

# **Community Solar Policy Decision Matrix**

Guidance for Designing Community Solar Programs  
December 2017







## About Us

The Coalition for Community Solar Access (CCSA) is a business-led trade organization that works to expand access to clean, local affordable energy nationwide through community solar. Our mission is to expand consumer choice and increase access to affordable, reliable, clean energy for Americans and American businesses by opening, protecting, and serving markets for community solar across the country. By creating opportunities for everyone to access solar, whether or not they put it on their own roof, CCSA works to make solar available to the vast majority of consumers who do not have that option today.

## Acknowledgements

CCSA wishes to thank all of the individuals from our member companies who contributed to the development of this policy decision matrix. Leadership Members include Amazon, Borrego Solar, CleanChoice Energy, Clean Energy Collective, Community Energy, Cypress Creek Renewables, First Solar, Forefront Power, Nexamp, NRG, and Soltage. General, Non-profit and Utility Members include 3Degrees, AES Distributed, Ampion, Arcadia Power, Ballard Spahr, CVE North America, Distributed Sun, Edison Energy, Engie,

EnterSolar, Foley Hoag, GRID Alternatives, Keyes & Fox, Lever Energy Finance, M+W Group, Mortenson Construction, Norton Rose, OneEnergy Renewables, OnForce, ProjectEconomics, REC Solar, Regreen, Relay Power, Solstice, Summit Ridge Energy, SunPower, SRP, Trajectory Energy, Vote Solar, Westwood, and Wilson Sonsini Goodrich & Rosati.

## About this Policy Matrix

Solar energy continues to grow in popularity across the nation, with individuals, businesses, governments, schools, and other organizations demanding more choice, cleaner energy options, and greater control over their energy bills. Although more than one million solar energy systems have been installed in the U.S.,<sup>1</sup> not everyone has access to the many benefits of solar energy or the ability to install their own system onsite. For example, a property owner may have unsuitable roof space, an old roof needing replacement in the near future, or too much shading, and millions of tenants or renters lack the permission to install a solar system at their home or business.

Community solar provides a key opportunity to expanding access to solar energy to anyone and

<sup>1</sup> Solar Energy Industries Association, see: <http://www.seia.org/million-solar-strong>

everyone wanting solar. By participating in community solar, someone unable to install solar onsite can still take advantage of its benefits. Community solar works by allowing multiple individuals, groups, or businesses to own a portion or subscribe to the output of a single solar facility located off-site.

Sixteen states and Washington, D.C.<sup>2</sup> have enacted key policies to enable community solar arrangements between community solar subscribing organizations and participating subscribers, and utilities across the country are implementing their own community solar programs. Community solar has grown exponentially in the last six years, going from just a handful of projects installed before 2010 to a gigawatt (GW) by the end of 2018. Community solar installations are on track to grow exponentially in the coming years – the Smart Electric Power Association (SEPA) estimates 2GW installed by 2021. Massachusetts, Minnesota and Colorado are leading the nation in community solar adoption, with New York, Maryland, and Illinois all poised for significant growth over the next several years.

Importantly, no two community solar models are the same. For example, pilot community solar rules in Maryland authorize approximately 250 MW-DC of community solar through 2019 and require electric utilities to provide community solar subscribers with bill credits valued at the retail rate for their share of electricity generated from a community solar facility.<sup>3</sup> The rules specifically reserve a portion of the total available capacity for both small community solar projects and projects serving primarily low and moderate-income subscribers. In Minnesota, there is no upper limit on the number of community solar projects, although each facility must be sized under 1 MW, and subscribers are compensated at a “value of solar” rate.

The members of CCSA have experience working in different states under different policy models. This experience has provided the organization with a deep understanding of how different policy options spur the community solar market in different ways and how certain policy provisions may have unintended consequences. Community solar subscriber organizations have adapted to unique state policies by creating a number of



innovative business models to meet diverse customer interests and specific program design requirements.

Based on the experiences of CCSA’s members, we have created this policy decision matrix to aid policymakers in designing community solar programs. This matrix is intended to lead policymakers through important questions, grouped into five categories, which should be addressed when designing programs. To answer these questions, we provide a menu of options, focusing on those that will spur market development while providing choices to customize programs to meet a state’s needs and goals. The decision matrix provides CCSA’s recommendation for what works best, based on our experiences working in different states. It also provides our rationale for that recommendation, example language to aid in drafting policies and other important issues to consider. The five areas addressed in this matrix are:

1. Program Structure
2. Compensation
3. Consumer Participation
4. Project Characteristics
5. Low-to-Moderate Income Considerations

Our recommendations in this document are driven by our Core Principles (listed on p11), which emphasize creation of sustainable markets that will benefit consumers for years to come.

<sup>2</sup> States include California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, Minnesota, New Hampshire, New York, Oregon, Rhode Island, Vermont and Washington. See: <http://sharedrenewables.org/shared/community-energy-projects/>

<sup>3</sup> Maryland PSC Website. See: <http://www.psc.state.md.us/electricity/community-solar-pilot-program/>

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"Community Solar"