EXECUTIVE SUMMARY

Expanding Solar Access Through Utility-led Community Solar

PARTICIPATION AND DESIGN TRENDS FROM LEADING U.S. PROGRAMS

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SEPA
solar electric power association

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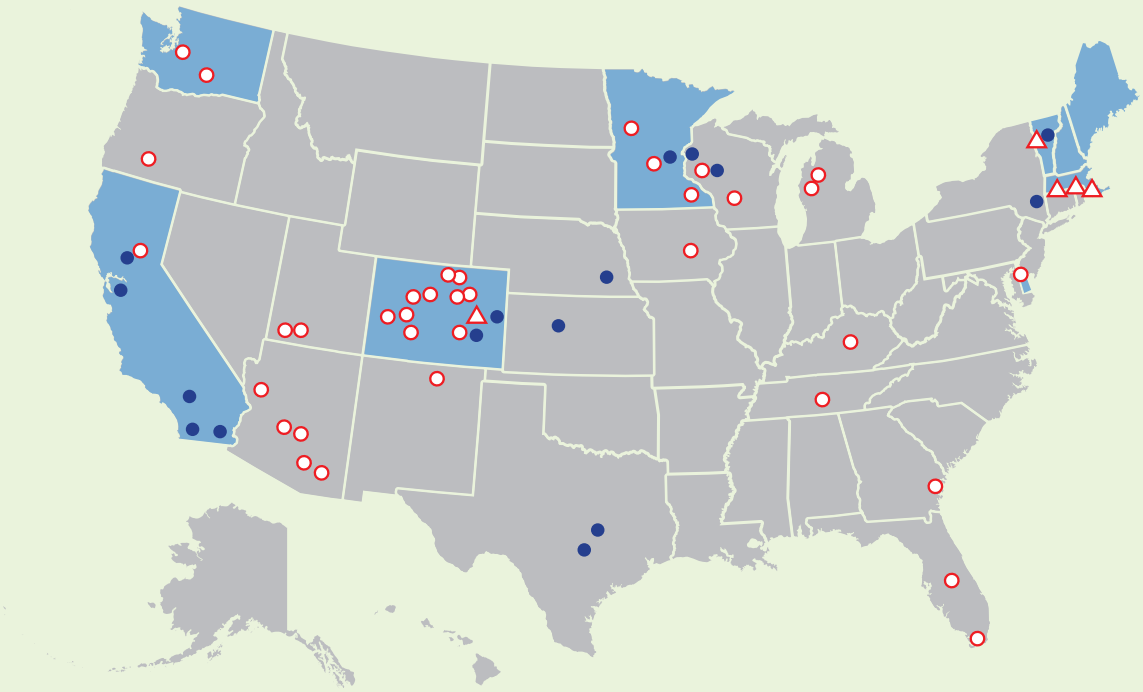
Utilities across the United States are taking a leading role in the spread of community solar projects aimed at expanding access to clean power for customers who, for a variety of reasons, may not want or be able to install solar panels on their roofs.

In the past 18 months alone, the number of community solar projects in the U.S. jumped 64 percent, according to figures from the Solar Electric Power Association (SEPA), which has been tracking the growth of these projects since 2012. Community solar programs initiated by utilities constitute 87 percent of the projects now online.

To expand its knowledge base on community solar, SEPA recently conducted a survey covering utility-led programs, reaching out to all 37 U.S. utilities that now have projects in operation. The 46 percent who responded answered questions about how their community solar programs are designed, the financing options available to customers and the resulting customer participation rates.

Based on survey findings, the average community solar program in the U.S. today has 213 participants buying power from a 1 megawatt (MW) system that is subscribed up to 71 percent of its capacity. Beneath the averages, these figures point to a range of key trends and insights.

- State mandates have been an important driver in the initiation and spread of community solar programs to date. Of the 57 utility-led community solar programs SEPA now tracks, 31 are located in states with community solar legislation. Colorado, one of eight states with community solar laws, leads the nation with 11 community solar programs on line and two in the planning stages.



Community Solar Legislation Enacted

- ○ Active Utility-Initiated
- ● Proposed/Planned Utility-Initiated
- △ Active Third-Party Initiated*
- ▲ Proposed/Planned Third-Party Initiated*

* Third-party initiated programs indicate that the utility is an active partner, but the program was not proposed or initiated by the utility.

U.S. Community Solar Projects and Legislation

- Electric co-ops account for 44 percent of all utility-led community solar programs, followed by public power and investor-owned utilities with 30 percent and 26 percent, respectively.
- The larger number of co-op programs is partly due to size, both of the utilities themselves and the projects they develop. Often small, rural utilities outside state regulatory control, co-ops are able to respond more quickly to customer interest and demand. Their projects are also smaller, averaging 300 kilowatts, while community solar programs developed by public and private utilities average out at more than 5 MW.
- Almost three-quarters of all community solar projects are offered by capacity – that is, customers pay up-front to buy the energy produced by a certain number of panels. Having flexible financing options for these customers, such as access to low-interest loans or on-bill payment plans, can be critical for program success.
- Demand for community solar continues to grow. Almost half, 47 percent, of the SEPA survey participants said they are planning program expansions.

The full report, "Expanding Solar Access Through Utility-led Community Solar," is available at the SEPA website, www.solarelectricpower.org. Media queries should be sent to K Kaufmann at kkaufmann@solarelectricpower.org.