



GOOD ENERGY SOLUTIONS, INC.
Energy with Integrity

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HB 2228 - ORAL Testimony - PROPONENT

My name is Malcolm Proudfit, and I am the CEO of Good Energy Solutions. Good Energy Solutions has been providing residential and commercial solar systems to customers in Kansas and Missouri since 2007. Our mission is to provide our customers with honest, real solutions to lower their long-term energy costs. Our motto is “Energy with Integrity.” We care about our customers, and only install top-tier products according to the highest industry standards.

I started my career in solar in 2016 in Utah, where I worked at a publicly-traded firm called Vivint Solar, which was recently acquired by SunRun. Vivint installed solar systems all over the country, and one of the main vehicles they used to install many of their systems was a Solar Power Purchase Agreement (SPPA, or PPA for short). When trying to understand the concept of PPA’s, it is best to think of the rent vs. buy scenario when purchasing a home or a vehicle. Currently, in Kansas, if a homeowner or business wants to go solar, the only option that they have is to buy the system, either by purchasing it outright, or by financing the system over time. PPA’s provide an arrangement that can make solar appealing to a greater swath of consumers, or make solar accessible to those who may not be able to purchase it.

In a PPA, a developer contracts with a host customer to install solar on their home or business. The developer retains ownership of the system and any associated tax credits, and arranges for the installation of the solar system, regularly monitors system performance, and coordinates any needed maintenance during the contract period of the PPA. The contract entered into by the developer and the host customer is a performance-based contract, where the host customer agrees to purchase all of the kilowatt hours produced by the solar system. The price the host customer pays per kilowatt hour is set in the contract, and is typically a little less than the retail cost of electricity that they would pay the utility.

In a PPA arrangement, the host customer gets to have a solar system installed with no upfront capital costs on their part, they get predictable energy pricing for the duration of the PPA contract, they have no risk when it comes to the performance or operation of the solar system, and the project can be cash flow positive from day one. The developer gets the benefit of revenues from the sale of solar electricity, they can sell the system’s Renewable Energy Credits (where applicable), and they get the benefit of the solar system’s federal tax credit.

You can see from the explanation above why PPA’s are often referred to in the industry as “Solar as a Service”. PPA’s have the ability to provide another tool to consumers, allowing solar to proliferate further. Typically PPA’s have lower credit score requirements than that of traditional solar financing, so this can be a powerful vehicle to help lower-income Kansans to stabilize and reduce their energy costs.