Maryland Policies and Programs NASEO Financing Task Force

Kevin Lucas, MEA – October 6, 2011

Agenda

- Maryland Policies Supporting Solar
  - RPS and Solar Carve Out
  - Net Metering
- MEA Programs
  - Clean Energy Grant Program
  - Project Sunburst
- Challenges
  - Market Dynamics
  - Clean Energy Grant Program Budget
  - MEA Resources

Maryland Policies Supporting Solar

- RPS with Solar Carve-Out
  - 20% by 2022 with 2% solar carve-out
  - $400 sACP, steps down in 2015
  - SRECs must be from in-state projects starting in 2012
- Net Metering
  - Several recent changes to statute
  - Final regulations being drafted
    - 12 month kWh carry-forward
    - Excess generation paid at energy/commodity portion of retail rate
    - Systems up to 200% of historic load
    - Aggregation for agricultural, municipal, non-profit customers

MEA Programs

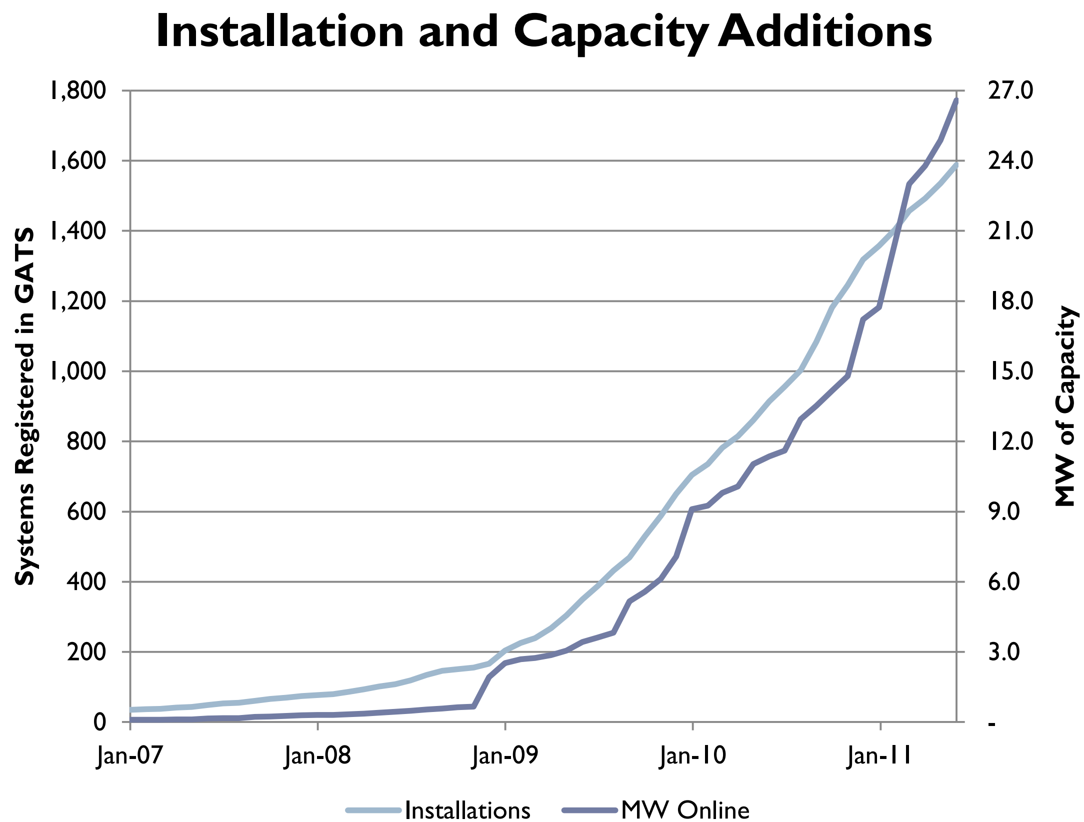
- Clean Energy Grant Program
  - Solar PV, Solar Water Heating, Geothermal, Wind
  - Residential and Commercial program
  - Funded by ARRA, SEIF, ACP
  - Very popular program but budget and resource constraints
- Project Sunburst
  - MEA partnered with State Agencies, Local Gov't, School Boards
  - 17 projects, 9.2 MW
  - Partners signed PPAs with developers
  - MEA working on pack of template documents, best practices, and lessons learned

