (September 16, 2010) ("September 16 Order")

practically verbatim with the proposed policy statement, and the Commission reiterated the policy and purpose of the final policy statement quoted above.¹⁰

C. The Partial Settlement

The parties to the case have agreed to a Partial Settlement of this proceeding, with one issue reserved for litigation. The Partial Settlement includes numerous provisions, but only several of those provisions are germane to the reserved issue.

The Partial Settlement provides that PPL shall use the RFP process, as described in its Petition, to purchase long-term SRECs to meet the SREC requirements of residential customers. The Small C&I and Large C&I procurements for SRECs approved in the DSP Plan shall remain unchanged. In other words, the small commercial and industrial full requirements SRECs will remain subject to the DSP Plan procurement through May of 2013. The Partial Settlement, therefore, provides for reduced target quantities for residential ratepayers of 27,000 SRECs for the first solicitation (the nine year delivery period), 24,000 SRECs for the second solicitation (the eight year delivery period), and 21,000 SRECs for the third solicitation (the seven year delivery period). Bidders must have the ability to deliver, at a minimum, 3,000 SRECs over the contracted delivery period, a reduction from 3,500 SRECs. Given the litigation of this proceeding, PPL's projected solicitation dates will not be met. The Partial Settlement allows the initial solicitation to be undertaken at any time following Commission approval of the Partial Settlement.

In addition to the SREC RFP procurement amounts, the Partial Settlement includes a new small-scale solar project set-aside program. This program includes additional amounts set aside

¹⁰ September 10 Order at 6. Long-term revenue stability is driven by removing SREC price uncertainty. As SEF witness Costlow testified, at current market rates SRECs represent more than three quarters of a solar project's annual income post federal and state incentives. The long-term SREC contracts, therefore, decrease a specific project revenue risk. SEF St. No. 1 at 4.

for procurement, on a bilateral contract basis, from solar systems with 15 kW capacity or less. The additional set aside program amount shall be equal to 1,000 SRECs for the nine year period, 1,100 SRECs for the eight year period and 1,600 SRECs for the seven year period.

Small-scale solar systems of 15 kW or less that desire to participate in the set aside program shall be required to contract with a solar aggregator, which shall in turn contract with PPL. The solar aggregator shall be required to certify that all credits are provided from solar systems installed on or after June 1, 2010. A solar aggregator must demonstrate that it has a minimum of 100 SRECs from qualifying solar systems over the contracted delivery period to participate in the yearly set asides.

The price to be paid to solar aggregators under the set aside program shall be equal to the average SREC price for the applicable SREC RFP, which shall be deemed to include any administrative fee retained by the solar aggregator. The solar aggregator may retain an administrative fee not greater than 10% of the bid price for each SREC.

Solar aggregators must make offers to participate in the set aside program in multiples of 100 SRECs, not to exceed the maximum set aside amount for each procurement. Offers will be submitted through an electric mailbox. Following announcement of the applicable average SREC price, offers will be accepted on a first-come, first-serve basis. Offers will be ranked based upon the e-mail submission time stamp. If the final offering in a solicitation exceeds the number of SRECs remaining for solicitation, the accepted final offering will be limited to the number of SRECs remaining.

The issue reserved for litigation relates to the small-scale solar set aside program. That issue is whether each aggregator under the set aside program will be required to certify not only that all credits are provided from solar systems installed on or after June 1, 2010, but also that it

has long-term contracts with qualifying solar systems for SRECs equal to or longer in term length of the bilateral contract between the aggregator and PPL.

II. SUMMARY OF ARGUMENT

Aggregators under the small-scale solar set aside program should be required to certify that the aggregator has a long-term purchase agreement or agreements for SRECs equivalent to or longer than the contract delivery period. This certification is necessary to effectively meet the Commission's Solar Policy Statement goal of developing new solar generation capacity, particularly small-scale solar capacity. The main barrier to new solar development, as recognized by the Solar Policy Statement order, is longer-term revenue stability and price certainty. The only way to promote such revenue stability and encourage small-scale solar projects is the provision of long-term contracts by the aggregator to provide a funding stream for such projects.

