



 **SOLAR UNITED NEIGHBORS**
Guide to Community Solar

More than 2 million people in the U.S. have installed solar arrays on their home or business, substantially reducing and controlling their energy costs and environmental impact while boosting economic benefits in their communities.

But millions more cannot because their buildings are not suitable for rooftop solar, they cannot afford the upfront costs, or they live and work in rental properties. A federal study estimates that nearly half of all U.S. households and businesses are unable to host solar systems. For these people, “community solar” (sometimes referred to as shared solar) is a practical and affordable way to access the benefits of distributed solar.

Community solar (CS) projects enable individuals, businesses, or organizations to purchase or lease a “share” in a specific, nearby solar installation and receive a credit on their electric bill each month for the energy produced by their share. This credit system is similar to the rooftop solar net-metering programs offered in a majority of states and utilities around the country.

Before you can receive this credit, though, your utility must participate in a CS program. Currently, 19 states and the District of Columbia have some form of statewide community shared solar policy in place. Numerous other states are considering CS legislation and rules. In addition, many rural electric cooperatives and municipal utilities around the country have started offering CS to their customers.

PUTTING “COMMUNITY” INTO COMMUNITY SOLAR

Solar United Neighbors believes that everyone should have the right to develop a community solar project. We



are working to ensure that these programs broaden solar access to everyone who pays an electric bill and that these programs benefit participants.

Depending on the state, utility, or ownership-model, the design and type of CS programs differ widely. In many places, only utilities or large commercial developers can build solar projects. Unfortunately, many utilities are misrepresenting these large-scale solar projects as “community” projects. Because these projects do not deliver the substantial tangible benefits of private and many municipal or electric cooperative projects, large-scale utility solar projects do not meet the definition of true community solar.

To help people understand and evaluate community solar programs and to encourage best practices, Solar United Neighbors has developed the following guidelines and principles. We believe that true community solar programs should provide:

- ▶ Meaningful, verifiable electricity savings
- ▶ Provide predictable, understandable cost savings.
- ▶ Opportunities for third-party ownership, including individuals and non-profits
- ▶ Offer a good return on investment. If possible, customers should be able to invest in or own part of a system if they want to.
- ▶ Ability to transfer or sell your share.
- ▶ Transparent, customer-friendly process
- ▶ Easy to subscribe, unsubscribe, and transfer their share to new residents.
- ▶ Easy to understand what they are paying for. The program should inform subscribers of any on-going charges for maintenance or other costs.
- ▶ Clear connection to a specific solar project or an identifiable group of projects in nearby locations.
- ▶ CS projects should be sited responsibly to minimize development impacts and support community goals.
- ▶ Promote local job creation and strengthen the electric grid.

Expanded solar access

- ▶ Ensure and incentivize low-and middle-income participation, preferably with short contract term lengths and minimal or no cancellation fees. At least 10 states have included low-income provisions in their community solar programs.
- ▶ Allow residents of multi-unit buildings to subscribe.

Competitive market development

- ▶ Development of CS projects should benefit from a fair competitive process to lower prices and encourage innovation.

Local benefits

- ▶ Allows communities to make their own choices about where to source their energy.



EVALUATING UTILITY “COMMUNITY” SOLAR PROGRAMS

If you live in a place where the only option is a utility-owned and run community solar program, it’s important ask the following questions:

- ▶ Are the energy savings, pricing and subscription process transparent, clear and consumer-centered?
- ▶ Are the costs and benefits clear and transparent and shared with the subscribers?
- ▶ What are the up-front and on-going costs?
- ▶ Is there a “premium” charged to run the program above the standard cost of electricity?
- ▶ What is the term of the subscription?
- ▶ Is the subscription portable and transferable?
- ▶ Is the CS program available to everyone in the utility area?
- ▶ Does the program ensure low and middle-income participation with meaningful savings? And how?
- ▶ Is there a competitive procurement process for developing and building the CS project?
- ▶ Is your subscription tied to a specific solar array, or a generic solar resource? In other words, where is your solar?