Maryland Challenges

- Market Dynamics
  - Shift towards larger installs, how does that impact residential sector?
  - Chasing ahead of RPS demand?
  - Compliance entities building their own systems

Trends in Installation, Pricing, Participation

- PV market has grown substantially in the past 12-24 months
  - June 2009: 3.4 MW
  - June 2010:11.4 MW
  - June 2011: 26.6 MW

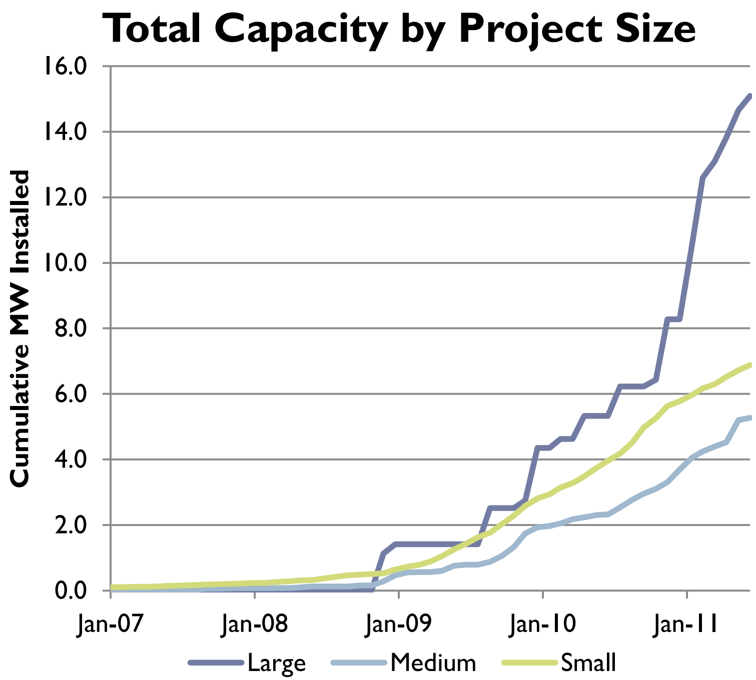


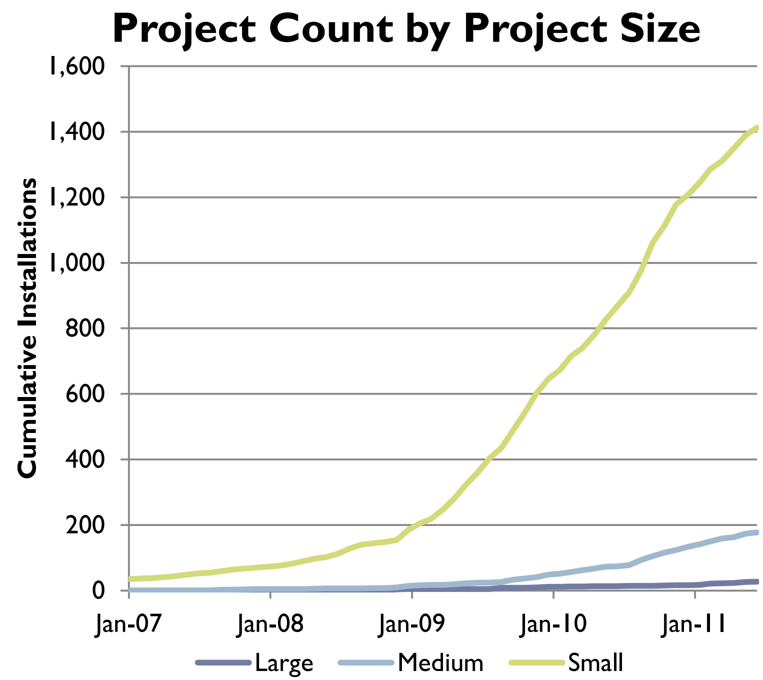
Based on announced projects,
may end up with 40 MW at end of year

- PJM GATS – 8/31/11 Data

Trends in Installation, Pricing, Participation

- Recent shift has been towards larger installations





Large (>200 kW) represented 2% of projects but 61% of installed capacity from 6/10 to 6/11