III. ARGUMENT

A. **Solar Aggregators Under The Small-Scale Solar Set Aside Program Should Be Required To Certify That They Have A Long-Term Purchase Agreement Or Agreements For SRECs Equivalent To Or Longer Than The Solicitation Contract Delivery Period If That Program Is To Meet The Policy And Goals Of The Commission's Solar Policy Statement.**

As SEF witness Costlow noted, PPL should be recognized for its voluntary efforts to encourage the development of new small-scale solar capacity through the set aside program in the Partial Settlement for procurement of SRECs on a bilateral contract basis from 15 kW or less small solar systems.¹¹ The parameters and sizes of PPL's proposed longer-term acquisition of SRECs for a portion of its fixed-price load following contracts did not meaningfully promote small-scale solar projects. The small-scale SREC set aside program begins that promotion along side the promotion of large-scale projects. As noted above, PPL has agreed as a measure to promote new small-scale solar systems that solar aggregators must certify that all SREC credits are provided from solar systems installed on or after June 1, 2010. However, SEF believes that, if the policy and goals of the Commission's Solar Policy Statement are to be met, an additional certification is required. Namely, the solar aggregator should also be required to certify that it has long term contracts with qualifying solar systems for SRECs equal to or longer in term length of the bilateral contract between the aggregator and PPL.

The policy and goals of the Commission are clear. The Commission's Solar Policy Statement states that its policy is to promote the construction of solar projects in the Commonwealth. Even with such a clear policy, the Commission is convinced that there are still barriers to a more expansive development of solar projects to support the Commonwealth's alternative energy goals. The Commission's Solar Policy Statement goal, therefore, is to insure that those interested in developing solar projects are not impeded in their economic analysis of

¹¹ SEF St. No. 1 at 2.

such projects by providing longer term revenue stability likely needed to support both small-scale and large-scale solar development. In this way, those interested in developing solar projects are not impeded by solar alternative energy credit price uncertainty. As the Commission stated: “The purpose of this policy statement is to develop a process to overcome such price uncertainty that will in turn promote funding of future solar projects that benefit electric consumers in this Commonwealth.”¹²

While the certification by aggregators that all SREC credits are provided from solar systems installed on or after June 1, 2010 is a necessary beginning step in meeting the need for long-term revenue stability, this certification alone does not go far enough in meeting the Commission’s goals. As SEF witness Costlow testified, this is a critical flaw in the long-term small-scale set aside program.¹³

Stable SREC revenue is critically important for developers seeking to finance new solar projects. Commercial financiers look at five main factors in determining whether to extend credit to a developer, i.e., character, collateral, capital, conditions and cash flow. Of these factors, cash flow, which represents the ability of a borrower to repay the capital extended by the commercial financial institution, is preeminent.¹⁴

As Mr. Costlow testified, since the markets current capacity to produce SREC’s far exceeds the demand for SRECs required for compliance, a commercial financier would either heavily discount or completely disregard the future revenue from the sale of SRECs which would negatively impact a lender’s decision.¹⁵ Therefore, without the requirement that aggregators enter into long-term contracts with developers of solar systems under the small-scale set aside

¹² December 10 Order at 1, 5; September 16 Order at 1, 6.

¹³ SEF St. No. 1 at 3.

¹⁴ *Id.* at 5.

¹⁵ *Id.* Commercial loans are important to the development of solar projects since they are capital intensive requiring a sizable upfront investment with returns that occur over decades.

program, the public benefit resulting from the set aside procurement will be severely mitigated or destroyed. As SEF witness Costlow noted, the purpose of the Commission's statement is to encourage developers to construct new solar capacity by reducing future income risk. The purpose of the long-term contract is to create project revenue stability, reducing the income risk to developers and consequently causing construction of new solar capacity. At current market rates, SRECs represent more than three-quarters of a solar project's annual income post federal and state incentives. The long-term SREC contracts decrease a specific project's revenue risk. Stopping the long-term contracts at the aggregator, as opposed to the developer, does not reduce the developer's risk. Any failure of the proposed procurement to cause development of new solar capacity, particularly small-scale solar capacity, is contrary to the Commission's goals.¹⁶

