

District Energy Supports the Passage of the Local Solar Expansion Act of 2022

It's an Equalizer for Energy Consumers

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EINPresswire.com/ -- District Energy is a strong supporter of the Solar Expansion Act of 2022 which will stabilize the Solar Renewable Energy Credit (SREC) pricing. The Act is still under review and has not passed as of the recent October hearing, but District Energy still believes it is still a viable Act to continue support solar adoption and bolster SREC values .



In the local DC solar market most people know that it is driven by [SRECs, the production-based incentives](#) that provide ongoing revenue for solar system owners. DC literally has the most valuable credits in the U.S.

“

District Energy supports solar equity for all as well. With SRECs this high, companies like ours can install solar at no cost to lower income households and use the SREC to pay for the system.”

*Tarek Azar, Principal of
District Energy*

Like other commodities, the price of SRECs is determined by supply and demand. Supply is determined by the amount of solar installed within the Pepco utility grid in DC. Demand for the credits is largely determined by two main factors. The first is for Alternative Compliance Payments (ACPs). If an electricity supplier fails to meet its renewable portfolio standards (RPS) requirements, it must pay a penalty called an Alternative Compliance Payment (ACP). However, as an alternative, electric suppliers can

buy SRECs, instead of paying ACPs, which always fall below the value of the ACP for that given year. The maximum values of SRECs can never exceed the value of the ACP for that year.

In 2022 the ACP is currently valued at \$500 per MWh (1,000 kilowatt-hours). This will decline to \$400 in 2024 and \$300 in 2029. The DC Local Solar Expansion Act holds the ACP at \$500 indefinitely, which will result in higher SRECs, generating more income for new and existing PV

system owners through 2041.

This Act also proposes an increase to the DC Solar Carve-Out, from 10% to 15% by 2041. The Solar Carve-Out is the goal for the percentage of all electricity consumed in DC (Pepco) should come from local solar PV. This percentage gradually increases over time. For 2022, the goal is 2.6% which seemed to have been accomplished and explains the recent downturn in DC SREC prices. Whenever the total supply of solar generators comes close to or exceeds the DC Solar Carve-Out milestone for that year, prices drop as supply outstrips demand. Increasing the total goal by a factor of 50% will ensure long term price stability and create a profits for both new and existing solar PV system owners.

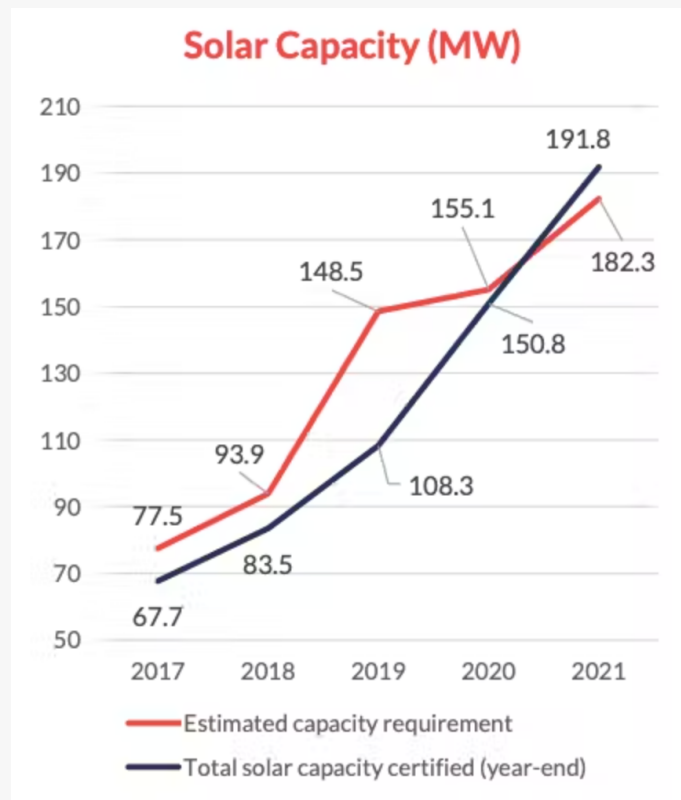
The Sierra Club objected to the bill because by increasing SREC values, the rates of low-income families will increase. They maintain that, while many homeowners can afford to buy a solar system, those who can't, will pay more per watt. They support solar equity for all.

“District Energy supports solar equity for all as well,” stated Tarek Azar, Principal of District Energy. “With SRECs this high, [companies like ours can install solar at no cost to lower income households](#) and use the SREC to pay for the system.”

District Energy is helping more and more people go-solar with their end of year promotion that not only offers \$0 down solar but gives a \$500 discount plus an additional \$500 off if the homeowner allows a sign on their lawn. This allows people to save more on energy and to benefit from the SRECs. Keep on top of this and other important solar issues. Stay tuned for the latest developments. Visit districtenergyllc.com

Year	ACP		Solar Carveout	
	Current	Proposed	Current	Proposed
2022	\$ 500	\$ 500	2.60%	2.60%
2023	\$ 500	\$ 500	2.85%	3.00%
2024	\$ 400	\$ 500	3.15%	3.65%
2025	\$ 400	\$ 500	3.45%	4.30%
2026	\$ 400	\$ 500	3.75%	5.00%
2027	\$ 400	\$ 500	4.10%	5.65%
2028	\$ 400	\$ 500	4.50%	6.30%
2029	\$ 300	\$ 500	4.75%	7.00%
2030	\$ 300	\$ 500	5.00%	7.65%
2031	\$ 300	\$ 500	5.25%	8.30%
2032	\$ 300	\$ 500	5.50%	9.00%
2033	\$ 300	\$ 500	6.00%	9.65%
2034	\$ 300	\$ 500	6.50%	10.30%
2035	\$ 300	\$ 500	7.00%	11.00%
2036	\$ 300	\$ 500	7.50%	11.65%
2037	\$ 300	\$ 500	8.00%	12.30%
2038	\$ 300	\$ 500	8.50%	13.00%
2039	\$ 300	\$ 500	9.00%	13.65%
2040	\$ 300	\$ 500	9.50%	14.30%
2041	\$ 300	\$ 500	10.00%	15.00%

<https://www.linkedin.com/company/district-energy>



Solar Capacity

About District Energy

Since 2016 District Energy has been designing, permitting and installing solar energy systems and back-up storage using the best technology and craftsmanship for residential and commercial applications throughout Metropolitan DC. The Washington DC solar company has made a name for itself as a trusted partner for customers' energy needs. District Energy provides the most advanced and energy-efficient solar panels in the world to reduce monthly electric bills. Solar energy is clean, renewable, and reliable, and adds significant value to properties.

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