NOTABLE COMMUNITY SOLAR PROGRAMS

Privately Developed Projects

John Mariani: John owns a small apartment building with a good roof for solar in the Fell’s Point neighborhood of Baltimore. He financed and built a 10-kW array on the roof of that building and then used Maryland’s community solar law to split the system’s energy output between his home

down the street, his sister’s home, and the rental building meter. This project is a great example of how small-scale community solar, driven and financed by community members themselves, can expand access to renewables.

Sussex Solar Garden: Alan Spector and his neighbors in Lafayette Township, NJ convinced their electricity cooperative to permit them to build and operate a 50-kW array and then distribute the electricity output from that array to each of the 18 member/owners who have invested in the system. The project is currently under construction and slated to become operational in early 2020.

Boardman Hill Solar Farm: This 150-kW array in Vermont is owned directly by participants who financed the array’s construction and operation and share in the electricity benefits.

Rural Electric Cooperatives

Vernon Electric Cooperative in Wisconsin provides monthly bill credits for the power produced on participants’ electric bills, with an upfront cost of \$600 per panel and a projected first year payback of 5.8%, and these savings will increase as energy prices rise.

Florida Keys Electric Cooperative’s Simple Solar Program offers participating customers a monthly bill credit equal to their retail rate for each kilowatt-hour generated from their Community Solar subscription for 25 years, based on the actual production of the leased panels.





Municipal-owned utilities

Orlando Utilities Commission's program allows participants to lock in a rate of 13 cents/kWh for 25 years for electricity generated by their CS share. They offer subscriptions of 1 kW up to 15 kW, with a one-time deposit of \$50 that is credited back to the participant with accrued interest after two years.

State Programs

In 2010, **Colorado** became the first state to pass statewide shared renewables legislation. Colorado defines CS (or "solar gardens") as projects between 10 kW to 20 MW in size located in or near the same community as the customers being served. The owner of the system can be either the utility or a third-party operator that contracts with the utility for the solar power production. Community solar garden subscribers receive full retail credit for their portion of the power produced, minus a charge to cover the utility's costs of delivering the electricity from the garden to the customer. Similar to net metering, this bill credit can be carried forward if it exceeds the customer's electricity use in any given billing period.

New Jersey launched their community solar program in 2019. To ensure wider access to solar power, it sets aside 40% of the overall program's capacity to serve low- and moderate-income customers. The initial program is three-years (2019-2022), with targets for 75 MW for the first year and at least 75 MW each for the second and third years. According to the NJ Board of Public Utilities, the program could roughly cover the electric usage of 45,000 residences.



For more information, visit solarunitedneighbors.org

LEARN MORE ABOUT COMMUNITY SOLAR

Solar United Neighbors:

- ▶ [Community Solar: Learn the Issues](#)
- ▶ [Community Solar Siting Guidelines](#)
- ▶ [Finding a community solar project near you](#)
- ▶ [Community Solar in Maryland](#)

U.S. Dept. of Energy:

- ▶ [Community Solar Hub](#)

Coalition for Community Solar Access:

- ▶ [Community Solar Policy Decision Matrix: Guidance for Designing Community Solar Programs](#)

Interstate Renewable Energy Council:

- ▶ [Shared Renewable Energy for Low- to Moderate-Income Consumers: Policy Guidelines and Model Provisions](#)

Southern Environmental Law Center:

- ▶ [Community Solar: Best Practices for Utilities in the South](#)

Vote Solar

- ▶ [Low Income Solar Policy Guide](#). (In partnership with **GRID Alternatives & Center for Social Inclusion**)
- ▶ [Shared Renewables](#)

National Renewable Energy Lab

- ▶ [Focusing the Sun: State Considerations for Designing Community Solar Policy](#)

Institute for Self-Reliance

- ▶ [Community Solar Program Tracker](#)