

Pennsylvania Public Utility Commission
Ms. Rosemary Chiavetta, Secretary
Commonwealth Keystone Building, 2nd Floor, Room N-201
Harrisburg, Pennsylvania 17120

January 31, 2018

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PA PUC
SECRETARY'S BUREAU

Re: PUC Docket Number: M-2017-2631527

Dear Secretary Chiavetta,

The Future Times Energy renewable energy credit aggregation group appreciates the opportunity to comment on behalf of our over 300 members who have made a financial investment in the clean energy future of the Commonwealth of Pennsylvania.

The AEPS (Alternative Energy Portfolio Standards Act of 2004) was intended to encourage the development of renewable energy sources in Pennsylvania. Its opening paragraph reads as follows:

Providing for the sale of electric energy generated from renewable and environmentally beneficial sources, for the acquisition of electric energy generated from renewable and environmentally beneficial sources by electric distribution and supply companies and for the powers and duties of the Pennsylvania Public Utility Commission.

Economic support is the most effective form of encouragement for any program. Establishing specific minimum requirements for the electric distribution companies (EDCs) (AEPS Section 3, (a) (2)) places the burden on the EDCs to incur the costs of renewable energy at the levels specified in Section 3. (b). Further, establishment of the Alternative Energy Credits Program enables compliance by the EDCs without building any such resources. The Pennsylvania Public Utility Commission (PAPUC) was charged with implementing the provisions of the AEPS.

The issue we are concerned about is contained in Section 4 of the AEPS where renewable resources located within the Regional Transmission Organization (presently PJM) but outside of Pennsylvania are permitted to participate in Pennsylvania's Alternative Energy Credit Program (AECPP). In particular, we are concerned that in 2016, only 61% of retired solar energy credits originated in PA. Hence, only 61% of the Solar Renewable Energy Credit (SREC) revenue actually encouraged PA participation in the market¹. Of the balance of the SRECs; 23% came from North Carolina, 6% came from Ohio and the remaining 10% came from several other states. But the market effects on the price per SREC due to the influx of out of state SRECs are not reflected in the percentages. Since some other states have no established market of their own for SRECs, they dump them anywhere they can to get some value for them. Many of them are dumped in PA diluting the value of the PA produced SRECs. North Carolina is presently the

¹ 2016 Annual Report AEPS Act of 2004, page 7.

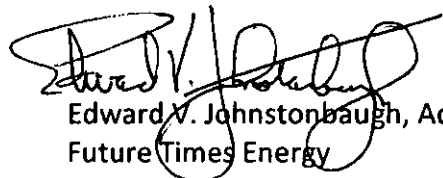
biggest offender as reflected in the reference cited above and appears to have plans to increase their solar PV deliveries into the PJM footprint.² While this is a troubling circumstance, review of AEPS Existing Capacities of certified, active facilities reveals a troubling issue when comparing the nameplate capacity of certified facilities in PA with the nameplate capacity of certified facilities outside of PA. Inside PA, there is 241.8 MW of certified capacity while outside PA there is 613.8 MW of certified capacity.³ This scenario indicates that facilities outside PA are capable of dumping even more SRECs into the PA market and is therefore inconsistent with the intent of the PA Legislature when they enacted the AEPS since outside sources are taking great advantage of the PA SREC market.

We are of the opinion that the original AEPS enactment was not consistent with the intent of the legislature. Nor does the Tentative Implementation Order (TIO) fully support that intent. This issue has surfaced numerous times since 2004. We should be striving to support the intent of the legislature in this matter.

Pennsylvania's borders must be closed to outside sources of SRECs to fully support the intent of the General Assembly in the 2017 passage of Act 40. This will provide the greatest economic support to in state solar PV growth as originally intended.

We strongly encourage the Commissioners to diligently rewrite the Implementation Order aligned and congruent with the plan language of Act 40 of 2017 so that the economic benefits only flow to system owners within the borders of Pennsylvania.

Sincerely



Edward V. Johnstonbaugh, Administrator
Future Times Energy

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² <https://www.utilitydive.com/news/north-carolina-solar-producers-look-to-export-power-to-pjm/392661/>

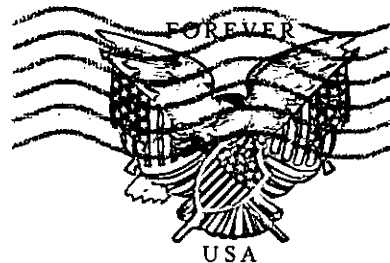
³ 2016 Annual Report AEPS Act of 2004, page 41.

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