

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

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| In the Matter of the Proposed Amendments to |) | |
| CSR 240-20.060, Filing Requirements for |) | File No. EX-2020-0006 |
| Electric Utility Cogeneration |) | |

**COMMENTS OF MISSOURI SOLAR ENERGY INDUSTRIES ASSOCIATION ON
PROPOSED ORDER OF RULEMAKING**

COMES NOW Missouri Solar Energy Industries Association (hereinafter referred to as “MOSEIA”) and submits the following Comments to the Public Service Commission (“PSC”) on the proposed Order of Rulemaking published in the Missouri Registrar on June 30th, 2020.

Founded in 2009, MOSEIA’s mission is to expand the solar industry and establish a sustainable clean energy future for Missouri. We are solar industry leaders, comprised of over fifty members throughout the state. MOSEIA strives to support the solar industry in Missouri through outreach, advocacy, education, and training. We set the highest standards for companies that are part of our organization, educating the industry to ensure solar installers understand how to build the highest quality and safest systems.

MOSEIA shares the collective view that economic development should be a paramount concern for lawmaker and policymakers in Jefferson City. It is our belief that the rules proposed by Renew Missouri in this rulemaking docket would create a jumpstart to the solar industry in this State. We believe the proposed rule submitted by the PSC Staff (“Staff”) is well-intentioned but does not establish a framework to see truly significant development.

We believe such a rule is as important now, if not more so, than ever given the COVID-19 pandemic and its draconian impact on the U.S. solar industry. Distributive solar businesses are suffering: laying off employees, failing to pay bills, etc. The current circumstances threaten the

trajectory of economic growth and clean energy production in Missouri. MOSEIA views the proposed rules by Renew Missouri as a unique opportunity for the PSC to not only save these solar jobs but support an industry that can lift up Missouri's economy and provide a diversity of power to ratepayers all throughout the state.

Pre-COVID Solar Workforce

Solar is one of that fastest growing industries in the U.S. with the industry adding jobs at a rate five times higher than the national average with solar installer being the fastest growing category of employment in Missouri.¹ In the first quarter of 2020 (and before the impacts of COVID-19 were truly being felt), there were 2,647 solar jobs in Missouri with 270.53 MW of solar installed². Solar installations were projected to double over the next five year with over 464 MW of solar installed.³ Clean energy jobs in Missouri grew more than three times as fast overall jobs statewide. In addition, there were 2,000 more jobs in renewable energy than in fossil fuel generation in 2019 in Missouri alone⁴. The production of solar as an energy source was quickly becoming an important factor in not only creating jobs in Missouri but also adding much-needed distributive energy resources to help ease pressure on the grid and to provide Missouri ratepayers more options.

¹ SEIA. (2020, June). *Covid-19 and the Solar Industry*. SEIA. <https://www.seia.org/sites/default/files/2020-06/2020-June-SEIA-COVID-Factsheet.pdf>

² The Solar Foundation, State Solar Jobs Census: <https://www.thesolarfoundation.org/solar-jobs-census/states/>

³ SEIA. (2020). *Missouri Solar*. SEIA. <https://www.seia.org/state-solar-policy/missouri-solar#:~:text=There%20are%20currently%20more%20than,View%20more%20solar%20industry%20data.>

⁴ Clean Jobs Midwest. (2020) *Clean Energy is Key for Economic Recovery in Missouri*. Clean Jobs Midwest. <https://www.cleanjobsmidwest.com/state/missouri>

Solar is also a cheaper option for utilities to purchase from generators and this benefit can be passed onto the utilities' customers. Solar prices have fallen over 40% in the last five years.⁵ A recent analysis of the Levelized Cost of Energy (LCOE) show that renewable energy prices continue to fall fast, beating fossil fuels by a large margin – even without subsidies. Utility scale renewable energy prices are now significantly below those for coal and gas generation and building new clean energy is cheaper than running existing coal plants.⁶ Utilities that employ more solar generation will transfer savings and lower rates to utility customers.

