

Delaware Pilot SREC Procurement Job Creation, Economic and Investment Potential

The Sub Committee evaluated data from several sources for estimating job creation and economic investment. Information from NREL's JEDI model, Delmarva Power, and DSEC was compared.

The Proposed 2011 Procurement Process demonstrates the following benefits:

Private Economic Investment

Tier	2011 Procurement Cost	2011 Private Investment
1	\$0.71 M	\$14.86 M
2	\$0.89 M	\$16.67 M
3	<u>\$0.97 M</u>	<u>\$15.94 M</u>
Totals	\$2.57 M	\$47.47M

Cost of paying ACP in lieu of installing Solar

2011 Procurement Cost	2011 Private Investment
\$3.41 M	\$0

Employment Forecast (does not include manufacturing)

Employing the National Renewable Energy Laboratory's (NREL) Jobs and Economic Development Impact (JEDI) model to analyze Delaware's solar energy goals, The Vote Solar Initiative estimates that fulfilling the state's RPS solar requirements entirely with Tier 1 projects could result in an average of approximately 450 to 600 jobs per year, whereas fulfilling the solar requirements with Tier 4 projects could result in roughly 175 to 375 jobs per year through 2019¹. With methodology that analyzes the proportion of locally-based project spending, the job creation ranges that Vote Solar derived from its analysis are a result of varying scenarios for local content, procurement and labor. In any event, the JEDI model shows a clear disparity in terms job creation between Tier I and Tier IV; fulfilling Delaware's RPS solar objectives with all Tier I solar projects would result in an average of 225 to 275 additional jobs per year through 2019.

A job creation analysis conducted by Delmarva in 2010 showed a similar disparity, with Tier 1 creating 224 construction and design jobs, versus 88 for Tier 4². Clearly, the construction and installation of Tier I projects support a greater number of local jobs. Job analysis by DSEC looking at construction, design, sales, back office and O&M job creation showed comparable numbers³.

It is often assumed that larger projects always cost less per watt to construct. But as demonstrated by some recent Delaware projects, that is not necessarily always the case. Externalities such as project development costs, monetization fees and so on add additional cost per kW to larger projects. The administratively set prices for Tiers 1 and 2

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are competitive with long term SREC contract prices for larger projects around the region.

The construction and installation of smaller projects, especially those found in Tier 1 support a greater number of local jobs per kW. Smaller solar projects are also more likely to in additional local investment through local sourcing of materials.

This may indicate that shifting a greater percentage of the RPS towards smaller projects could result in greater economic benefit to Delaware with little ratepayer impact.

¹ Olmsted, Peter, March 9, 2011, *Jobs and Economic Impacts: Analysis of Delaware's Solar Policy*. Lancaster, Pennsylvania: The Vote Solar Initiative.

² Stockbridge, Gary March 26, 2010 *Issues and Considerations in Reaching Delaware's Solar Energy Goals: Creating a Sustainable Solar Energy Strategy*. Delmarva Power

³ Davis, Dale, October 7, 2010, *Delivering on the Promise of Clean Energy for Delaware, a Presentation to the Renewable Energy Task Force*. Delaware Solar Energy Coalition