

District of Columbia's Distributed Generation Amendment Act of 2011

Summary: Raises the Solar portion of the RPS from 0.4 to 2.5% by 2020 (allowing solar thermal) and requires that the solar power be produced in DC.

Source: Adapted from <http://www.srectrade.com/blog/srec-markets/distributed-generation-amendment-act-of-2011-implemented>. Opinions expressed represent SREC Trade's views.

The Council of the District of Columbia and the city's Mayor signed into law the [Distributed Generation Amendment Act of 2011](#). The Act ultimately focuses on providing a sustainable SREC market for the residents of Washington DC while containing the potential cost to ratepayers. The amendment increases the [RPS solar requirements](#) and closes the District's borders from out-of-district sited systems.

What does this mean for the market?

While this law is not likely to cause DC SREC prices to rebound immediately to the level that was seen in 2010 (due to the fact that buyers have likely accumulated extra SRECs throughout the early part of this year, along with any forward contracts that were in place before the law was implemented), this law is an important step to alleviating the oversupply that has depressed DC SREC prices.

What does this mean for facilities certified after January 31, 2011?

Any facility not located within Washington DC with the state certification number beginning "DC-11..." has had their certification number de-activated. The facility is no longer eligible to generate future SRECs in the DC market, and any SRECs they have already created have lost their eligibility for the DC SREC market.

- If your facility falls under this category, and is already eligible to sell SRECs in another state, you will not see any disruption in your account except that you are no longer eligible for the DC market.
- If your facility is eligible to be certified for another SREC market, but you were only certified in DC, you can apply for certification in another state market. Please see this [chart](#) for more information on your [eligibility](#).
- If your facility was originally only eligible for DC (i.e. your system is located in WI, NY, NC (non-Dominion Power territory) or you had a Solar Thermal system not located within Washington DC), PJM GATS will be listing your facility as "inactive". Any SRECs you have created will not be eligible for sale, and you will not create future SRECs unless another market opens that allows your facility to be certified. Currently, solar facilities in this scenario are only eligible in the NC SREC market – but due to extremely low pricing in the oversaturated NC market, this option is [not very viable](#) for solar owners.

Solar Thermal SRECs in DC – Update

[Recent legislation](#) passed by the council of the District of Columbia now allows non-residential solar thermal systems to be registered to produce DC SRECs. Under the new legislation non-residential systems must be SRCC OG-100 certified. The legislation went into effect on March 12, 2011 and will expire on October 23, 2011. Previously the District only accepted SRECs from residential SRCC OG-300 certified solar thermal systems.

The new legislation has the following requirements for solar thermal systems:

- Solar thermal non-residential systems producing or displacing more than 10,000 kW-hrs per year must be SRCC OG-100 certified and the annual energy output must be determined by an onsite OIML compliant meter.
- Solar thermal non-residential systems producing or displacing 10,000 kW-hrs or less per year must be SRCC OG-100 certified and their annual energy output can be determined by the SRCC OG-300 performance rating protocol OR by an onsite OIML compliant meter.
- Residential SRCC OG-300 certified solar thermal systems are not affected by this legislation and can continue to be registered in DC.

Given the current supply dynamics of the DC SREC market, this legislation will continue to provide more supply to the oversubscribed program. While SREC prices could continue to decline in the near term, it may be beneficial for solar thermal system owners, previously not eligible for the DC market, to register and receive certification as an option for potential SREC liquidity.

DC SREC Market Amendment – Update

On June 7, 2011, the Council of the District of Columbia read and reviewed the latest draft of [Bill 19-10, also known as the Distributed Generation Amendment Act of 2011](#). The final vote after the first reading was 14-0, unanimously in favor of putting the amendment into effect.

- Implementation of new solar capacity requirements and a new solar alternative compliance payment (SACP) schedule:

Year	Current RPS Solar Requirement	Proposed RPS Solar Requirement Jan-11	Proposed RPS Solar Requirement June-11	Current SACP	Proposed SACP June-11
2011	0.04%	0.25%	0.40%	\$500	\$500
2012	0.07%	0.50%	0.50%	\$500	\$500
2013	0.10%	0.75%	0.50%	\$500	\$500
2014	0.13%	1.00%	0.60%	\$500	\$500
2015	0.17%	1.25%	0.70%	\$500	\$500
2016	0.21%	1.50%	0.825%	\$500	\$500
2017	0.25%	1.75%	0.98%	\$500	\$350
2018	0.30%	2.00%	1.15%	\$500	\$300
2019	0.35%	2.25%	1.35%	\$500	\$200
2020	0.40%	2.50%	1.58%	\$500	\$200
2021	–	–	1.85%	–	\$150
2022	–	–	2.175%	–	\$150
2023	–	–	2.50%	–	\$50

The amendment puts in place a system size cap, stating that all solar requirements be met by acquiring SRECs from systems no larger than 5 MW. Additionally, the amendment requires systems to be sited within the District. For systems located outside of the District, the amendment plans to grandfather systems smaller than 5 MW in capacity that were registered as a renewable resource with the District **prior to January 31, 2011.**