

Oversight Hearing on Implementation of Clean and Affordable Energy Act of 2008

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Thank you for the opportunity to speak today. The most important message I have to deliver, is that the residents of DC want solar (or other renewables). They want to do something to reduce their energy consumption, they are concerned about climate change, they want to save money on their energy bills and they love the feeling of self reliance of producing their own energy on their own roofs. The recent economic crisis has only heightened people's desire to decrease costs, and increase self reliance. My experience is that this desire crosses economic, racial and cultural lines. The combination of the recent increase in Federal Tax Credits and DC rebate program is finally making solar cost effective. We are making real progress.

I would like to add that the recent interpretation by the relevant agencies that the DC rebate is not meant to be taxable income under DC law and does not require reporting as income for federal tax purposes is an important contribution to the affordability of solar. By clarifying this important point, you have greatly increased the value and impact of the program. Thanks to all who worked to make this happen, particularly Council Members Bowser's and Cheh's staffs and the staffs at DDOE and the OCFO.

The Mt Pleasant Solar Coop embodies the commonsense view that DC wants solar. Our members are moving forward this summer with more than 45 solar installations, forty five homes that will have smaller carbon footprints. And there are more coming. The Mt. Pleasant Solar Coop no has more than 200 members.

We couldn't have done it without the D.C. rebate program. We had 86 houses sign up for the DC rebate program. Of those a bit more than half, signed contracts and submitted the full application to DC Energy Office. The office is now working with five different installers in making our solar installations happen. We are planning a solar block party in Mt. Pleasant the fall, to celebrate and promote the DC program. You are all invited!

We are also working with folks from Capitol Hill, Brookland, and Shepherd Park who are forming Solar Coops as well. As you know, there is already more demand for the rebate program than money appropriated. I predict this demand will grow tremendously over the next year, as neighbors begin to see solar panels popping up all over the city and say—"why don't I do that? Our goal is to help solar coops form in neighborhoods all over DC. The transition to solar energy is not simple. But groups of like-minded neighbors can make it happen, with saving money and energy. To this end, please feel free to forward our contact info to any interested constituent.

We would like to give our thanks and congratulations to the DC Energy Office for getting the program launched. I would specifically like to thank Emil King in the Energy Office for his persistence, patience and attention to the program. He has been very flexible, supportive and helpful as we try to work through the requirements and struggle to meet the timelines.

I have to say, however, I am not sure it needs to be this complicated! I would like you all to understand very clearly. Things are moving, but it is still not very EASY going solar. And the reason mostly has to do with the confusion and complication of working with the DC Government. Without up-front financing and a user friendly grant process—the time and logistics and up-front cash necessary are still just too much for most people to manage.

The bottom line is that the DC rebate program should be expanded and the process should streamlined.

Although I have provided more detail in my written testimony—I would like to call your attention to key areas that need improvement:

- We need to streamline and reduce the documentation required for the rebate program;
- We need to improve the DC permit process;
- We need a funding mechanism such as a low interest loan program for going solar;
- Pepco needs to improve its responsiveness on billing, meter installation, interconnection and other issues;
- We need to provide on-going analysis on what is working and not working with the program, as well as the different technologies and types of installations. We need to set up a learning environment so we can expand the program in a smart way.

Finally, I would like to say that the MTP Coop is anxious to support the new Sustainable Energy Utility in any way we can. We look forward to hearing about any progress or forward movement on the SEU and hope to collaborate and be supportive in any way that we can.

Thank you for inviting me to speak today.

Annex for written submission

A. The DDOE Rebate Program

Overall, our experience has been that the process is very confusing, the directions and timelines are hard to follow. There are a large number of documents required for the DC Energy Office. Many of the required documents are duplicates or similar to documents required by DCRA, Pepco, and the PSC. This increases the time, confusion **and cost** of going solar. For example, rather than sending, DDOE copies of building permits and drawings, copies of Pepco and PSC registrations—why not send DDOE a copy of the permit approvals once they are obtained.

Another example, is the DDOE requirement to provide the percentage of our energy bill that will be covered by the solar installation. I understand the need and desire to collect good information, but for my members that pay their bill online, this information has been almost impossible to obtain. Why not ask Pepco to supply this information instead of the individual home owner?