As MOSEIA will outline below, this projected growth is currently and will continue to be severely undermined by current economic conditions entirely outside of the control of the industry. The PSC has the potential to enact rules that will help put this growth back on track but not without measures being put in place.

Solar Job Market Transformation due to the COVID-19 Pandemic

The COVID-19 pandemic has caused substantial losses in the solar industry. According to a June 2020 SEIA job report, the coronavirus has caused 72,000 solar workers to lose their jobs. Through June 2020 the solar industry will employ 188,000 workers, down from 302,000 workers that was originally forecasted. This is a decline of 38%. These losses would negate 5 years of solar growth. The U.S. will install only 3 GW of solar capacity in Q2 2020 – a 37% decline from pre-COVID forecasts. These losses are equivalent to powering 288,000 homes or \$3.8 billion in economic investment.⁷

⁵ SEIA. (2020). *Missouri Solar*. SEIA. <https://www.seia.org/state-solar-policy/missouri-solar#:~:text=There%20are%20currently%20more%20than,View%20more%20solar%20industry%20data>.

⁶ Lazard. (2019). *Levelized Cost of Energy and Levelized Cost of Storage 2019*. Lazard. <https://www.lazard.com/perspective/lcoe2019>

⁷ SEIA (2020, June). *Covid-19 and the Solar Industry*. SEIA. <https://www.seia.org/sites/default/files/2020-06/2020-June-SEIA-COVID-Factsheet.pdf>

Additionally, job security remains uncertain, at best, in the coming months. One of the greatest impacts to the solar workforce has been from distributed generation, including residential and commercial projects, which are projected to see a 31% decline in 2020. Anticipated layoffs are imminent with the Paycheck Protection Plan (PPP) funding running low and the resurgence of the virus. As many as 2.3 million clean energy workers are employed by small businesses that receive PPP loans.⁸ Small businesses drive Missouri's clean energy sector with 69% of the state's clean energy business employing, on average, fewer than twenty individuals in 2019.⁹ These challenges will disproportionately affect small businesses and new companies, meaning that hard working solar entrepreneurs will face the brunt of this crisis..

Missouri is currently facing a 40-59% job loss in the solar industry; this equates to 1,059-1,562 solar jobs lost across the state. Solar deployment in Missouri is down -10.42 MW for Q2 2020.¹⁰ These losses in the solar market are hurting the clean energy economy and therefore slowing down Missouri's economic recovery efforts regarding the pandemic.

Action is required and MOSEIA believes a robust, strong rule to promulgate co-generation can help.

Solar Workforce Needs PSC Support

The solar industry sees an existing crisis expanding on the horizon in regards to job loss and limited growth. MOSEIA encourages the PSC to support the proposed rule set forth by Renew Missouri to create policies that invigorate the clean energy economy. To help re-build

⁸ SEIA (2020, June). *Covid-19 and the Solar Industry*. SEIA. <https://www.seia.org/sites/default/files/2020-06/2020-June-SEIA-COVID-Factsheet.pdf>

⁹ Clean Jobs Midwest. (2020) *Clean Energy is Key for Economic Recovery in Missouri*. Clean Jobs Midwest. <https://www.cleanjobsmidwest.com/state/missouri>

¹⁰ Jordan, Phillip. (2020, June). *Clean Energy Employment Initial Impacts from COVID-19 Economic Crisis*. E2. <https://e2.org/wp-content/uploads/2020/07/Clean-Energy-Jobs-June-COVID-19-Memo-Final.pdf>

Missouri's economy and solar workforce, the PSC needs to support the solar job market.

Critics will say this rule only encourages solar development. Our question is: why is that not a reasonable policy goal? MOSEIA believes this crisis is an opportunity to launch Missouri's solar workforce into a new era of exponential clean energy growth. We want to see Missouri become a leading state in the Midwest for solar development. MOSEIA is prepared and enthusiastic about working with the PSC and utilities to make sure the solar industry and Missouri's economy continue to recover and grow together.

Respectfully submitted,

Mary Shields, Executive Director

Missouri Solar Energy Industry Association (MOSEIA)