Principles and Policies for Low and Moderate-Income Solar

Part 4:
Direct Incentives that Can Be Used for LMI Solar

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This content is provided to assist teams participating in the Solar in Your Community Challenge, a prize program sponsored by the U.S. Department of Energy SunShot Initiative. This content is free for general public use.
Learning Objectives

• To understand what types of direct incentives are available for distributed solar.
• To understand how these incentives do and don’t work for LMI customers.
Net metering

- Still common for residential customers, but some states are replacing, reconsidering, or redesigning critical details
- Main source of value for customer
- Even more valuable if combined with time-of-use rates, depending on times
- “Virtual” net metering is key for community solar
Net metering

38 States + DC, AS, USVI, & PR have mandatory Net Metering rules

Source: DSIREusa.org
Rebates and tax credits

• Federal credit of 30% phases out by 2023
• Requires sufficient tax appetite over two years
• State tax credits and rebates vary, but also going down and out
• Some extra incentives for low-income (CA, NY, IL)
Solar renewable energy credits (SRECs)

- RECs are used to track RE in compliance and voluntary markets
- Solar RECs are traded in DC, MA, MD, NJ, OH and PA
- Prices vary by market demand: Currently range from 0.35 cents to 42.7 cents per kWh!
- Very valuable in DC, MA and NJ. No value in MD, OH, and PA
- Critical to low-income solar in some places

Sources: www.srectrade.com and NREL.gov
Value of solar tariff (VOST)

- Most common approach globally: feed-in tariff
- Replaces net metering: customer sells all solar power at tariff rate and buys all power at retail rate
- Based on the stack of values solar delivers, not on retail or wholesale prices
- Minnesota and Austin, TX
- NY location-based tariff under development
3rd party contracts (PPAs)

• A solution for low-income homeowner who has:
  • Not enough tax appetite
  • Not enough money down
  • Good credit
  • High electric bill and rates

• But:
  • High costs of finance
  • Prices typically escalate
  • Not legal everywhere
  • Not for renters
3rd party contracts (PPAs)

At Least 26 States
+ Washington DC and Puerto Rico Authorize or Allow 3rd Party Power Purchase Agreements for Solar PV

Source: DSIREusa.org
Contact Information

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Thank you for attending our webinar

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Visit CESA’s Solar In Your Community Challenge webpage for more info and resources:

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About This Webinar Series

This webinar series is divided into two four-part webinars.

**Principles and Policies for Low and Moderate Income Solar, Part 1**

- **Friday, October 6, 2017**
- 1. Opportunities and Challenges
- 2. Case Studies
- 3. Financing Options
- 4. **Direct Incentives**

**Principles and Policies for Low and Moderate-Income Solar, Part 2**

- **Friday, November 17, 2017**
- 1. Presenting solar information to LMI consumers
- 2. Engaging LMI communities
- 3. Solar+storage for LMI communities
- 4. Community solar for LMI customers

Principles and Policies for Low and Moderate-Income Solar, Part 2

Friday, November 17, 12-2pm ET

Topics to be covered:
- Presenting solar information to LMI consumers
- Engaging LMI communities
- Solar+storage for LMI communities
- Community solar for LMI customers


Virtual Office Hours
The instructors will be available for one-on-one consultations with Challenge participants after the webinars, through virtual office hours. To schedule a consultation, contact Diana Chace at diana@cleanegroup.org