

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 (kilowatts) or generation (kilowatt-hours) provided by the large system. This type of arrangement has numerous advantages over traditional solar installations:

- Many residents - some estimates are up to 70% - are unable to install traditional solar systems due to shading issues, roofline orientation, or building ownership issues.
- Shared renewables policies can allow 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 at lower cost than individual rooftop systems.
- Virtual ownership reduces the “soft costs” associated with traditional 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 of 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 customer’s use, allowing the customer to pay only for the net electricity consumed over generation. Unlike standard net metering arrangements, virtual net metering allows customers to own generation that is not sited on their property, but be credited for electricity generation as if their subscribed portion of the renewable project was located on their property. Virtual net metering enables the adoption of community solar policies, which allow 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 bill credit mechanism separate from net metering, or they may employ a [value of solar](#) approach, which credits customer-generators for the unique benefits of solar provided to the electricity grid.

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>
- Massachusetts Neighborhood Net Metering:
<http://www.sharedrenewables.org/coop-energy-resources/case-studies/massachusetts/>

Key Components:

Shared renewables authorization can include many components:

- Policy enabling virtual net metering.
- Language specifying minimum number of owners or amount of installed generation capacity.
- Language limiting maximum percent ownership by one entity.
- Guidelines for transferability of ownership.
- Geographic constraints of ownership (located on contiguous or adjacent properties, within utility service area, etc.).
- Requirements for a certain minimum 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.
- Outline of the RFP approval process.
- Discussion of shared renewable rate setting and whether different rates can be made available to specific customer classes (schools, municipalities, agricultural operations, etc.).
- Language specifying whether community renewable energy projects are to be tied to the state's net metering program (can community subscribers earn net metering credits?).

More Information:

- Coalition for Community Solar Access: Resources:
<http://www.communitysolaraccess.org/resources/>
- Interstate Renewable Energy Council's (IREC) Model Rules for Shared Renewable Energy Programs:
<http://www.irecusa.org/publications/model-rules-for-shared-renewable-energy-programs/>
- IREC's 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:
<http://energy.gov/articles/solar-energy-all-how-guides-encourage-growth-solar-communities>
- Natural Resource Defense Council, Report: Clean Energy Sweeps Across Rural America:
<https://www.nrdc.org/sites/default/files/rural-clean-energy-report.pdf>