

Attachment #3

Solar Policy Improvement Opportunities

Net Metering Loop Hole –

Issue: Current State legislation (PSC 25-6.065 Interconnection and Net Metering of Customer-Owned Renewable Generation) appears to have a loop hole regarding net metering. This loophole allows for net metering to be applied per meter, not per customer.

Background: Customers who install renewable power generators up to 2 megawatts can interconnect them with the electric grid. Excess energy generated by the customer and sent to the grid will be subtracted from energy used for the month. If the customer generates more energy than they use, the energy credit will carry over to the next month until the credits are depleted. At the end of the year, any excess energy generated will be paid out to the customer at the "As Available" rate.

If a customer has more than one meter on-site, and the solar is connected to only of one of these meters, it is likely that the solar generation will surpass the usage on that single meter, but not the net use of all meters on that site. In this case the utility will pay a net-meter rate (normally between 4-6 cents per kWh) for the excess solar, and charge the full utility rate (normally between 10-15 cents per kWh) for the remaining meters. The excess solar is not transferable to the other meters on-site.

Possible Solution: Provide a clarification in PSC 25.6065 that net metering applies to each customer rather than meter. This would also benefit condominiums and other multiunit buildings who wish to install a single solar system, but apply the benefit to multiple users.

Regulation of solar installation –

Issue: Manufactures of solar equipment are currently not allowed to install their products within Florida, but must use licensed contractors.

Background: Currently DBPR regulates business licenses in FL including professionals who install solar equipment. Manufactures (mainly from California and Arizona) are not permitted to install their solar system products within Florida because the manufacture is not a licensed contractor. This limitation worries manufactures of solar because their warranties are typically based on a certified manufacture installer.

Possible Solution: Senator Bennett sponsored a policy that allowed makers of manufactured homes to install their pre-approved products within Florida as a manufactures and not be required to hold a contracting license. This policy could be used as a model. Allow manufactures of pre-approved solar products to install. Suggested that Senators King and Bennett and Representative Rehwinkle Vasilinda may support this policy.

Receive FL solar rebate up front-

Issue: Currently the Florida solar rebate program (\$4 per watt, with max rebate of \$20k residential, and \$100k commercial) results in a rebate check reaching the applicant many months and even up to a year after the system was installed.

Background: Funds are awarded first come first serve and only after the system is installed to specifications and operable. The applicant must absorb the financing for the full project cost until such rebate is received. Due to funding source limitations and qualification requirements, the applicant has no guarantee of rebate receipt.

All rebates have been granted for FY09, with a waiting list worth \$7.2M into FY10. On 6/17/09 the legislature approved a budget amendment to provide another \$5M to the program, with another \$9.4M coming from stimulus for a total program budget of \$14.2M. With the additional funding those on the waiting list will receive rebates, leaving \$7M for new applicants.

Possible Solution: Allow applicant to provide statement of commitment from certified installer prior to install and receive rebate up front. States of California and New Jersey have this system in place as a model.

FSEC: Clarification of Role –

Issue: FSEC (FL Solar Energy Center) was established as a research institute and has migrated towards a certification and enforcement entity. The unclear role of FSEC has resulted in out of state manufactures feeling uncomfortable in doing business within FL.

Background: FSEC is a research institute of the University of Central Florida created by the legislature in 1976 (FS 377.705), with a mission to research a develop energy technologies, and educate students, practitioners, and the public on the results of this research.

FSEC conducts research on solar and other alternative energy technologies; provides continuing education programs for teachers, students, and industry; and certifies the performance of solar energy systems manufactured or sold in the state. The center has a two-year backlog in testing and certifying solar systems, which adversely affects both manufacturers wishing to sell those systems and citizens. Section 377.705, Florida Statutes require the center to develop standards for solar energy systems manufactured or sold in FL and certify that these systems meet these standards.

The FL standards are beyond that of the national Solar Rating & Certification Corp (SRCC). The SRCC applies nation wide and is necessary to qualify for the solar federal tax credit. Manufactures wishing to do business in FL are currently required to meet both SRCC as well as FSEC standards.

Possible Solution: Should the Legislature determine it wishes to eliminate the requirement that solar energy systems sold or manufactured in FL be certified by FSEC, the 2-year testing backlog would be eliminated as well as \$700,000 funding need for testing & certification. National building, SRCC, and UL standards would still apply to systems in Florida. This would

result in a more streamlined and efficient environment for solar manufactures and products. (SB 1380 was heard but not passed, also references this topic)

**Renewable Energy Dividend (RED) aka Feed In Tariff (FIT), Production Based Incentive (PBI):
Support a state-wide policy –**

Issue: Support a state-wide policy of RED to ensure growth of solar power installation as well as other renewable energy sources such as waste-to-energy, wind, and water.

Background: Emerging in the early 90's, Germany, Spain and Denmark became leaders in the FIT. The concept is producers of renewable energy (not just solar, but biomass etc) are paid a premium rate or "tariff" for each kilowatt of energy they "feed into" the grid. Utility companies sign 15-20 year contracts with agreed upon prices that the utility company will pay for the energy they buy. Prices are set high enough to serve as an incentive to the producer. The utility can recoup their increased costs of paying higher prices for renewable energy by spreading these costs among all customers.

RED is often viewed as a solution to offer job creation, local economic stimulus, energy independence, and environmental stewardship.

Gainesville Regional Utility has served as a leader, implementing their RED in early 2009. In just a few short months they reached their annual allotment of 4 megawatts, and now have a waiting list of applicants for the next two years. The local policy has clearly launched an extreme growth in implementation of solar within their service area. The program success has drawn the attention of the Nation as well as several solar manufactures now considering locating in or near Gainesville.

Possible Solution: Support existing efforts to bring forth a Florida policy on renewable energy dividends.

Illegal to assign solar rebate to another party

Issue: Florida citizens who qualify for a solar rebate are unable to assign the rebate to a third party lender or installer. This limitation provides no guarantee that the owner of the system will apply the rebate towards the loan once received.

Background: Florida Statutes 377.806 Solar Energy System Incentive Program established to provide financial incentives for the purchase and installation of solar energy systems. Any resident of the state who purchases and installs a new solar energy system of 2 kilowatts or larger for a solar photovoltaic system, a solar energy system that provides at least 50 percent of a building's hot water consumption for a solar thermal system, or a solar thermal pool heater, from July 1, 2006, through June 30, 2010, is eligible for a rebate on a portion of the purchase price of that solar energy system.

Possible Solution: Correct existing language to clarify the opportunity for a citizen to assign a pending solar rebate to a third party.