



February 23, 2017

*Via Electronic Mail*

**TO:**

Senator Jared Carpenter  
Chair, Senate Natural Resources and Energy Committee  
702 Capitol Ave  
Annex Room 203  
Frankfort KY 4060

**FROM:**

Richard P. Umoff  
Director, State Affairs  
Solar Energy Industries Association  
600 14<sup>th</sup> St. NW, Suite 400  
Washington, D.C. 20005

**RE: Letter in Opposition to SB 214**

Dear Senator Carpenter:

The Solar Energy Industries Association is writing on behalf of the national and Kentucky solar energy industry to urge you to withdraw SB 214.

The Solar Energy Industries Association (SEIA) is the national trade association for the United States solar industry. SEIA represents member companies across the entire value chain, including manufacturing, installation, project development, distribution, construction, and professional services. The solar industry now employs 260,000 people nationally, accounting for 2% of all new U.S. jobs last year. Kentucky is home to a small but burgeoning solar market, boasting 46 solar companies employing roughly 1,000 workers including manufactures, contractors/installers, distributors and professional service providers, and representing millions of dollars in statewide investment.

It has come to SEIA's attention that the Senate is considering a bill that would undermine a bedrock solar policy, net metering, resulting in significant harm to the Kentucky solar industry and a windfall for the monopoly utilities.

Net metering is a simple billing mechanism that allows solar customers to receive credit on their bill for the energy they generate with their solar system. Net metering enables customer choice

and drives good paying local jobs. SB 214 would prevent Kentucky residents from generating their own energy using a net metered solar system, and in the process seriously threaten Kentucky's growing solar industry. Such a result would unnecessarily deprive Kentucky of the opportunity to capitalize on the massive investment in solar energy driving significant job growth nationwide, harming local residents while handing the monopoly utilities a significant windfall.

In particular, SB 214 should be withdrawn for the following reasons:

- SB 214 imposes fees on customers who install solar systems that are designed to punish ratepayers who choose to go solar. Further, these fees would create significant uncertainty for customers considering going solar as the fees could change over time, depressing demand for local solar products and services.
- The fees are based on costs asserted by the utility without recognizing the benefits of solar, and without being subject to a fair regulatory process that ensures the fees are equitable for all ratepayers and not merely a windfall for the utilities.
- SB 214 extends and codifies Kentucky's ban on third party ownership, community-owned solar, and virtual net-metering. Third party ownership, community-owned solar, and virtual net-metering are policies that empower individuals to take charge of their energy use, save money on their electric bills, and foster innovation and investment by the private sector. Banning these policies would reduce customer choice and customer savings, while sending a negative signal to the private sector that Kentucky is not a good state to do business.

These policies are taken directly from the monopoly utility playbook being used around the country to stop the growth of solar, and the result would be exactly as the utilities intend - to stymie investment in local businesses that create local jobs, and allow the utilities to dictate energy and economic policy for the state. SEIA urges you and your colleagues to prevent this outcome by withdrawing SB 214.

Should you have any questions regarding these matters, you can reach me at the contact information below. Thank you for your consideration of this matter.

Sincerely,

/s/ Richard P. Umoff

Richard P. Umoff

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Solar Energy Industries Association

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CC:

Senator Brandon Smith, Vice Chair, Senate Natural Resources and Energy Committee

Senator Damon Thayer, Senate Majority Leader

Senator Morgan McGarvey