



September 1, 2020

To: Committee Chairman Roae, Chairman Matzie, and Members of the Consumer Affairs Committee

Thank you for giving the Coalition for Community Solar Access (CCSA) the opportunity to discuss Community Solar policies in Pennsylvania.

CCSA is a national coalition of businesses and non-profits working together to expand customer choice. Our mission is to empower all American households and businesses that seek home grown energy sources through community solar. We work with customers, utilities, local stakeholders, allies and policymakers to develop and implement best practices that ensure community solar programs provide a win-win-win solution. The solution begins with the customer. Our members are solar industry leaders and are engaged at every step of development, ensuring these best practices are not theoretical but are applied and practiced. We have members headquartered in Pennsylvania, including myself, and others who are interested in investing in our Commonwealth. CCSA submits testimony in strong support of HB531.

Community Solar 101

Community solar will allow the private sector to work in collaboration with our local utilities to provide clean energy to our local communities and reduce costs to customers. Community solar refers to local, third-party owned, solar facilities shared by multiple community subscribers that receive credits on their electric bills for their share of the power produced. Community solar provides homeowners, renters and businesses equal access to the economic benefits of solar generation, regardless of the physical attributes, financial barriers, or property ownership. Today, more than 50% of American households and businesses do not have access to solar due to these common barriers¹. Community solar provides anyone who pays an electric bill access to solar energy without the need to install a solar system on site. It expands access to solar for all, provides energy choice for customers and diversifies our generation sources with home grown energy. This ultimately builds a strong, distributed, and more resilient electric grid.

Economic Benefits

There are 40 states that have at least one Community Solar Facility online and 20 states plus Washington, D.C have passed legislation to enable community solar facilities². Virginia is the most recent state passing legislation early this year and Ohio introduced legislation this spring. These programs have created tens of thousands of jobs nationwide and have, and will continue to, spur local economic investments in each of those states.



Representative Kaufer's HB531, will enable community solar projects in the Commonwealth by removing red tape that is preventing a competitive market and, importantly, this bill will not raise taxes. Furthermore, Kaufer has tirelessly worked to get feedback from industry leaders, the Electric Distribution Companies, the agricultural community, and other stakeholders to find a solution that works for Pennsylvania. When this bill passes, Pennsylvania will see a new stream of corporate investments from the solar industry. One of CCSA's partner organizations, Vote Solar, and the National Renewable Energy Laboratory (NREL) modeled the economic benefits of the legislation and found \$2.08 billion in local economic benefits, if 1.5GW of Community Solar were built in Pennsylvania¹. This does not include any local taxes that will be collected from these projects. On average, the Commonwealth will see just over \$40 million per year for the next 25 years, the average life of a solar facility².

CCSA member companies have already been making large investments in the Commonwealth, in the event HB531 passes. Today, there are over 220 shovel-ready projects in 41 counties and between 3 to 4 million dollars have been invested in these communities this year, including cash payments to farmers in rural parts of the state. HB531 will drive much needed tax dollars into our local communities hit hard by volatile markets, population changes, and the economic downturn caused by the Coronavirus Pandemic. These tax dollars, which will be paid by the community solar developers, can help fund schools, lower property tax burden for seniors, fund critical infrastructure needs for the community, or simply be used to refill local government coffers diminished by the economic shutdown.

Innovation and Skilled Labor Pipelines

The Commonwealth would also see a 75% increase in solar jobs, including 3,159 sustained full-time jobs in the first five years of the program, paying an average family sustaining wage of \$33 per hour. This will create \$1.06 billion in economic earnings for Pennsylvanians³. According to a report by Penn State's College of Agriculture Science on Population Trends and Employment, we are experiencing both a decline in population and job opportunities in the rural counties of our state⁴. Many of the new solar jobs created by HB531 will be in non-urban communities, where the community solar facilities will be built and maintained. We have an opportunity to reshape rural Pennsylvania with a new labor force. There are numerous opportunities to develop a pipeline of innovative and skilled labor in non-urban communities with solar technologies. The impact of the Coronavirus Pandemic has been devastating for the Commonwealth and with a current unemployment rate of 13.7%, community solar can add needed jobs in the state at a time our citizens are desperate for employment⁵.

1 National Renewable Energy Laboratory: Jobs and Economic Development Impact Report

2 SEIA: Community Solar Pennsylvania

3 NREL and Vote Solar: Pennsylvania Jobs and Economic Development Impact Report

4 Pennsylvania State University College of Agriculture Science on Population Trends and Employment: Pennsylvania population trends mirror employment changes since 2000

5 US Bureau of Labor Statistics: State Employment and Unemployment Summary, August 21, 2020



Act 58 and Emerging Technologies

Last year, Act 58 was enacted, giving the PUC statutory authority to approve alternative rate mechanisms for electric, natural gas, and water or watershed utilities. This provides Electric Distribution Companies the opportunity to seek rate changes based on performance-based incentives and decoupling. The Act provides EDCs a mechanism to receive adequate revenues while supporting more efficient systems and emerging technologies. Community solar provides an opportunity to work with the EDCs as well as performance-based incentives that benefit the customers, the EDCs, and assist with interconnection. Maximizing opportunities under Act 58 will lead to revenue certainty for the EDCs, more efficient energy cost for the consumers, and greater access to solar. Ultimately, spurring economic growth for the Commonwealth and job opportunities for local communities.

