

*SRECs sweeten the deal on solar hot water systems in Maryland...*

# **HOUSE BILL 933**

## **Solar Renewable Energy Credits**

### **Turn Maryland Solar Water Heating Systems Into Money Machines...**

Until now, only solar electric systems have been allowed to earn SRECs in Maryland. NOW these amazing “**Green Tags**” practically guarantee solar water heating systems will put even more money in your pocket.

By Matt Bartlett - <http://www.marylandsolarhotwater.com>

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Dear Fellow Marylander,

If you've been waiting for an incentive program in Maryland that makes going solar even more of a no-brainer decision, this news is going to make your day.

**Here's the story:** Every solar energy fan knows there are basically three things behind a successful solar panel installation -- (1) high quality, efficient equipment. (2) properly installed panels... and (3) incentive programs that reduce installation costs and improve your return on investment.

**SRECs sweeten the deal by allowing solar hot water system owners to profit from their renewable energy production...**

If you've done any research on solar hot water you know there have been fantastic incentives in place for years. Federal rebates, tax credits, additional local incentives, etc...making solar hot water *one of the best renewable energy investments you can possibly make*. Now, SRECs sweeten the deal by allowing solar hot water system owners to sell Renewable Energy Credits. Keep reading...

## Here's How Solar Renewable Energy Credits Work



Under Maryland's Renewable Energy Portfolio Standard, companies that sell power in Maryland are **required by law** to source a certain percentage of their energy production from solar power and other renewable energy systems. In order to be in compliance with this law, generators purchase SRECs from residents and businesses that are generating their own renewable energy.

Solar Renewable Energy Credits (SRECs) or Solar Renewable Energy Certificates are a form of Renewable Energy Certificate or "Green Tag". SRECs exist in states that have Renewable Portfolio Standard (RPS) legislation with specific requirements for solar energy. For each 1,000 kWh of solar electricity (1 MWh) you get 1 SREC.

**1 SREC = 1,000 kWh of solar electricity = 1 MWh of solar electricity**

## What Are SRECs Worth?

There is no fixed value assigned to an SREC. Prices are influenced by supply and demand. The supply is determined by the number of solar installations producing SRECs and trading them. The demand is determined by individual state requirements and the Solar Alternative Compliance Penalty (SACP) set by the state. Historically, SRECs in Maryland have been worth **between \$275.00-\$360.00 each**.



Recent SREC prices: <http://www.srectrade.com/auctionhistory.php>

## How Are SRECs Sold?

Typically, solar system owners work through SREC Aggregators/Brokers who purchase SRECs from system owners to bundle and sell to generators. For this service, aggregators typically charge a commission, much the same way a stock broker would charge commissions on trades.

Introducing...

# HOUSE BILL 933

## Renewable Energy Credits – Solar Water Heating

Energy generated from a solar water heating system is now eligible for inclusion in meeting the Renewable Energy Portfolio Standard. A solar hot water system owner shall receive a Renewable Energy Credit (SREC) equal to the amount of energy, converted from BTUs to Kilowatt-Hours.

### Key points...

- Solar water heating systems shall receive 1 SREC equal to the amount of energy, converted from BTUs to Kilowatt-Hours. Our typical residential solar water heaters are rated at 2915 KWH annually by the SRCC. **This equals 2.9 SRECs.**
- Solar hot water systems must be measured by the Solar Ratings and Certification Corporation's (SRCC) OG-300 Thermal Performance Rating or have a meter that meets the required standards of the International Organization of Legal Metrology.
- A residential solar water heating system may not produce more than 5 SRECs in any 1 year.
- Applies only to systems commissioned on or after June 1, 2011.

Our typical residential solar water heaters are rated at **2915 KWH annually**. This equates to **2.9 SRECs**. At the time of this writing SRECs are trading at \$276.00 in Maryland. So...

**2.9 SRECs @ \$276.00 = \$800.40 Annually**

Back in December of 2010 SREC prices were at **\$360.00**. As demand rises and falls the value of your SRECs will fluctuate...kind of like stock prices.

**2.9 SRECs @ \$360.00 = \$1044.40 Annually**

## Solar Rating and Certification Corporation (SRCC)

The SRCC is an independent third-party certification entity. It is unique in that it is the only national certification program established solely for solar energy products. It is also the only national certification organization whose programs are the direct result of combined efforts of state organizations involved in the administration of standards and an industry association.

**In order to be eligible for SRECs...**solar hot water systems must be measured by the Solar Ratings and Certification Corporation's (SRCC) OG-300 Thermal Performance Rating.

Visit the **SRCC's Annual Performance Search** website to get solar hot water system rating information.

