



MDV-SEIA

MD-DC-VA Solar Energy Industries Association

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Annual Solar Energy Focus Conference

Scheduled for December 4th and 5th, 2009 we are currently considering multiple venues for hosting the conference. The details of the conference will be discussed at the strategic planning meeting on Thursday, June 25th. We are working with a firm which represents various hotels to choose a place which is cost-effective and accessible.

In your budgeting, please remember to include sponsorships for this event. The continued support of our corporate sponsors ensures the success of this event and in turn the success of the Association.

Maryland Clean Energy Center (MDCEC) Reaches Out to MDV-SEIA to Stimulate the Local Solar Industry

The Maryland Clean Energy Center is interested in working with MDV-SEIA to implement incentives programs that will stimulate the growth of the Maryland solar industry. The new director of MDCEC, Katherine Magruder, is interested in understanding the difficulties and unique challenges that our local industry faces.

While some may claim that a single policy shift could fix everything the industry needs, that solution is typically very expensive in a rate constrained environment and politically challenging. The Maryland Energy Administration (MEA) has new grant guidelines that should allow more systems to be installed next year. Cooperation will continue and it is possible that a concerted effort to include the utilities would lead to more coherent and productive action on behalf of the solar industry.

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Stimulus Funds to Advance VA Solar Prospects

The Commonwealth of Virginia submitted its application to the U.S. Department of Energy for \$70 million under the American Recovery and Reinvestment Act of 2009 for the State Energy Program.

Virginia proposes to spend the State Energy Program Recovery Act funds in three program areas to be administered by Department of Mines, Minerals and Energy (DMME):

\$32.14 million in grants or rebate incentives to stimulate purchases of renewable energy systems for residences, businesses and government facilities.

- \$15 million will be made available to households and businesses to support installation of solar and small wind power systems. Payments will be based on the size of the system installed as follows:
 - \$2,000 per kilowatt capacity of solar photovoltaic (electric) systems.
 - \$1,500 per kilowatt capacity of wind systems.
 - \$1,000 per kilowatt capacity equivalent for solar thermal (hot water and steam) systems.
- \$4.14 million will be made available for installations on local government and public school facilities. (This will be supplemented with \$5.86 million funds from the Energy Efficiency and Conservation Block Grant to total to \$10 million.)
- \$13 million will be made available for installations on state government facilities.

\$20 million in three economic development incentives to support biomass, waste-to-energy, renewable energy and energy efficiency products, services and projects.

- \$10 million will be made available to support biomass and waste to energy projects in Virginia.
- \$5 million will be made available to support new clean energy business development in Virginia.
- \$5 million will be made available to support commercialization of new energy technologies in Virginia.

Virginia also will be applying in June for \$16.1 million to support energy efficiency programs under the Energy Efficiency and Conservation Block Grant program.

Source: Department of Mines, Minerals and Energy

<http://www.dmme.virginia.gov/DE/arra1.shtml>

Low Income Solar: Implementing Solar Where It's Needed Most

MDV-SEIA is eager to host a meeting on solar applications and programs for low income and emerging communities in urban areas. The current Special Advisor for Green Jobs, Enterprise and Innovation at the White House Council on Environmental Quality, Van Jones, could help us create a new focus on establishing solar where it has the most impact. MDCEC, PRSEA and IEC-Chesapeake are all interested in the potential of this program. We may create a section of our Solar Focus Conference to address this need.

Update: Maryland Public Service Commission's Climate Protection Tariff

Continued reluctance by utilities to commit to any emission reduction goals or cap programs has stalled the discussions. We have been suggesting that solar water heating be implemented as a substitute for natural gas, but it is unlikely that this program will be implemented. The utility sector has instead proposed offset ideas such as planting trees.

