

Shared Renewables

Description:

This policy allows for shared solar systems that have multiple owners or subscribers who pay for or lease a portion of capacity (kW) or generation (kWh) provided by the large system. This type of arrangement has numerous advantages over traditional solar installations:

- Many residents - some estimates are up to 70% - don't have access to traditional solar generation because of shading issues, orientation of roofline, or building ownership issues.
- Allows renters to own solar and if they move, take that solar ownership with them.
- Large-scale systems can be oriented for maximum productivity and economies of scale allow systems to be developed for lower cost than individual rooftop systems.
- Marketing of virtual ownership lowers "soft costs" associated with typical owner sited systems including site assessments, permitting, and administrative expenses.
- Because most power purchase agreements made with the solar developer include payment for infrastructure, virtually net metered systems avoid some of the lost revenue issues for utilities that traditional net metered systems have.

Discussion of the Policy:

For a discussion on net metering, please see the '[Net Metering](#)' policy overview. Some shared renewables programs rely on "virtual net metering", which allows for a similar credit of generation against a customers' use, allowing the customer to only pay for the net of use over generation. However, virtual net metering allows someone to own generation that is not sited on his or her property, but to be credited for the generation as if it were. This ties in with shared solar policies, which allow for multiple subscribers to a large solar system to receive credit for a specific amount of generation purchased from the plant. In other states, shared renewables programs may rely on a similar bill credit mechanism that is not tied to net metering, or they may employ a [value of solar](#) approach.

Example State Programs:

- Colorado Community Solar Gardens:
<http://www.sharedrenewables.org/coop-energy-resources/case-studies/colorado>
- Minnesota Renewable Energy Society:
<http://www.mnrenewables.org/community-solar>
- New York Community Net Metering:
<http://www.sharedrenewables.org/shared/coop-energy-resources/case-studies/new-york/>

Key Components:

Virtual Net Metering and Shared Solar authorization may include many components:

- Minimum number of owners.
- Maximum percent ownership by one entity.

- Transferability of ownership.
- Geographic constraints of ownership.
- Requirements for a certain percentage of low income or rural owners.
- If applicable, established request for proposals (RFP) requirements and percent or megawatt (MW) capacity to be contracted annually.
- RFP approval process.
- Parameters of virtual net metering.

More Information:

- Interstate Renewable Energy Council, Model Rules for Shared Renewable Energy Programs:
<http://www.irecusa.org/publications/model-rules-for-shared-renewable-energy-programs/>
- National Renewable Energy Laboratory, A Guide to Community Shared Solar:
<http://www.nrel.gov/docs/fy12osti/54570.pdf>
- Shared Renewable Energy for Low- to Moderate-Income Consumers: Policy Guidelines and Model Provisions:
<http://www.irecusa.org/publications/shared-renewable-energy-for-low-to-moderate-income-consumers-policy-guidelines-and-model-provisions/>
- Solar Energy Industries Association, Shared Renewables/Community Solar webpage:
<http://www.seia.org/policy/distributed-solar/shared-renewablescommunity-solar>
- U.S. Department of Energy (DOE), Solar Energy for All: How-To Guides Encourage Growth of Solar Communities webpage:
<http://energy.gov/articles/solar-energy-all-how-guides-encourage-growth-solar-communities>
- DOE, Office of Energy Efficiency and Renewable Energy, Community Renewable Energy webpage:
http://apps3.eere.energy.gov/greenpower/community_development/index.shtml