**SRCC Ratings:** [http://securedb.fsec.ucf.edu/srcc/annual\\_search](http://securedb.fsec.ucf.edu/srcc/annual_search)



**Solar Rating and Certification Corporation**  
*The Industry Standard Since 1980*

**SRCC Annual Performance Search**

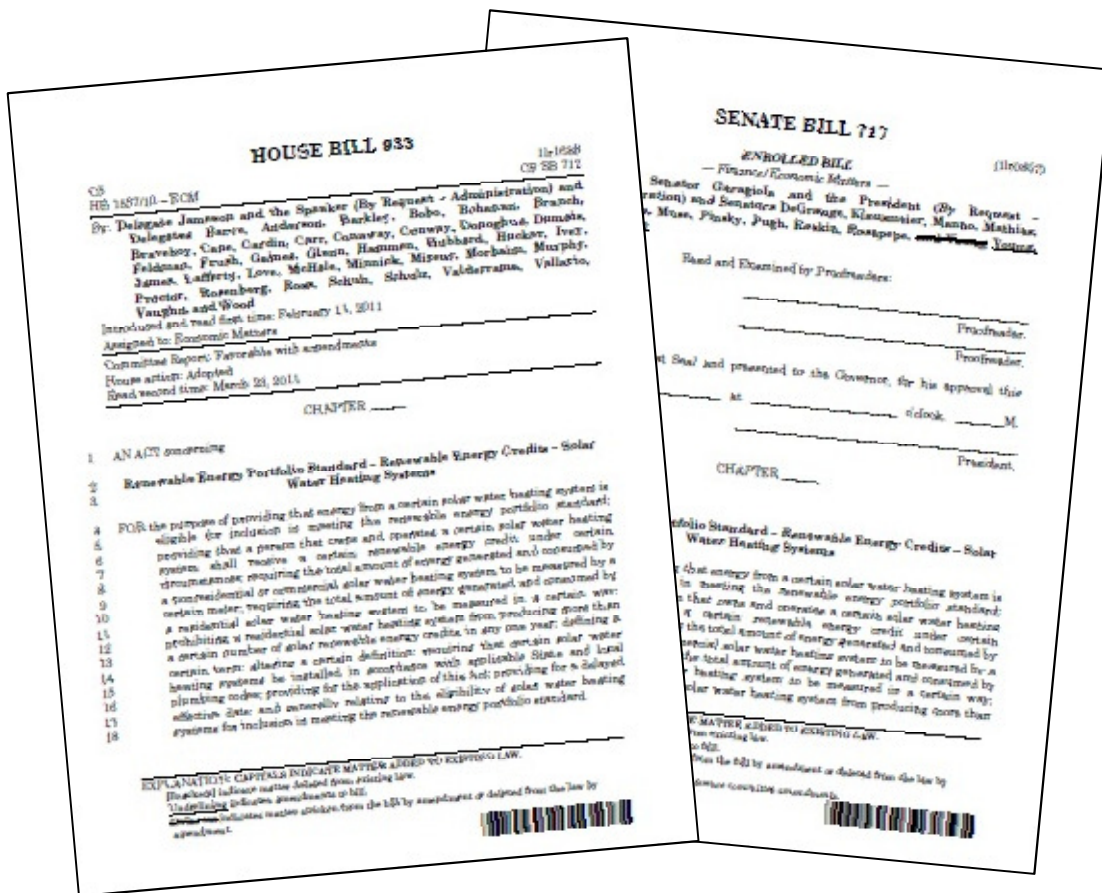
**Instructions:** Select a Location or company, if desired, then click "Show Selections". Click on row headers for additional sorting options.

**Location:**  **Company:**

### Senate Bill 717 – House Bill 933

Here are links to the SREC Solar Water Heating Systems Bills on the Maryland State Government website.

- **Senate Bill 717:** <http://mlis.state.md.us/2011rs/billfile/sb0717.htm>
- **House Bill 933:** <http://mlis.state.md.us/2011rs/billfile/hb0933.htm>



## Summary

Between Federal, state/local incentives and now Solar Renewable Energy Credits...Solar hot water systems in Maryland are arguably **the best** renewable energy investment you can possibly make.

- ✓ **Federal Incentives**
- ✓ **State Incentives**
- ✓ **Local Municipality Incentives**
- ✓ **Property Tax Credits**
- ✓ **Income From SRECs**

Everyone in the industry is totally pumped about this SREC news. It just keeps getting better and better for solar hot water in Maryland. I would love to hear your comments and any questions that you may have about solar hot water.

To your sustainability,



**Matthew Bartlett**

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PS

**Get Your FREE Solar Hot Water Consultation** right now by visiting:

<http://www.MarylandSolarHotWater.com>. We will perform a totally custom solar hot water investment analysis for you. You'll get complete incentive calculations (including SRECs) and exact system pricing based on your situation and needs.