



## Background on PA Solar Hot Water (SHW)

### Subsidies and Uncertainty in the Future:

#### The problem:

- **PA Sunshine subsidies are ending (Current great 65% subsidies = 35% State + 30% Federal)**
  1. Originally, we were told that the PA Sunshine Solar Hot Water funds were to be separate from the PV (Solar Photo Voltaic) funds. PV makes electricity from the sun. Then as the funding got lower and PV used funds down to the 4th tier, we were told that funds for PV and SHW (Solar Hot Water) were in the same depleting pile of money.
  2. PA Sunshine anticipated 1,500 SHW systems, and slots for 980 SHW systems not yet done.
  3. According to Tom Bell of PA Sunshine, there was about \$14 to \$15 million left on 5/5/2011 when we spoke, and he anticipates waiting lists (or no more PA subsidies) by August 2011.
- On the **federal** end, the 30% federal grant subsidy will be only available as a tax credit from 2012 to 2016. The current federal tax free grant subsidy ends in 2011.
- **Solar Hot Water gets no SRECs in PA** at this time. Solar Renewable Energy Credits are awarded to Solar PV. SRECs are expected to create long term stability for PV installers and SWH installers need the same stability in order to continue to create jobs and grow our businesses.
  1. There had been a national effort to the US Senate in December 2010 to put SHW into the federal Renewable Energy Portfolio Standard, but that did not happen. ([An industry wide sign on letter was sent.](#))
  2. Maryland was recently successful in getting SRECs for Solar Hot Water passed in their state legislature thanks to work by MDV SEIA (Maryland, DC, and Virginia SEIA).
  3. District of Columbia also awards SRECs for Solar Thermal.
  4. Some PA legislators deserve appreciation for trying to include SRECs for Solar Thermal in PA - legislation that had been advanced, but was not yet passed.
  5. A group from PA SEIA met with Rep Bud George and Rep Mike Carroll on April 11, 2011 under Maureen Mulligan and Ron Celentano to include Solar Hot Water for SRECs – and we believe there is interest in helping accomplish our goals, but this was not yet introduced as a serious “ask”.
  6. Former DEP Sec John Hanger has said the DEP Secretary has the authority to make such administrative decisions regarding how these funds are proportioned.
  7. ***If Solar Hot Water qualified for SRECs as part of the “solar share” instead of as a Tier 1 resource, we probably would not need further rebates***
- **Tier 1:** Additionally, we intend to investigate registering Solar Thermal with GATTS to qualify SHW for Tier 1 – but we suspect the metering costs and paperwork will not be worth the rather meager income, if there would be any at all. There would be the BTU to KW conversion to register the solar thermal credits and maybe specially certified equipment required for this. To our knowledge, no one has attempted to register these credits for SHW yet in PA.
- **PV installers do Not seek more subsidies:** With the price of PV panels going down and the potential SREC funding opportunity (particularly if the proposed SREC requirement is fixed), PV installers say “We don’t need more subsidies – let the current subsidies run their course!”

1. However, our SHW collector and installation prices are staying level and even going UP (collectors are made of copper and projects take lots of labor), and
2. Our biggest competitor is the LOW price of natural gas – that has already gone DOWN. Marcellus Shale drilling is expected to bring down the cost of national gas in the future.
3. ***So with SHW state funding subsidies going away, installation costs going up, fossil fuel energy prices going down, there is a tenuous future for SHW in PA and the good, clean jobs Solar Hot Water brings to PA.***

### **Efforts to help Solar Hot Water in PA**

I've been heading a newly formed PA SEIA Solar Thermal Committee to try to keep Solar Thermal alive in PA – especially after the PA subsidies end.

1. On behalf of PA SEIA, DEP Sec Michael Krancer received an initial letter to request a set aside of \$1 million from depleting PA Sunshine for Solar Hot Water projects in PA so Solar Hot Water industry in PA can continue to grow and produce good PA jobs.
2. Penn Environment produced an excellent [Report](#) and [Executive Summary](#) on the great benefits of Solar Hot Water, "[Smart, Clean and Ready to Go!](#)", and I joined them for a [Harrisburg Press Conference on March 10, 2011](#). [Press release](#) concludes that SHW is a proven, effective, mature way to heat water from the sun. SHW makes sense. Installations bring good jobs; investing in Solar Hot Water helps the climate and heating water with the sun reduces fossil fuel use.
3. Over 100 [petitions](#) have been gathered (65 petitions were already given) to Sec Krancer.
4. Several organizations have written letters of support.
5. Several PA legislators have expressed support.
6. DEP Secretary [Krancer is scheduled to visit some SHW projects on Mon June 27 in NE Phila.](#)

### **What you can do to help:**

- **You could help by writing a letter to DEP Secretary Michael Krancer to support the request for PA Dept of Environmental Protection to set aside \$1 million from current PA Sunshine Program funds for Solar Hot Water, before the funds are all spent.**
- **His contact info:** DEP Secretary Michael Krancer / PA Dept of Environmental Protection/ Rachel Carlson Building 14th Floor/ 400 Market St / PO Box 2063/ Harrisburg, PA 17101 – Fax 717 -705 4980 – His secretary is Karen Yordy 717-783-3004, [KYordy@State.Pa,US](mailto:KYordy@State.Pa.US) and his scheduler is Heather Reim - [Hreim@State.PA.US](mailto:Hreim@State.PA.US) –
- **Please email** (fax: 610 520 1969, or send) **us a copy** of correspondence that you write.

Thank you for your time and consideration.

Sunny regards,

Jan ☺

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On behalf of PA SEIA Solar Thermal Committee with approval by PA SEIA Policy Committee



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