

# ENERGY AGENDA

## 2021 Alabama Agenda

To members of the State Legislature and leaders of Alabama's executive agencies,

Thank you for your leadership in sustainable energy, helping Alabama realize her true potential. Alabama can and will lead the Southeast in the transition to sustainable energy and capture its economic, social, and environmental benefits for all of her people.

This document contains a brief overview of the most critical statewide issues in sustainable energy that, if solved, provide a critical leap forward in Alabama's growth.

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### Pass Energy Freedom Legislation |

Many Alabamians want to use solar photovoltaic (PV) generation to reduce their utility bills and save on operating costs. Energy freedom, which is also known as third-party ownership, allows power purchase agreements (PPAs) so that more homeowners and businesses can "go solar" by lowering the high upfront costs of solar installation and maintenance of a system. Energy freedom should be expressly allowed by Alabama law.

#### Actions:

- Pass a bill to authorize retail electric service customers to install or have installed solar technology for the generation of electricity for his or her own use and to finance such installation through a solar financing agent.

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## Implement Property Assessed Clean Energy |

In 2015 the Alabama legislature passed a bill that enabled property assessed clean energy or PACE. PACE is a financing mechanism that allows building owners to complete energy efficiency and renewable energy improvements to their building(s) and repay the project via their property tax assessment. This is done in partnership with state and/or local governments. Alabama's legislation allows the use of this mechanism for additional hardening improvements that would increase a building's ability to withstand or bounce back from natural disasters.

### Actions:

- Direct the Alabama Department of Economic and Community Affairs (ADECA) to create uniform statewide PACE standards that could be voluntarily adopted by local governments.
- Specify that ADECA must complete and disseminate statewide rules within 1 year of enactment.
- Appropriate one-time funding for ADECA to dedicate time and resources toward this task. Any future PACE program shall not require state appropriations and will be funded primarily through program revenues.

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## Fair Pricing for Solar |

Alabama Power levies a tax of \$5.41/kW per month on grid connected solar systems, the highest tax in the country. This tax equates to approximately 50% of the revenue a potential solar generator would have. Customers installing solar should not be penalized for their decision to install solar and should receive a fair market price for energy they sell to the grid.

### Actions:

- Remove Alabama Power's capacity reservation charge and other monthly fees on solar grid-connected homes and businesses.<sup>1</sup>
- Conduct a "Value of Solar Study", with sufficient stakeholder participation, to determine the fair market value of excess solar energy
- Legislatively implement the findings of the "Value of Solar Study".

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<sup>1</sup> <https://alabamapower.com/content/dam/alabamapower/Rates/RGB.pdf>

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## Open and Transparent Integrated Resource Planning |

Integrated resource planning is a process that, if correctly implemented, locates the lowest practical costs at which a utility can deliver reliable energy services to its customers. IRP differs from traditional planning in that it requires utilities to use analytical tools that are capable of fairly evaluating and comparing the costs and benefits of both demand- and supply-side resources. The result is an opportunity to achieve lower overall costs than might result from considering only supply-side options.<sup>2</sup>

### Actions:

- Pass a bill modeled after Georgia's O.C.G.A. 46-3A-2 (2010) 46-3A-2 which would require regulated utilities to file an integrated resource plan (IRP) every 3 years and include public participation.<sup>3</sup>

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## Develop a Comprehensive State Energy Plan |

The energy market in Alabama is changing drastically. New technologies are being introduced and alternatives such as solar, wind, and energy efficiency are achieving record cost reductions. Alabama must prepare for the transformation of its energy markets in order to support the growth of all sectors of Alabama's economy. Furthermore, Alabama would be well served to take advantage of this transformation for growth in Alabama-based clean energy employment.

### Actions:

- Direct the Joint Legislative Committee on Energy to create, or delegate the creation of, a State Energy Plan inclusive of all technologies including efficiency and renewable energy.
- Conduct the creation of the Alabama State Energy Plan in an open and transparent manner with meaningful opportunities for stakeholder and public participation.
- Establish energy efficiency standards and metrics for energy consumption for all state owned or leased buildings and execute programs to reach established goals by 2025.

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<sup>2</sup> <http://www.raponline.org/wp-content/uploads/2016/05/rapsynapse-wilsonbiewald-bestpracticesinirp-2013-jun-21.pdf>

<sup>3</sup> <http://law.justia.com/codes/georgia/2010/title-46/chapter-3a/46-3a-2>