Without the further certification from aggregators, the aggregator can simply purchase SRECs from projects developed after June 1, 2010. Under current market conditions, as noted by Mr. Costlow, the Commission's 2008-2009 Combined Annual Report on the Alternative Energy Portfolio Standards Act of 2004 ("AEPS Annual Report") notes that the 2010 compliance demand for solar PV generation is approximately 5.8 MW while supply in Pennsylvania is expected to be 27.8 MW.¹⁷ Given this current excess of solar PV generation compared to compliance demand, the limiting of certification to 15 kW solar systems on or after June 1, 2010, will not prevent aggregators from simply procuring SRECs from 15 kW systems over the life of the nine, eight or seven year supply schedule as opposed to extending long-term contracts for such supplies, thereby defeating the purpose of the Commission's Solar Policy Statement.

¹⁶ *Id.* at 4, 5.

¹⁷ SEF St. No. 1 at 4; SEF Exhibit 2 at page 25.

PPL witness Stinner attempted to rebut this result in PPL Statement No. 1-R. First, he states that the Commission's AEPS report clearly notes that 20 MW of the estimated 27.8 MW of supply expected to be available for 2010 was already in service as of June 2010.¹⁸ What Mr. Stinner ignores is that, even with this result, the 7.8 MW of supply still exceeds the 5.8 MW of compliance demand.

Second, Mr. Stinner states that the solar supply in the AEPS Report is not limited to systems of 15 kW or less. He opines that the Commission's report cannot support a claim that existing small-scale projects will be used to meet all or a substantial portion of the set aside program's SREC requirements.¹⁹ However, SEF Exhibit 1 demonstrates that, through November 2, 2010, there are 2,880 Pennsylvania qualified solar generation facilities on the Commission's AEPS website, of which 2,617 are 15 kW or less, or 90.9%. Also, the set aside program requires approximately 403 kW of less than 15 kW annual capacity. Since June 1, 2010, as demonstrated at SEF Exhibit 1, there are 943 systems of less than 15 kW representing 6.27 MW of capacity. In addition, at June 1, 2010, there is twice as much installed solar capacity for residential interconnections on PPL's system as installed solar capacity for commercials.²⁰ Thus, the 2010 amount of 5.8 MW can be obtained with 15 kW or less systems installed after June 1, 2010. In addition, the post-June 1, 2010 capacity of 15 kW or less systems can already meet the set aside program requirements.

Third, PPL witness Stinner posits that an excess of eligible SREC credits from qualifying small-scale system in 2010 is not proof that new small-scale solar PV system would not be developed without the certification of long-term contracts. This position is based upon the fact

¹⁸ PPL Statement No. 1-R at 5.

¹⁹ *Id.*

²⁰ SEF Exhibit 3

that SREC credits must be current for each year of the set aside program.²¹ This analysis is the classic example of mixing apples and oranges. While 2010 SRECs cannot be used for 2011 forward over the life of the solicitation, the credits generated in 2011 and in later years by a project installed in 2010 can be used in each of those years. Thus, purchased SRECs from eligible solar systems installed on or after June 1, 2010 can be used in each year of the three solicitations so long as they generate SRECs in each year.

Finally, PPL witness Stinner posits that the relevant statewide solar demand is not 5.8 MW, but rather approximately 30 MW, citing page 30 of the Commission's AEPS Report.²² This is so, in Mr. Stinner's view, because the credits existing in 2010 do not include the AEPS Act's procurement requirements of PECO, Allegheny Power, Penelec and Met-Ed, nor does it include the increased solar procurement requirements under the AEPS Act for compliance year 2012.²³

Mr. Stinner's position is meritless and is based upon a selective review of the AEPS Report. The Commission's AEPS Report, after noting the demand referenced by witness Stinner, beginning in 2011, looked forward to the mid-2015 period. It estimated that solar PV demand will outpace supply in 2015 if additional generation is not added and twenty five percent of the PJM queue projects are built, which is the historic average.²⁴

This leads to two results, which demonstrate the necessity for the long-term contract certification. First, the Commission's forecasts evidence that, without a certification of long-term contracts, aggregators will simply purchase SRECs from small-scale systems. This does not meet the Commission's goal of fostering new solar project development. Worse, the failure

²¹ PPL Statement No. 1-R at 5.

²² PPL Statement No. 1-R at 6.