PJM GATS – 8/31/11 Data

Prices Have Fallen in Residential Sector

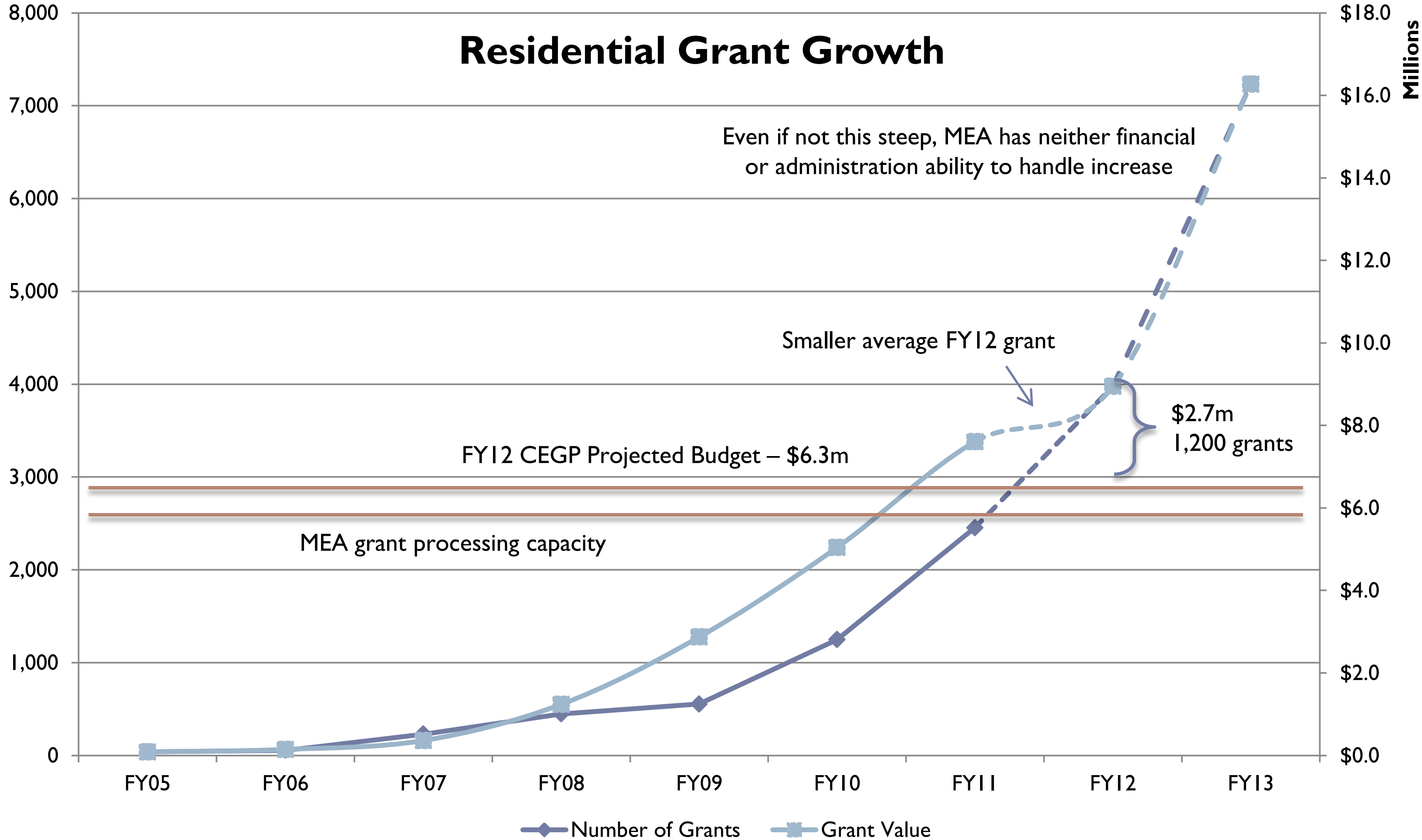
- September 2008
  - $8.50 / Watt
  - 3.5 kW
- September 2011
  - $5.80 / Watt
  - 6.3 kW

- Prices decreasing 12% YOY
- Sizes increasing 21% YOY

Maryland Challenges

- Clean Energy Grant Program Budget
  - Variable (RGGI), limited (ARRA), Market Driven (ACP
  - Increase in demand for funds while funds are decreasing
- MEA Resources
  - Count of applications has risen 6x in past three years
  - Current regulations have some cumbersome requirements

CEGP Supply and Demand



MEA Grant Program Data 9/6/11

Thank You

Questions?

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