Discussion Outline for Potential Strategies

1:00 to 1:50: Cross Cutting Issues—Grid Scale And Distributed

- Increase the AEPS targets to include all or some of these options:
  - Increase the solar carve from 0.5% in the AEPS to 4% – 8% of retail electric sales by 2030, possibly including interim goals.
  - Include goals or incentives for grid scale, distributed generation, community solar and energy storage paired with renewables.
  - Phase grid scale solar out of the solar carve-out and into the category for other non-solar renewables as price point drops.
  - Include a carve out (or SREC multiplier or other incentive structure) for the MUSH and non-profit sectors to encourage solar ownership for entities that cannot monetize tax incentives.
  - Include provisions to incentivize deployment of solar to low-to-middle income individuals.
- Eliminate fossil fuels from Tier II as supported by the current PA AEPS. Adopt Carbon Pricing
  - One such effort is the Regional Greenhouse Gas Initiative (RGGI) inclusive of other northeastern and Mid-Atlantic states, Delaware and Maryland (and likely Virginia and New Jersey soon)

1:50 to 2:40: Grid Scale Generation

- Long-term Contracts
  - Encourage the PUC to allow IOUs to enter into long-term Power Purchase contracts w/ IPPs.
- Access to Long-term financing
  - Maintain federal tax incentives including the ITC and MACRS depreciation schedule.
  - Offer corporate tax incentives that attract utility solar development, with restriction for site location (as stated above) and requirements to create certified sustainable solar developments that preserve existing forest and agricultural land and enhance the environment and surrounding ecosystems.
  - Other Considerations such as PURPA compliance and potential tariffs.
- Utility ownership
  - Allow utilities to own solar generation with limits that might include focus on projects that may be difficult to attract investors such as solar for Low to Moderate Income, since utilities have more readily available access to capital.
  - Prioritize grid scale development on coal waste fields, abandoned mine sites and brownfields before greenfield development by using property tax forgiveness on these properties and state incentives to access these lands at no or reduced cost.
- Independent Power Producer Ownership
- Alternative and Short Term Options for Advancing Grid Scale Solar
  - Grid scale solar can be a cost effective way to advance solar yet solutions to eliminating barriers take time and are subject to regulatory interest, schedules and priorities. SREC markets are not working in Pennsylvania as stated elsewhere in this report.
  - A potential barrier after 2021 is that solar will completely close down in Pennsylvania after 2021 due to potential inaction on the part of policy makers to set a firm goal within the AEPS.
    - Solution – Competitive Procurement for Solar

2:40 To 3:30 Distributed Generation

- Ownership models
- Community Solar
  - Change legislation to allow the development of community solar systems.
  - Allow utilities to utilize community solar with microgrids.
- Virtual Net Metering
  - Change virtual net metering laws to permit community solar project development, and include some incentive for low-to-moderate income customers.
- Alternative Ratemaking
  - Adjust ratemaking without dis-incentivizing solar deployment. Potentially including time of use rate structures and valuing solar-plus-storage during high demand hours.
- Tax Incentives
  - Adopt state sales tax exemption on solar equipment.
  - Create a loan loss reserve that provides security to private lending institutions that are willing to offer long-term, low interest loans for industrial, commercial and residential distributed solar generation customers for which the loan repayments are reinvested back into the loan pool.
  - Encourage long-term financing for all sectors of development, including Property Assessed Clean Energy (PACE) for industrial and commercial sectors.
  - Achieve a robust on-bill recovery program for solar.

3:30 to 4:00 Synthesis and Next Steps