Testimony of Corey Wolff - CEO of Energy Systems & Installations, **Inc.**

Chairman Godshall, Honorable members of the House Consumer Affairs Committee, good morning.

My name is Corey Wolff, and I am submitting written testimony on behalf of my company, Energy Systems & Installations, Inc. (ESI), and its clientele Starting in 2008 with a staff of three and operating solely in Pennsylvania, ESI has grown to 22 full-time staff with operations in six northeastern states. We are one of Pennsylvania's solar energy companies who are fortunate enough to be closely aligned with Pennsylvania's #1 industry, agriculture.

The largest stare-level issue facing Pennsylvania's solar industry and those who have installed systems is the reduction in value of Solar Renewable Energy Credit (SREC) pricrng. The reason for this sharp decline is that the state's Alternative Energy Portfolio Standard (AEPS) has failed to be adequately adjusted to accommodate the rapid industry growth which was unforeseeable in 2004 when the law was enacted. Many stares, including Maryland, Massachusetts, New Jersey, Texas, Connecticut, and the District of Columbia have continued to revise their AEPS requirements upwards as it became apparent the current standards were not sufficient to promote the continued boom and resulting rapid job growth which our tndustry has experienced in recent years. Because Pennsylvania's mandate for utilities to purchase solar energy credits is set at such a low percentage, Pennsylvania farms and businesses are producing in excess of the SRECs needed, thusgreatly reducing their value, The declining prices are impeding the growth of the solarenergy industry in the Commonwealth.

 Agricultural businesses are common clients of ESI. Many dectdeto purchase and install a solar array so they can see the long-term financial benefit which provides security to their businesses Farmers have installed these systems in order to help the buyers who purchase their products meet the requirements of the AEPS act. Because of the financial constraints and heavy debt they are now incurrrng due to the falling SREC values, these farmers are finding it difficult to maintain their currentworkforce. The sharp decline in SREC pricing has also driven many potential customers from installing solar systems and leftthose who have with the financial burden of decreased revenues and extended payback periods. To provide three case examples:

- Dennts Rife is a poultry farmer located in Franklin County He has been in this busrness since the 1970's and currently handles six batches of 100,000 chickens annually. Mr. Rife in February of 2010 decided to purchase a 50 kilowatt solar array to completely power his poultry operation. At the time of purchase, SRECs were selling for over $250 and his payback models were based on this. What was a six year payback is currently an 18 year payback solely because of the crash in SREC pricing.

- Haldeman Farms, Inc., located in Dauphin County, has been producing hayandgrain since the 1960's. The farm purchased a 33 kilowatt solar array in April of 2011 to powertheiroperation when SREC pricing was $150. What was expected to be a six year payback has been extended to over 12 years at this point.

- Walter Kolb, a hog farmer in Berks County, purthased a 30 kilowatt solar array to completely power his operation in January of 2011 when SREC prices were $250. Mr. Koib has been farming hogs for 30 years

and currently manages 1,100 head. Again, what was projected to be a six year payback has been extended to almost 20 years. As Mr. Koib directly told me, "If I didn't have the farm paid off this would all go under."

in closing, HB 1580 will protect Pennsylvania farms which own solar by allowing them to recapture their investment in a fair timeline and allow ESI to continue to grow its operations within the state. Unfortunately, many solar jobs in Pennsylvania have been exported to neighboring states with stronger policies in place. Thank you very much for your time today.