



January 10, 2012

The Honorable Robert W. Godshall, Chairman
House Consumer Affairs Committee
150 Main Capitol Building
Harrisburg, PA 17120

Dear Chairman Godshall:

After receiving a copy of the letter sent to you from Governor Tom Corbett, I would like to say a few things in rebuttal to the Governor's opinions in the letter.

The Alternative Energy Investment Act of 2008 did indeed set aside millions of dollars for grants, rebates and loans to support solar and the continuing requests of Pennsylvanians and Americans nationwide for an alternative energy source. The outpouring of response and the continued leads we receive on a daily basis from the average person requesting information on solar energy shows that this interest has not abated. My question is this. Why incentivize renewable energy as a whole and solar specifically if not prepared for the consequences? Instigating the PA Sunshine Program for residential and small business owners only helped to increase the ability for solar systems to be installed. Why not continue to support the thousands of Pennsylvanians who have taken the steps to make a "greener" PA in this quest?

House Bill 1580 does seek to increase the solar PV mandate for compliance over the next few years. It did not seek to change the total. Correcting the market in the next few years will help stabilize the SREC market Governor Corbett calls "volatile". With the experience of the SREC market over the past 2 years, the market can be more accurately measured. How much more "volatile" to any current market the United States has? Supply and demand runs these markets. Governor Corbett states the volatility of the market would "cost ratepayers". My question is this: Why would this cost be passed onto ratepayers? Did ratepayers save money when the SREC market plummeted? Were these "savings" passed onto them? And what about the cost recovery method the EDC's are using? In the end, they still made profit when the SREC rates were high. Why not support those Pennsylvanians who employ solar installers? These employers were actively removing people from PA's Unemployment lists because of the slump in plumbing, building, HVAC and electric markets; those skills can all be utilized in the solar industry. Without the change in the SREC market, you will be effectively destroying the only private industry that has kept PA going through 2009-2011. These private industries are part of Pennsylvania's tax base; these industries going out of business would decrease Pennsylvania's tax base. Those Pennsylvanians who will be out of work when people can no longer afford solar because the market has

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not been corrected? Those current solar generators who are upside down on payments because of the sudden drop in the SREC market? Correcting the SREC market, which would be changing the supply and demand, would raise SREC prices, but the SRECs have dropped from as high as \$450 to only \$35 in less than 12 months. This is because of the flooding of the market, and the proposed changes would set and establish predictability within the market. When incentivizing solar PV in Pennsylvania, law makers did not well prepare. To support any new technology and embracing the move toward a renewable energy, we must be flexible until we find a solution that works. Incentivizing caused the flood in the market, and solar employers and customers want to see the demand be brought into scale.

As far as closing the borders of Pennsylvania, it seems in Governor Corbett's letter that he is more concerned about the "out-of-state competitors" than those of us who live in Pennsylvania. Pennsylvania was once a leader in protecting private industry, and yet other states have preceded us in this: Massachusetts and Washington DC have already closed their borders and their SREC markets are more stable than Pennsylvania's market. Please see the attached response from Keyes and Fox LLC on the Interstate commerce clause. The current AEPS Act does not accomplish the goal of predictability in the SREC market – that is plainly seen. Aligning demand with the supply does not discourage innovation – quite the opposite. It shows that government is willing to embrace a new future for Pennsylvanians. There will be no competition in the solar industry if the demand of the market is not adjusted – there will be no more solar companies left in it to compete.

Sincerely,



Jerry Stern

Owner, SunLion Energy Systems



Smart solutions.
Proven savings.