

Consumer Alert: The Solar Bill is Bad for Consumers

The Office of the People's Counsel urges DC consumers to let your voice be heard. Tell the DC Council to oppose the latest Local Solar Expansion Act. OPC believes it will unjustly raise your electric bill. See our testimony on the bill [here](#) and this fact sheet.



Tell the DC Council:

Local Solar Expansion Amendment Act Is the Wrong Way to Support Solar
Costly bill would raise electric bills for residents with low incomes
While maintaining overly generous subsidies that benefit solar corporations

The Local Solar Expansion Amendment Act takes a wrongheaded and inequitable approach to expanding solar development. The bill would extend large subsidies that largely benefit for-profit solar corporations and residents with higher incomes, with a price likely to be over \$1 billion paid through higher electric bills for everyone else. With many DC households with low incomes are behind on their electric bills, this would exacerbate racial and economic inequities.

The bill is opposed by climate crisis environmental organizations in the DC environmental community and the Office of the People's Counsel. Rather than pass this bill, the Council should consider alternatives that would support solar without adding inequitably to electric bills.

DC's large solar subsidies were intended to be temporary: DC currently incentivizes solar by requiring Pepco to purchase solar renewable energy credits (SRECs) which are generated from a local solar project, or, where insufficient SRECs are available, pay a high "Alternative Compliance Payment (ACP)." The higher DC sets the ACP, the higher price of SRECs, which are paid to people who put solar on their house or to solar companies. DC's SREC prices are the highest in the nation, so big that people who can afford to pay for solar get paid back in a few years and then actually make money from ongoing SRECs. The problem is that the money Pepco spends on either SRECs or the ACP is passed on to all of us through higher electric bills. That means people with middle and low incomes subsidize solar for people with higher incomes.

This plan was intended to jump-start solar, with Alternative Compliance Payments scheduled to phase down over time. Lowering the ACP and the price of SRECs means Pepco will spend less complying with DC's local solar requirement, which means less passed on to electric customers.

DC solar corporations are asking to increase these subsidies, to their benefit but at a cost to everyone else. The bill is backed primarily by solar corporations that benefit from how these incentives push up sales. It would raise the ACP, driving up the amount of SRECs Pepco must purchase and increase their price, for an additional subsidy of over \$1 billion, which again would be spread among electric customers.

The Local Solar Expansion Amendment Act is costly and inequitable. The bill would help offset higher electric rates only for the lowest-income 8% of households. Yet 60% of customers are low-income or moderate income. The higher bills would come at a time when the share of low-income customers behind on electric bills is 50% higher than before the pandemic. (Figures provided by the Office of People's Counsel.) The bill is being voted on before a Racial Equity Impact Analysis has been done. It's likely to show the bill would widen racial inequities in DC.

Tell the DC Council not to expand solar by overly subsidizing solar corporations and making electricity more costly for DC residents with low and moderate incomes.

Contact OPC @ (202) 727-3071

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