

STATE POLICY UPDATE

California: With a 50% RPS and full retail net metering in place, SEIA is working to ensure the value of these victories is realized through continued work on renewable energy procurement, rate design and solar grid integration.

- SEIA's methodology for establishing TOU periods was adopted by the CPUC in January. However, the CPUC departed from the methodology in setting SDG&E's TOU periods, setting the peak to run from 4-9 pm and thereby creating a dangerous precedent for pending decisions in PG&E and SCE's rate cases.
- SEIA's and Vote Solar's challenged over \$2 billion of Southern California Edison's (SCE) proposed grid modernization investments as premature, excessive, and not cost-effective. The proceeding went to hearing in August, poised for a late 2017 decision. SCE has already conceded \$129 million in proposed investments due to SEIA and Vote Solar's testimony
- A fixed cost methodology for determining residential fixed charges or minimum bills- proposed by SEIA, the Office of Ratepayer Advocates and The Utility Reform Network- was adopted nearly in full in a recently released proposed decision.
- SEIA is ensuring that new methods for valuing solar and other distributed energy resources captures their full benefits going into NEM review in 2019.

Massachusetts: SEIA is working to implement policies that will double the size of the Massachusetts solar market.

- SEIA & our local partners helped shape the design of the State's new declining block incentive program. Modelled on California's successful incentive program, the Solar Massachusetts Renewable Target (SMART) is expected to be fully implemented in spring of 2018 & will support another 1600 MW of solar.
- SEIA persuaded regulators to build a bridge between the end of the SREC II and the beginning of the new incentive program. Our advocacy helped avoid another potential gap between the end of the current extension and the start of the new program;
- We're working to align the Commonwealth's net metering caps to align with the new solar incentive program.

New York:

- SEIA continues to help design successor tariffs to net metering under the Commission's new compensation framework for distributed solar (VDER), and is working with the Green Bank on financing options for solar.
- SEIA's advocacy resulted in a March PSC Order that keeps net metering for rooftop customers until 2020, creates value-based compensation for larger solar projects, and will establish a sizable community solar market.
- SEIA helped create a new opportunity for utility scale solar through NYPA's large scale renewables solicitation. Released on June 2, 2017, NYPA is seeking 1 million MWh from large scale renewable resources, and will consider non-traditional financing proposals such as prepaid PPAs from bidders,

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as we had recommended. This solicitation complements an RFP from NYSERDA that takes the first steps toward reaching the 50% RPS goal.

Texas: SEIA actively participated in two rate cases that would have impacted solar in Texas. The first, filed by Oncor, would have added a punitive minimum bill for solar customers. The Oncor case was settled relatively early in the proceeding, with the solar issues removed from the proposed settlement. The second, filed by El Paso Electric, would have separated DG customer into their own rate class and imposed a mandatory three-part rate, despite El Paso Electric not having the technology to tell a customer when the peak demand was reached. After multiple rounds of testimony, and just before the hearing was scheduled to start, parties reached a tentative settlement. Details of the settlement are not yet public.

SEIA is actively engaged in dockets at the Public Utilities Commission of Texas and ERCOT that affect how utility-scale solar is treated in the Texas electric market. ERCOT predicts 14,000 – 27,000 MW of solar capacity additions by 2031.

New Jersey: SEIA is working with the legislature to promote the continued solar growth in the state.

- Working with industry stakeholders (MSEIA, NJSEC, NJ Grid Supply Association, IBEW & others) SEIA reached consensus on **RPS SREC** reform legislation that was introduced at the end of the regular NJ legislative session setting the stage for passage later this year, or early in 2018. This legislation includes sunsetting the initial SREC market, while providing sufficient time to develop a successor program that aligns with state energy policy;
- Work is underway with many stakeholders to create a balanced incentive program that benefits labor, investors and ratepayers.

Arizona: With co-investment support from a number of member companies, SEIA worked on rate design in the APS General Rate Case and participated in a settlement for a NEM successor tariff approved in Aug 2017. The ACC package will provide certainty and transparency for rooftop solar customers in the APS solar market, with initial export compensation values close to the retail rate.

Nevada: Nevada enacted a SEIA-led bill, AB 405, that will reinstate net metering, along with establishing a Solar Bill of Rights and adding Consumer Protection. The rate for exported energy is slightly reduced from retail rates, but the PUCN's September 1 decision implements the bill fairly, in a manner that will help reinvigorate the residential market. SEIA worked with other stakeholders on that bill, as well as SB 374 (Community Solar) and AB 205 (Increasing the RPS), among other energy bills.

Colorado: SEIA co-sponsored (with COSEIA) legislation in CO to extend a cap on solar permit fees (\$500 for residential systems, \$1,000 for non-residential systems) in 2017, which has been signed into law by the Governor. This was one of the few pieces of energy legislation that successfully navigated the split houses in Colorado.

Southeast States: SEIA is engaged across the south on both utility scale and DG solar. Recent developments:

- **Florida:** SEIA worked in partnership with Vote Solar to drive Amendment 4 legislative implementation through SB 90. The bill was signed by Florida Governor Scott in late June; it creates an 80% tangible

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personal property and ad valorem tax abatement for residential, commercial, and utility scale solar. The legislation also requires standard disclosure forms for residential solar. SEIA is starting to work with the Florida Department of Business and Professional Regulation to start the rulemaking process for these forms.

- **North Carolina:** SEIA worked with local advocates NCSCEA and NCCEBA on an overhaul of the solar energy policy framework in North Carolina. H589 will move the state from a PURPA-driven market to a competitive solicitation process. The legislation authorizes solar leasing, and contains consumer protections, residential and commercial solar rebates, a large customer procurement program, an energy storage study, and small changes to the state Renewable Portfolio Standard. SEIA is also working with statewide advocates to address local pushback to utility scale solar development.
- **South Carolina:** Rooftop solar companies have coordinated with SEIA on ongoing consumer protection issues being surfaced in public and at the legislature. SEIA is participating in an "Act 236 Energy Working Group" in order to develop compromise consumer protection materials and avoid legislative overreach.
- **Virginia:** SEIA is participating in the Rubin Group process to drive consensus legislation among solar advocates, the solar industry, and utilities for the 2018 legislative session. SEIA's work has predominantly been on utility scale policy formation, but we are also starting to help MDV-SEIA address local pushback to large scale solar – similar to what we've seen in North Carolina.

Midwest States: Midwest solar markets are poised for growth with 2016 policy activity now moving through the implementation stage.

- Illinois enacted a "fix" to its RPS law in December 2016 that will support up to 1,350 MW of new solar by 2020, and growth through 2030. SEIA is leading the charge with industry groups and companies to design the incentive program and maximize the opportunity for solar in Illinois. And we are working with industry partners on the ICC's grid modernization initiatives, including development of an inverter rebate tariff, a community solar tariff, and guiding the Commission in its NextGrid process.
- SEIA and its partners recently won a significant victory in Michigan, where utilities are now required to enter into long term contracts for solar energy projects up to 2 MW at fairly calculated prices. Additionally, SEIA won grandfathering and extension of net metering for DG customers. SEIA has intervened to oppose a 1200 MW natural gas plant proposed by DTE, recommending that DTE be required to invest in solar instead.
- In Missouri, SEIA worked with TASC and our state affiliate MOSEIA to defeat a bill that would have imposed mandatory demand charges on residential solar customers.

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