Income Opportunities for Farmers and Landowners

Community solar presents an enormous opportunity for farmers in Pennsylvania to obtain year-round and dependable income to improve the economics of their farms by leasing a small portion of their land for community solar development. This is a practice that is becoming increasingly popular in rural America. The agriculture industry is central to Pennsylvania's rich history and economy, and contributes a significant amount, annually, to the state's exports. The Commonwealth is home to the "Mushroom Capital of the World" and to some of the most successful dairy farms in the nation. After six straight years of declining milk prices, Pennsylvania dairy farmers are suffering, and the Commonwealth is experiencing a loss in family farm ownership⁶. Pennsylvania lost 370 dairy farms in 2018 alone and farmers have barely been breaking even since 2015.⁷ Farmers were given much needed assistance by both state and federal relief packages, but the impacts felt by disruptions in the supply chain, shutting down of institutions and businesses who purchase the farm's commodities, and increased volatility in the markets will be felt for years and decades to come. Many farmers do not see a feasible path for farm succession and it is vitally important that the legislature consider alternatives to bolster farm viability and support new farmers in succession planning. Farmers need help now considering the average age of a farmer in Pennsylvania is 55 and many of these farmers will be looking to respectfully retire in the next few decades⁸.

CCSA and our members are committed to working hand in hand with the Pennsylvania Farm Bureau and individual farmers in developing land leasing best practices before program implementation. We are committed to building long standing relationships, anchored in trust with individual farmers, the Farm Bureau, and local communities to execute contracts and leases

⁶ PA Legislative Budget and Finance Committee: A Study of Pennsylvania's Dairy Industry: PA Legislative Budget and Finance Committee

⁷ Daily Herd Management: More than 2,700 US Dairy Farms Closed in 2018

⁸ US Department of Agriculture and National Agricultural Statistics Service 2017 Census of Agriculture: Pennsylvania State Profile and 2019 Pennsylvania State Agricultural Overview



that serve the farmer and the community's unique needs. Additionally, the industry is committed to innovation and technology to make solar panels more efficient, agro-photovoltaic uses and technologies readily available, and development techniques to preserve the health of the land and ensure dual usage.

As mentioned above, community solar installations are an effective means of supplementing income to help keep family farms financially viable in challenging and changing markets. Bruce Sensing of Lebanon, Pennsylvania, is depending on community solar in order for his family to continue farming and has submitted a letter in support of HB 531, attached to our written testimony. His son and daughter-in-law are hopeful that community solar will provide security in assuming ownership and management of the entire operation from their father. Without community solar, the possibility of preserving this family farm would not exist, and the alternative would be to sell the land for housing development. CCSA recently met with a third generation farmer in south central Pennsylvania who is a board member of his local Farm Bureau. He shared the hardships his family farm has experienced during the Coronavirus Pandemic and previously with depressed milk prices. Paul Mason of Nottingham, Pennsylvania is fortunate enough to have land that stretches across the stateline between Pennsylvania and Maryland. On his Maryland property, he has leased under ten acres for a community solar project. The money he receives through his 25 year land lease allows for greater efficiencies in farm finances and is helping to provide an economic security blanket during these tough times. However, he is eager to see the passage of HB531 so he can lease a portion of his land in Pennsylvania for community solar. This additional community solar facility will help ensure the economic viability of his family farm so he can pass it on to his children. Considering that 98% of farms in Pennsylvania are family owned and operated,⁹ the impact of enabling community solar is economically significant for farmers, local municipalities, and the Commonwealth as a whole. For these reasons and on behalf of farmers across the state, the Pennsylvania Farm Bureau has come out in full throated support of HB531 and adopting community solar as a tool to provide new opportunities for Pennsylvania farmers.

CCSA looks forward to working closely with Chairmen Roae and Matzie, Members of the Consumer Protections Committee, and Representative Kaufer to bring this new economic opportunity to the state of Pennsylvania in 2020. Thank you for your time and consideration, we look forward to submitting oral testimony in Harrisburg at the informational hearing on Community Solar.

Sincerely,

Leslie Ann Elder, Mid-Atlantic Director
Coalition for Community Solar Access

⁹ US Department of Agriculture and National Agricultural Statistics Service 2017 Census of Agriculture: Pennsylvania State Profile and 2019 Pennsylvania State Agricultural Overview