²³ *Id.*

²⁴ SEF Exhibit 2 at 31.

to provide long-term revenue stability and, therefore, not promote the installation of new solar facilities contributes to the protected supply/demand imbalance in the future.

The record demonstrates that the certification by aggregators under the small-scale solar set aside program that they have long-term purchase agreements for SRECs equivalent to or longer than the contract delivery period is necessary if the program is to effectively meet the Commission's Solar Policy Statement's goal of developing new small-scale solar generation capacity. The only way to promote the necessary long-term revenue stability and thereby encourage small-scale residential solar projects is the provision of long-term contracts by the aggregator to provide a funding stream for new projects. Limiting the certification to 15 kW systems after June 1, 2010, will not prevent aggregators from simply purchasing SRECs from those systems over the life of the supply schedule, thereby defeating the purpose of the Commission's Solar Policy Statement.

B. PPL's Speculation That The Long-Term Contract Certification By Aggregators Will Create A Barrier To Entry Is Directly Contrary To The Commission's Solar Policy Statement.

PPL's principle argument against the requirement that aggregators participating in the small-scale solar set aside program certify that they have long-term contracts with qualifying solar projects is that it would create a significant barrier to entry. PPL witness Stinner opines that PPL should not interfere in contract negotiations between aggregators and small-scale solar PV developers since the solar market should be left to develop without significant barriers to entry.²⁵ He believes that if the market or individual solar aggregators conclude that long-term contracts with small-scale solar PV facility owners are the optimal means to generate credits to participate in the aggregation program, then that is what will occur.²⁶ This is consistent with

²⁵ PPL Statement No. 1-R at 3.

²⁶ *Id.*

PPL's view relative to its original proposal, which is to allow winning suppliers to use any and all solar credits at their disposal.²⁷ PPL's speculative position is counter-intuitive and, therefore, meritless.

*It is simply illogical to argue that the provision of revenue stability through long-term contracts is a theoretical barrier to entry when the Commission has determined in its Solar Policy Statement determination that the principle barrier to the more expansive development of solar projects in Pennsylvania, especially small-scale solar projects, is the lack of longer term revenue stability remedied by long-term bilateral contracts. PPL's arguments against aggregator certification of long-term contracts truly turns the Commission's Solar Policy Statement on its head. Indeed, it negates the reason for the Solar Policy Statement. If the Commission believed that the market should be left to develop on its own, with the market determining the best means to promote new solar projects, and if the Commission was comfortable with the choices being made in the market, it simply would not have bothered with a policy statement. The Commission, obviously, did not choose this course. PPL's position is simply untenable.*²⁸

PPL's position is also based upon complete speculation. PPL does not demonstrate that the certification by aggregators that they have long-term contracts with qualifying small-scale solar providers will create a barrier to entry, or that aggregators will not participate in the program. Indeed, the same speculation could apply to aggregators purchasing small-scale SRECS. The record offers no support for such speculation.

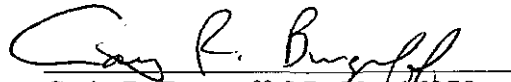
²⁷ SEF St. No. 1 at 4,

²⁸ PPL also, apparently to suggest an argument that is solar aggregator provided a position, notes that SEF is not currently listed as a registered aggregator on the Commissioner's AEPS website. SEF is a registered solar aggregator but, as are others, is not listed on the website.

IV. CONCLUSION

The small-scale solar set aside program should include the certification from aggregators that they have a long-term purchase agreement or agreements for SRECs equivalent to or longer than the solicitation contract delivery period. This certification is necessary if the set aside program is to effectively meet the Commission's Solar Policy Statement goal of developing new small-scale solar generation capacity. The main barrier to new small-scale solar development, as recognized by the Commission, is longer-term revenue stability and price certainty. The only way to promote such revenue stability and encourage small-scale residential solar projects is the provision of long-term contracts by the aggregator to provide a funding stream for such projects.

Respectfully submitted,



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Dated: November 16, 2010

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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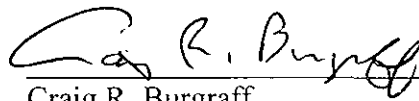
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Dated this 16th day of November 2010