



September 25, 2019

Mr. Dave Eichenlaub
Deputy Director
State Corporation Commission
Tyler Building
1300 East Main Street
Richmond, Virginia 23219-3630

Dear Mr. Eichenlaub:

The Climate, Energy and Environment Policy Committee of the Metropolitan Washington Council of Governments supports an increase in the cap for solar Power Purchase Agreements (PPA) in the Dominion Energy service territory to 500 megawatts (MW). We also request that the cap on individual project size be increased to at least 3 MW per site.

PPAs are not only cost competitive with the electricity market but also save ratepayers dollars. Solar, particularly when partnered with energy storage, can provide value to and lower costs to all ratepayers. Increasing the cap is necessary now to facilitate planning of future projects. According to the SCC web site, there are around 20 MW of PPA projects that have submitted registered notifications. The 50 MW cap established in 2013 will soon be eclipsed by customer demand.

We would also hope the Commission will confirm that the utility-specific PPA caps are separate from the capacity provided for in 2019 legislation establishing municipal net metering. Our reading of the 2019 legislation finds that the General Assembly expressly counted the municipal net metering in the one percent utility cap but were silent as to it being covered in the PPA cap.

Allowing for expanded solar PPAs and net metering will save taxpayers money across Virginia. Arlington County Public Schools have entered into a PPA agreement with Sun Tribe Solar for five locations that will save taxpayers approximately \$4 million over the 25-year term of the contract. Most recently Fairfax County issued an RFP that could result in 30 to 40 MW of projects in the County alone. We understand that other local government entities in Northern Virginia are pursuing PPA projects on their own or may ride the Fairfax County agreement when it is finalized. As such, as these projects progress our local governments will be stymied by any caps that impedes the free market and prevents projects from moving forward.

Regulatory barriers like the cap on PPAs puts the Commonwealth at a significant disadvantage in comparison to the solar markets in both Maryland and the District of Columbia. Raising the cap in the Commonwealth will help to continue to fuel the growth in our communities with significant environmental and financial benefit to our residents.

Growth of solar system installation has also supported economic development in Virginia. The Solar Foundation reports that there was a 9.1% growth in solar jobs created in Virginia in 2018. It is projected that there will be an additional 5.3% growth in solar jobs in 2019. Lifting the cap on the solar program will help continue that positive growth for our Commonwealth.

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We respect the State Corporation Commission's (SCC) position that it does not have the authority to raise the cap on its own. Therefore, we ask the SCC to include in its recommendations to the General Assembly regarding distributed generation that the utility PPA caps be increased.

Thank you for considering this request. Please contact Steve Walz at COG (202-962-3211 or swalz@mwkog.org) if you have questions.

Sincerely,

Dan Sze
Chair, Climate, Energy and Environment Policy Committee