Removing Artificial Barriers on Michigan's Solar Market

Overview

- Michigan has an arbitrary cap on the amount of rooftop solar that can be installed on Michigan households.
- This cap threatens dozens of Michigan small-businesses and thousands of jobs.
- Rep. Markkanen's bill (HB 4236) opens the market for rooftop solar by lifting the arbitrary cap on the solar industry, saving and creating jobs.

What Rep. Markkanen's bill does:

- *Strikes the cap.* Removes the 1% cap on distributed generation, including the sub-categories previously prescribed underneath the cap.
- *Relies on experts.* The removal of the cap puts decisions about what is good for the electric grid and customers back in the hands of regulators.

Summary

Rooftop solar customers and Michigan solar installers continue to face uncertainty due the existing limit on the number of customers who can install rooftop solar arrays. This artificial limit on distributed generation (residential and commercial rooftop solar) has the potential to halt the Michigan solar market. This bill does not simply represent something that would "be nice" for the industry – Michigan's solar installers are facing serious, real, and imminent threats to their businesses, their jobs, and their livelihoods.

Procedures are already in place at the Michigan Public Service Commission (MPSC) to guarantee that any installed residential solar system will not negatively impact the electric grid. Similarly, by law, the MPSC cannot approve rates for rooftop solar that result in a subsidy. These safeguards already exist, making a limit on rooftop solar unnecessary.

The current 1% cap[1] was created in 2008 and retained in 2016. Prior to legislation passed in 2016, rooftop solar operated through a program known as net-metering. That program was replaced by a new distributed generation program by the legislature in 2016. Although the new program, by definition, does not result in any subsidies, the associated limit on the rooftop solar was not removed.

[1] The current cap is split between small residential systems (less than 20 kW; 0.5%), commercial systems (20 kW to 150 kW; 0.25%), and small methane digesters (less than 150 kW; 0.25%).