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BILL NO.: **House Bill 258**
Renewable Energy Portfolio Standard—Solar
Renewable Energy Credits—Elimination of
Minimum Required Term

COMMITTEE: **Economic Matters**

HEARING DATE: **February 9, 2012**

SPONSOR: **Delegates Haddaway-Riccio**

POSITION: **Informational**

House Bill 258 eliminates the 15 year minimum contract term for purchases of Tier 1 solar renewable energy credits (SRECs) by an electricity supplier from a renewable on-site generator. As the market has developed, it has become apparent that electricity suppliers have resisted entering into 15 year contracts for SRECs from residential renewable on-site generators. Under Public Service Commission regulations, the SRECs may then be sold to any buyer, typically a broker or aggregator. The brokers and/or aggregators then sell the SRECs to electricity suppliers.

The elimination of the 15 year minimum contract term would conform the law to current practices in the residential market. From all indications, a minimum 15 year contract period is not required to make the residential market

work and the change suggested in the Bill should pose no impediment to the residential market for the future.