

September 6, 2013

Email to Jean Guzzetti, Legislative Analyst, Office of Policy and Legal Analysis,  
Jean.Guzzetti@legislature.maine.gov

Dear Members of the Energy, Utilities and Technology Committee:

At the suggestion of a solar energy installer in Maine, I am writing to you as counsel to the Interstate Renewable Energy Council, Inc. (IREC) to provide input to the Committee regarding the status of the solar energy market in Maine and across the United States. IREC is a non-profit organization that has worked to accelerate the use of renewable energy and energy efficiency – particularly at the state level – since 1982. IREC appreciates the opportunity to share with the Committee information regarding Maine’s solar-energy market and policies, and how Maine’s solar market and policies compare to those that exist in other Northeastern states.

**The U.S. solar market is growing rapidly.** According to IREC’s *U.S. Solar Market Trends 2012*,<sup>1</sup> the aggregate capacity of photovoltaic (PV) systems installed in the United States in 2012 increased by 80% -- to 3,300 megawatts (MW) – compared to 2011 PV installations. Approximately 95,000 distributed PV systems were installed in 2012. Installed prices for distributed PV systems dropped by at least 12% in 2012 (compared to 2011) and have fallen 33% since 2009. As well, solar water heating (SWH) continues to be an effective means for offsetting fuel oil, propane, and electricity in residential and commercial applications, and has seen strong growth in states with supportive programs. It appears that SWH could be particularly effective in Maine, due to the state’s high fuel costs and limited access to natural gas.

The U.S. Department of Energy’s (DOE) *SunShot Vision Study*<sup>2</sup> envisions a level of solar deployment that could support 290,000 new solar jobs by 2030 and 390,000 new solar jobs by 2050. Across all market sectors, the lower electricity prices in the *SunShot Vision Study* scenario translate into around \$30 billion in annual cost savings by 2030 and \$50 billion in annual savings by 2050, compared to the reference scenario.

**Solar jobs are increasing steadily.** The Solar Foundation’s *National Solar Jobs Census 2012*<sup>3</sup> found that the U.S. solar industry employed 119,016 workers as of November 2012 – a 13.2% increase over the previous year. The Solar Foundation projects the number of solar jobs to grow 17.2% during the 12 months following publication of the 2012 *Census*, representing the addition of approximately 20,000 new solar jobs in the United States.

As of November 2012, there were only 270 solar jobs in Maine.<sup>4</sup> However, in 2012, Kennebec Valley Community College (KVCC), in Fairfield, was awarded a DOE grant to provide PV training to instructors across the Northeast, with the aim of creating a well-trained and highly qualified regional solar workforce. As the Northeast Provider of Solar Instructor Training, KVCC works with

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<sup>1</sup> <http://www.irecusa.org/wp-content/uploads/2013/07/Solar-Report-Final-July-2013-1.pdf>

<sup>2</sup> [http://www1.eere.energy.gov/solar/sunshot/vision\\_study.html](http://www1.eere.energy.gov/solar/sunshot/vision_study.html)

<sup>3</sup> <http://thesolarfoundation.org/research/national-solar-jobs-census-2012>

<sup>4</sup> <http://thesolarfoundation.org/solarstates/maine>

career and technical high schools, community colleges, baccalaureate institutions, trade apprenticeship and union training programs throughout New England and New York.

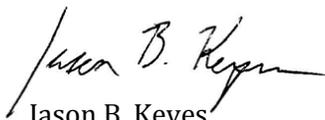
**Strong state policies enable solar markets and jobs.** IREC believes that certain state policies can play a critical role in the cultivation of state solar markets. Major policies and conditions that have driven solar markets in other U.S. states include an array of financial incentives, a renewable portfolio standard (RPS) with a solar or customer-sited carve-out, the allowance of solar leases and third-party sales of solar electricity, solid net metering and interconnection procedures, and a well-trained workforce. Maine has already established solid net metering and interconnection procedures,<sup>5</sup> and it is well on its way to helping create a highly qualified regional solar workforce. However, as Table 1 illustrates, Maine currently lacks several key policies and incentives that other Northeastern states have adopted. The allowance of solar leases and third-party sales of solar electricity can be particularly beneficial to residents of varying economic backgrounds because such arrangements typically require few or no upfront costs and yield monthly savings.

**Table 1. Solar Policies and Incentives in Northeastern States**

| Solar Policy / Incentive <sup>6</sup>             | ME              | NH  | VT  | MA  | RI  | CT  | NY  |
|---|-----------------|-----|-----|-----|-----|-----|-----|
| Residential SWH incentive(s)                      | No              | Yes | Yes | Yes | Yes | Yes | Yes |
| Non-Residential SWH incentive(s)                  | No              | Yes | Yes | Yes | Yes | Yes | Yes |
| Residential PV incentive(s)                       | No              | Yes | Yes | Yes | Yes | Yes | Yes |
| Non-Residential PV incentive(s)                   | No              | Yes | Yes | Yes | Yes | Yes | Yes |
| Property tax incentive(s)                         | No              | Yes | Yes | Yes | Yes | Yes | Yes |
| Sales tax incentive(s)                            | No              | n/a | Yes | Yes | Yes | Yes | Yes |
| RPS with solar/DG <sup>7</sup> carve-out          | No              | Yes | No  | Yes | No  | No  | Yes |
| 3 <sup>rd</sup> -party sales of solar electricity | No <sup>8</sup> | Yes | Yes | Yes | Yes | Yes | Yes |

IREC hopes that the information provided in this letter will be helpful to the Energy, Utilities and Technology Committee as it discusses Maine’s energy future.

Respectfully,



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<sup>5</sup> <http://freeingthegrid.org/#state-grades/maine>

<sup>6</sup> Information extracted from [www.dsireusa.org](http://www.dsireusa.org) and IREC staff.

<sup>7</sup> “DG” means distributed generation, or decentralized energy generation.

<sup>8</sup> IREC is not aware of any policies that allow third-party sales of solar electricity in Maine, or of any projects operating that involve this structure.