



Principles and Policies for Low and Moderate-Income Solar

Part 8:

Community Solar for LMI Consumers

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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 Solar Energy Technologies Office (SETO). This content is free for general public use.

Learning Objectives

- To understand the opportunities and barriers for LMI community solar.
- To be familiar with different approaches to making community solar accessible to LMI consumers.



What is Community Solar?

- Community solar (also called shared solar) is a purchasing arrangement in which multiple customers share the electricity or the economic benefits of solar power from a single array. An array large enough to serve multiple customers is built in a single location, and individual customers sign up to own or lease parts of the array, or to purchase (or be credited for) some portion of the electricity generated by the array.

Differences between Community Solar Models

- Who owns the array?
- Who do customers interact with?
- How do consumers buy community solar?
- Do customers benefit financially from community solar?
- What is the rate of compensation?
- How easy is it to adjust the amount of the subscription or to cancel?
- How does it compare to rooftop solar?

Opportunities for LMI Community Solar

Community solar holds promise for LMI customers

- Renters can participate.
 - For renters and anyone else who is likely to move to a new home while subscribed to a community solar project, community solar subscriptions can often go with the subscriber to the new home.
- Homeowners with roofs that are not suitable for solar can participate.
- Customers can sometimes subscribe to just a few panels.



Challenges for LMI Community Solar

Many of the same challenges as for other LMI solar:

- Credit issues
- Perception that solar is for rich people.
- Many low-income people have other, more pressing priorities than signing up for solar.
- In some LMI communities, people are distrustful of solar companies, agency employees, and others from outside the community.
- Lack of familiarity with solar.

Challenges Specific to LMI Community Solar

- In some places, community solar is a premium product or has a long payback period.
- Community solar developers lack incentives to sign up low-income customers.
 - Signing up low-income customers can be more work than signing up higher-income customers.
 - In some cases, there are language barriers.
 - In some cases, low-income people are not as regularly connected to telephones and the internet as higher-income people.
 - Higher turnover: once signed up, low-income people are more likely to move away or otherwise stop participating.
- Programs that require low-income participation have higher costs than programs that don't require low-income participation.
- Consumer protection issues.
- Issues related to master metering, HUD utility allowances, etc.
- Community solar is not available in every state.

Solutions: Anchor Subscribers

- Community institutions serving as anchor subscribers
 - Provide some financial stability
 - Absorb excess generation from unexpected subscriber turnover. (“Back-up subscribers.”)

Solutions: Waiting Lists

Subscriber turnover can potentially be managed through waiting lists. If other customers are waiting to sign up whenever a subscriber stops participating, disruption to the project as a whole can be minimized.



Solutions: Community Organizations

- Community organizations can promote the project in the community and even involve the community in the design of the project from the beginning. They can also manage customer subscriptions.
 - Community organizations handling customer recruitment or subscription management means the developer/utility doesn't bear that cost.
 - Community organizations that are already known and trusted in the community are important partners.

Solutions: Alternative Underwriting

- Credit scores may not accurately reflect a person's ability to pay bills.
- Alternative underwriting enables people with low credit scores, or no credit scores, to qualify for community solar based on other factors, like their history of paying their electric bill.



Resources

- [Analysis of the Fulfillment of the Low-Income Carve-Out for Colorado Community Solar Subscriber Organizations](#) (Lotus Engineering and Sustainability)
- [Consumer Protection for Community Solar: A Guide for States](#) (CESA)
- [Community Solar for Low- and Moderate-Income Consumers](#) (CESA webinar)
- [Colorado's Low-Income Community Solar Demonstration Project](#) (CESA webinar)
- [Shared Renewable Energy for Low- to Moderate-Income Consumers: Policy Guidelines and Model Provisions](#) (Interstate Renewable Energy Council)

Thank you for attending our webinar

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Webinar instructors will be available for one-on-one consultations with Challenge participants through **virtual office hours**. To schedule a consultation, contact Diana Chace at diana@cleanegroup.org

Slides and recordings from this webinar series are available on CESA's website at:
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