

1754 Oak Ct.  
Orwigsburg, Pa 17961  
January 16, 2018

Secretary, Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, PA 17105-3265

Dear sirs or madam,

I would like to offer my comments on the recent passage of Act 40, and the PUC interpretation of the Act (docket # M-2017-2631527). I strongly believe that only SREC's that are generated within the Commonwealth of Pennsylvania should qualify for and receive credit. When the ill conceived Sunshine Solar Program was enacted, the future looked bright for the solar industry in Pennsylvania. It appeared to be a win for both solar contractors as well as homeowners looking for a hedge on electric price increases. As a homeowner living in Pennsylvania, I made a substantial investment in a 8505 watt grid tie PV system, which was installed in September 2010.

With a 30% federal tax credit, Pennsylvania rebate of \$2.25 per watt, and SREC income, it appeared to be a good investment. Prior to my installation, Pennsylvania SREC's were selling around \$250. I calculated several different paybacks based on varying SREC prices. With a \$200 price for SREC's, I calculated a payback of 8 1/2 years. A \$100 SREC price increased my payback to 12 1/2 years, so I conservatively figured a 10 year payback.

My first setback occurred in early 2011 when I received a 1099-Misc. form from the Commonwealth of Pennsylvania which meant that I had to claim my Pennsylvania rebate as taxable income for federal tax purposes! That was an extra \$19,000 that I now had to pay FEDERAL INCOME TAX on! Who else but the government would offer a rebate, then levy a tax on that rebate! This added over two years onto my payback. After my initial payment of \$204.00/SREC in March 2011, the SREC prices began to plummet, until the present day where they hover around \$6.00 A major factor in my decision to purchase a PV system was the inclusion of SREC's in the calculation of my payback. A \$6.00 price for SREC's brings my payback to over 14 years, or another 7 years from now. I'll have to live to 68 just to break even.

I don't think the intent of the Pennsylvania Sunshine Solar Program was to stimulate the entire PJM system, or benefit homeowners or businesses outside of Pennsylvania. Due to the drop in prices caused by the SREC oversupply, the Commonwealth effectively killed off the solar industry in Pennsylvania, yet the government still takes credit for its stance on the job boosting, reducing energy demand, and creating a green solar energy plan for the future. In a recent speech by Governor Wolf, he bragged about 30 Million dollars becoming available in new funding to promote future solar energy projects in Pennsylvania.

Fifteen year paybacks, or long term leases for rooftop solar systems are not a very good incentive to entice most people to invest in solar. No businesses that I've worked for would look favorably at a 15 year payback for any capital improvement.

With the current depressed SREC prices, grandfathering out of state solar generators to allow them to continue to sell their SREC's in Pennsylvania will not help the future of Pennsylvania's solar industry. The only way to revive it would be first to close the borders to **all** out of state solar generators. Pennsylvania made a mistake when they allowed out of state generators to sell their credits here. Act 40 attempts to rectify that mistake. Grandfathering out of state solar generators for all intents and purposes nullifies Act 40.

Banked out- of- state SREC's should be "cashed in" within the states that they were generated. If their states do not have a market for them, they should create one. Pennsylvania should not be the "dumping ground" for 12 other states SREC's. Please do the right thing for Pennsylvania, and close the borders to all but Pennsylvania generated SREC credits, past, present and future.

Sincerely,

James Weaver