

Testimony submitted to:
U.S. Environmental Protection Agency (Docket ID HQ-OAR-2015-0199)

Submitted by John Bringenberg representing the
Colorado Solar Energy Industry Association, COSEIA
November 16, 2015

Thank you for the opportunity to submit formal testimony regarding EPA's proposed Clean Power Plan. My name is John Bringenberg and I am here today from Denver Colorado representing the Colorado Solar Energy Industry Association, and to express my strong support for EPA's historic action.

The EPA proposes that the Best System for Emission Reduction or BSER includes four building blocks:

1. heat rate improvements;
2. natural gas switching;
3. renewable energy measures; and
4. energy efficiency.

We agree with EPA that renewable energy measures are a necessary part of the 3rd block of this BSER. However, we are also concerned that renewable energy measures as currently calculated are incomplete because they do not contain current solar market data and do not include distributed solar. Therefore, as currently written, EPA's proposal understates the emissions reductions achievable through application of the BSER. To be clear, solar energy is ready to play a much bigger role in building block #3.

Timing is a further concern. The EPA's plan is set to fully engage in 2022 with the potential of some near term actions starting in 2020. However an unintended consequence of this timeline could be a down trend rather than an uptrend in continued deployment of renewable energy and specifically utility scale and distributed solar. Unless extended by Congress, the Federal Tax

Credits now in place for solar are set to expire at the end of 2016. This along with next decade plans being negotiated by the EPA, could have a serious dampening effect on deployment of alternative clean solar energy.

At the risk of over simplifying a very complex and major process, one or both of two things must be supported by the EPA and States - including Colorado.

1. We either need to recognize and properly account for external costs of climate change such as a carbon tax or higher costs for energy, or
2. We need to make alternative energy choices more market attractive than fossil fuel using financial mechanisms.

Since adding external costs is likely to take considerable time, and since mechanisms exist for #2, we should consider stronger and lasting programs to make alternative energy choices market attractive as a first priority to be supported while the long term plans are being negotiated and deployed.

Of several strategies for accomplishing this near term goal, I want to mention State Tax Credits and the market for SRECS. Both of these strategies have appeal to both republicans and democrats.

State Tax credits prove to be among the best mechanisms to generate positive state returns and job development while encouraging wide deployment of both large scale, and distributed solar generation. RTI International has calculated that the North Carolina renewable energy sales tax returns \$1.93 for every \$1.00 spent by the state, a nearly 2:1 net benefit to the people of North Carolina. One of the specific and selfish benefits of a well designed state tax program is generating substantial and meaningful economic development which stays within the borders of the state.

Next, SRECs continue to be the principal system for measuring the compliance plus the attributes of renewable energy for energy producers and the private sector. Currently those few states with active SREC trading markets are seeing robust deployment of utility and distributed solar. However these few states have Deregulated Retail energy markets, something the EPA cannot easily control. SO, the challenge for the EPA and the States is to find creative ways to establish state wide (and ultimately national) supported markets for SRECS where offtakers, corporations, developers and investors can either monetize their renewable energy production or claim them as green benefits.

So to summarize, we feel the Clean Power Plan will ultimately need to balance and reconcile a higher cost for fossil fuels and a more attractive cost for clean energy alternatives. Support and expansion of existing programs are vital while the long term state programs are negotiated and implemented. The EPA should encourage the wide adoption of State Tax Credit programs and creative ways to establish and support SREC trading markets – even in non deregulated energy states. Thank you for your good work on this critical and global issue.