The Political Landscape: Maryland

MD 2009 legislative session provided a valuable series of lessons in legislative offense and defense. We learned that early planning and preparedness often decided the outcome of a session. We learned that many delegates approach last-minute bills skeptically and the support of a charming and prepared delegate can impart great inertia to a bill, as Delegate Walkup did for HB 1442, which passed, enabling the Jane E. Lawton Trust Fund to provide efficiency and renewable energy loans.

The session also brought to the fore some flaws in our approach. A financing bill sponsored by our champion, Delegate Sue Hecht, ran into trouble with members of the Senate Finance Committee who represent lower income communities; they don't see solar energy technology as something their constituents will ever benefit from. Other concerns included the use of liens on people's homes and property. While the possibility of foreclosure exists, we must emphasize that it also reduces energy bills and the cost of owning a home. Residents lose their property if they are unable to pay taxes, water, sewage or utility bills.

The prospect of escalating foreclosures, rather than reducing them, scared some Senators into amending and approving a version of the bill without the authority to establish liens. Each county will probably establish their own safeguards for clean energy loan programs. Montgomery County has already approved such a program. The City of Annapolis and Howard County are looking at establishing a similar program. We believe the bill will have to be

corrected next year to meet the objective of providing low cost financing for efficiency and solar improvements and will have to pass through the Senate Finance Committee.

We also acted defensively to prevent a return to a regulated electric service and divert all of the RGGI funds to provide rate relief to the more than 200,000 ratepayers who are behind on payments. The Department of Legislative Services (DLS) proposed that all RGGI funds be devoted to rate relief, but we worked to prevent this misuse of capital. Jack Neil, our long-time lobbyist, deserves our gratitude for his efforts which undoubtedly contributed to our success in this mission.

There is always great value in inviting elected officials to visit solar installation receptions and open houses at solar installations across the state. We encourage all members to make this a priority to improve the visibility of solar in Maryland. In lower income, such public and political outreach is necessary to address the reluctance of elected officials to support pro-solar legislation.

A few Maryland counties have become proactive and established programs to provide additional grants or tax credits and now are attempting to create financing mechanisms that will be advantageous to consumers and contractors.

The Political Landscape: Virginia

Governor Kaine's "Year of Energy" had mixed results. Although many bills were introduced, most died in the House of Delegates. Neither the tax credit nor the sales and use tax exemption emerged from the house subcommittees. Mitch King, Peter Lowenthal and Kevin Fox from IREC conversed with Dominion Power prior to the session and succeeded in expanding the interconnection sizes from 10KW to 500KW. Net metering was also expanded to include both residential and commercial time of use metering.

Senator Creigh Deeds of Charlottesville passed a bill which was originally intended to apply only to his county, but was passed statewide. The bill allows financing programs by local jurisdictions by creating special assessment districts. The source of capital was not identified, but there are several mechanisms to recover the loans through tax payments. Nationally, Congressman Chris Van Hollen has introduced federal legislation to create a source funding for these types of revolving funds called Green Bank.

State Senator Creigh Deeds and Former Attorney General Bob McDonnell now hold the Democratic and Republican nominations for Virginia Governor. McDonnell supports a renewable portfolio standard (RPS). Deeds has supported the voluntary RPS and other solar and efficiency programs.

HB 2417 passed and now prevents new homeowner associations from having solar restrictions in their bylaws. Existing covenants, however, are not changed by the passage of this bill. HB 2371, which supported real-time, cost-based electric rates was defeated in committee. As a result, peak demand

pricing and average peak rates are higher in VA than both MD and DC.

The Political Landscape: DC

The DC Renewable Energy Incentive Program has recognized the need for administrative support and collaboration with local industry as they continue to administer their grant program with a staff of two (2) half-time and two (2) temporary employees. The program has plans to hire a new manager next fiscal year.

The situation in the District has continued to improve; the office has now mailed letters of acceptance to the original grant reservation holders. Unfortunately, it appears that they are going to expend the \$2.0 million they have been allotted before the waiting list has been eliminated. It is possible that Mayor Fenty will allocate some stimulus funding to finish the backlog.