B. Permits

According to the installers that have been working with us, the requirements in DCRA's permitting office are far and away the most burdensome and difficult of any jurisdiction in the DC Metro area. There are four separate departments to satisfy: electrical, structural, zoning and historical. Each of them requires separate pieces of information, and some of them frankly don't make a lot of sense. Zoning, for example, requires an elevation drawing of the entire building – even in cases where the solar energy system is to be flush-mounted and will add less than 6” to the overall height of the building. They also require a plot plan with a setback, even though the solar energy system is going to be on the roof and will have no impact whatsoever on the overall footprint usage of the property. These requirements mean that our installers will have to do a second site visit on every property to actually measure the height of the property and then dedicate engineering hours to drawing up the proper drawings. Expense is also added by the requirement to obtain a plot plan from the city (also adding time to the wait for actual installation). In addition to these requirements, the staff at DCRA seem to be inadequately trained in solar energy requirements. Our installers have received inconsistent responses from different staff members who seem to have different guidelines. For example, some have turned our contractors away because their drawings were on 8 1/2 x 11 paper rather than 11 x 17 – while others do not seem to be concerned with this issue. It has been difficult to get consistent information regarding the actual permitting requirements – and some of the requirements seem to be rather arbitrary and unrelated to the goal of ensuring a safe and professional solar energy installation. Of course, we all want that – but uncoordinated, and ill-informed requirements add expense to every solar energy system and slow down the time between purchase and actual installation. If DC is trying to provide leadership in supporting the use of renewable energy, this process is something that should be streamlined.

C. The Demonstration Projects—Lessons on Design, Equipment and Installation

As a homeowner, of a typical flat roofed town house in DC one of the biggest challenges is to decide how to mount the systems on our roof and what type of equipment to use. The contractors mostly come from the suburbs and are used to working on suburban sloped roofs. The experience in DC so far is limited. Frankly, when we speak to contractors we are given confusing and contradictory advice. Roof penetrations, ballast systems, platforms mounted on the party walls, thin film. Many of our members dropped out, because they became too concerned about impact to their roof or walls, or were too unsure about how to make the right decision.

We would like to find a way to partner with DDOE, DCRA or others to help develop a lessons learned guide to home owners and installers that deals with the specific engineering and permitting issues related to DC homes. We would love to find a way to go back to the homes already funded by the DDOE demonstration project and discover what their experience has been so far. We would like to work with the city to help develop a way to evaluate our projects and the rebate program so that homeowners participating in the future have increased confidence, and better information upon which to make their decisions.

D. PEPCO

We are still concerned that Pepco is not up to the task of managing or even encouraging solar at a larger scale in DC. Although, we have not gotten to that phase in our installation, we have heard that there are often long delays to get Pepco to install meters that allow solar to be connected to the grid. When the Capital Hill Solar Coop submitted a series of very basic questions on the installation process and billing Pepco's written response was evasive and maddening. For example, when asked:

Q: What is PEPCO's customer standard for how long after solar panel installation is completed before PEPCO installs meters?

Pepco's answer was :The standards involved in the interconnection application process are a regulatory standard.

Q: When asked--Are the issues or problems that have occurred with other solar installations in DC that we can learn from so similar mistakes are not made?

Pepco replied: As with any new offering, there were lessons learned.

Q: When asked :We understand that PEPCO doesn't have a billing system in place that can record energy production from solar that exceeds consumption by the household. How will PEPCO handle this

situation when we have a number (30-60) of households ? We have heard from some households that it takes months and months to resolve and that the homeowner must be vigilant because the Pepco computers cannot read a negative use number, so if a home in one month produces more electricity than it uses, Pepco computers just charge the home owner what should be a credit.

Pepco answered: We have a billing system capable of billing our Green Power Connection accounts though manual intervention may be necessary for tracking purposes.

Q: When asked: Can we set up a special system for addressing billing issues so that our requests are handled in a timely fashion?

Pepco answered: Pepco has a defined process in place for handling billing issues and customers with solar systems are included in this process.

Q: We understand that PEPCO has supported the use of “smart meters” that charge you different costs of electricity at different times of the day. Under this concept, will energy produced by grid-tied solar systems also be credited based upon the when the energy is produced?

A: That is not an option at this time.

This last point is an especially important one as we move forward modernizing energy policy and regulation in DC. Solar producers can be an important constituency to support and implement energy conservation, demand side management, smart grids, smart meters and so forth. However, it is important to remember that as DC moves toward these innovative systems, net metering rules need to keep pace to ensure that energy producers are also paid real time prices for the energy they produce.

Overall, these responses are just not acceptable.

E. PSC and Financing Mechanism

We have not yet gone through the process of registering our systems with the PSC so we cannot provide comments on this at this time. Only to say, that it was sufficiently confusing that we felt we had no other choice than to partner with a private sector REC aggregator Solsystems, in order to register and sell our RECs. This of course, lowers the benefit that homeowners can reap directly from their RECs.

Another key issue for the PSC is the development of a solution or even an options paper on public financing for residential renewable energy. The Clean and Reliable Energy Act of 2008 sets forth a requirement to study options for financing. The language of the bill is as follows:

Sec. 213. Solar and Renewable Home Improvement Financing Proposal.

(a) Within 90 days after the effective date of this act, the Commission shall open an

investigation into mechanisms to make long-term affordable financing available to energy consumers to purchase...

(b) The Commission's investigation shall include the means by which the electric and gas companies' billing systems can be used to collect payments from individuals to purchase renewable energy generating systems and make energy efficiency improvements....

So far, we have heard nothing about the progress of this provision of the bill. I met with PSC in October and expressed MTP Solar Coops strong interest in this issue. This issue deserves much greater attention and urgency.