Though delays in the program are painful, the shortage of funding is even more so. We plan to address this directly with the Mayor and see if the District can redirect funds to revolving loans and additional grants. A reduced grant value could also help to stretch the funding to be available to more families. A reduction in the cap amount of \$33,000 to \$20,000 would also help create opportunities for more systems to be installed.

Other unresolved issues include the regulatory disputes regarding external metering and disconnect switches. Residential permitting also requires structural engineering permits and drawings for each home which carries a significant cost. The operation of the SREC trading mechanisms is not well understood by the customers. The fixed value of the ACP is less confusing than Maryland but for customers who want a longer time commitment they will receive less per SREC. Some contracts are lasting 5, 7, 10 and 15 years at variable rates. This creates uncertainty and speculation as to what is the best option. Possible solutions include assisting DDOE with grant approval process (which has been offered), and to address these issues by providing suggestion's to the Mayor's office in writing.

Industry Issues: Permitting

Hurdles to obtain low-cost permits quickly are ever-present and multiplying. Howard, Baltimore and Montgomery Counties are all creating many difficulties for companies to overcome in order to submit and obtain permits required to comply with the MD Solar Grant Program. Similarly, The DC permit office requires stamped PE drawings on all residential PV installations. In some cases this action is excessive, though it is surmountable in most cases. The costs to the customer are hidden in the overhead. It would be a good practice to break out this expense as a line item in order to bring attention to it.

Industry Issues: Code Training

We seek to establish training programs that will ease the burden on permitting offices by educating them on the specific issues that they should look for. Training code officials and inspectors will provide them the support they need to accelerate the approval process. It has been suggested to train a retired inspector, enabling training from an insider's point of view. IEC-Chesapeake may be interested in supporting that concept. Training coordinator Kerinia Cusik will be organizing training in July similar to prior trainings offered in Montgomery County.

We are interested in conducting a training workshop on fire safety issues and solar electrical systems. This would prevent the MD solar industry from the panic that occurred in CA when fire officials stopped all installs. Professionals must understand the loads and the points of interconnection. Industry representatives should provide guidelines to the fire officials on how to deal with a solar electrical array, before the axes start cutting holes in roofing.

HeatSpring Institute, of Cambridge MA, conducted a three-day training class in Gaithersburg charging students \$1,495. The class was not hands on but there was some show and tell. Plenty of electrical information was provided in order to pass the NABCEP entry level examination. IEC-Chesapeake is offering a class which will cost \$1,250, on June 25-27 in preparation for the NABCEP entry-level exam.

Industry Issues: Event Possibilities

A combined solar technologies and solar financing seminar has been discussed as an opportunity to engage interest in the Washington business community. The Council of Governments and the Washington Board of Trade would be good hosts for such a seminar.

A potential event that would accomplish several agenda items would be to host a Summit on Solar energy applications for low income or emerging communities. Jane Hager from PRSEA is interested in this topic. It seems to be absent from the thinking or planning of housing authorities and the Department of Housing and Community Development. Perhaps we can highlight some projects that have been successful Habitat homes, town homes in Philadelphia, any others? Van Jones is working for president Obama and might be interested in such a venue. Anyone who can reach Van Jones please contact Peter Lowenthal. This effort would be looking for new construction projects that might get solar included on them.

Discussion regarding the Solar Energy Focus Conference is critical as we need to look for venues and consider how we can succeed as we did last year in Annapolis. The Doubletree is booked for the conference dates. Please spread the word on any potential locations

Association Issues: Board Committees

Committee meetings will be a key agenda item for the near future.

The Governance committee will be seeking nominations from the Board members to serve as officers of the Association. We need to elect all positions President, Vice-president, Treasurer and Secretary. We will also be reviewing the bylaws to expand the Board of Directors and improve representation.

Upcoming Events:

Piedmont Alternative Energy and Electric Vehicles Expo
June 20th, Brumfield Elementary School, Warrenton, VA.