



# Principles and Policies for Low and Moderate-Income Solar

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

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October 6, 2017

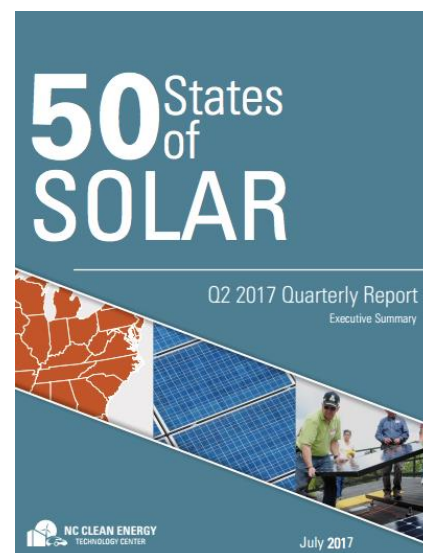
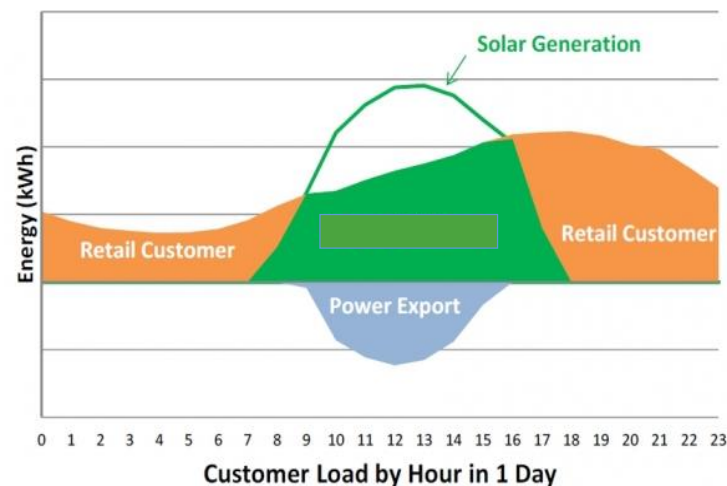
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# Learning Objectives

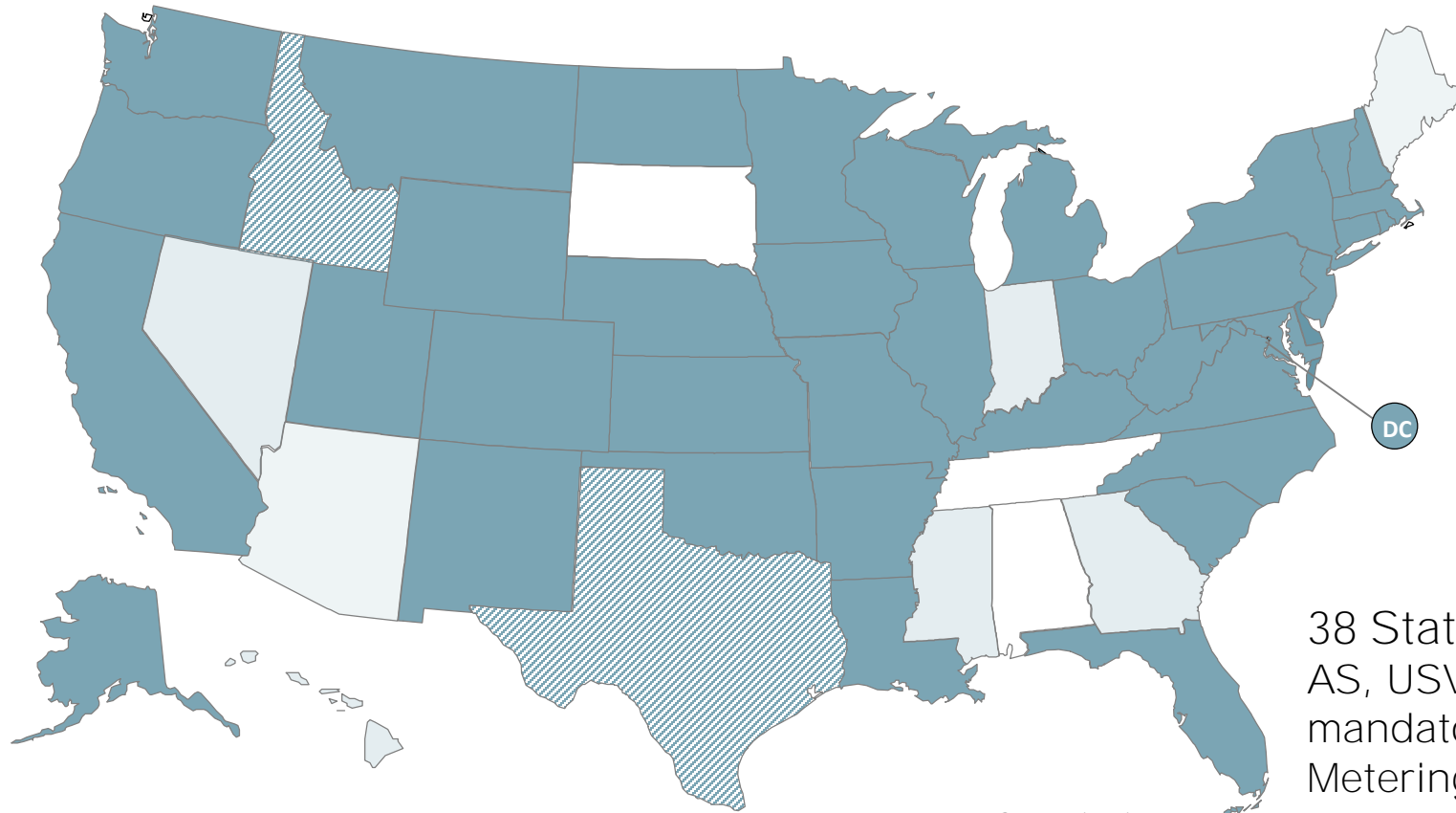
- To understand what types of direct incentives are available for distributed solar.
- To understand how these incentives do and don't work for LMI customers.

# 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

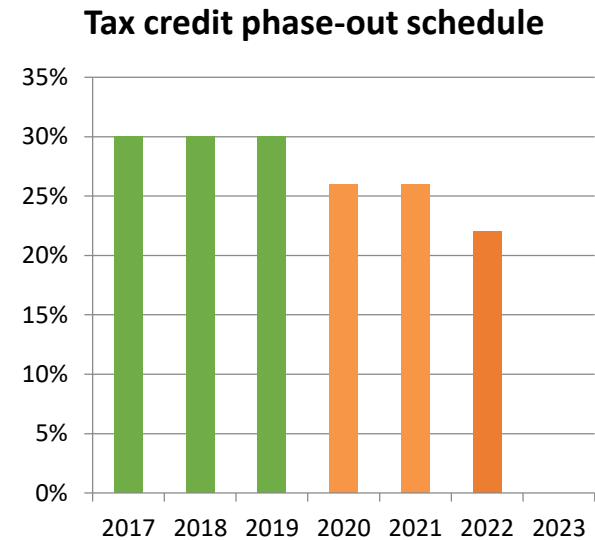
- KEY**
- State-developed mandatory rules for certain utilities (38 states + DC+ 3 territories)
  - No statewide mandatory rules, but some utilities allow net metering (2 states)
  - Statewide distributed generation compensation rules other than net metering (7 states + 1 territory)

U.S. Territories:

AS	PR
VI	GU

# 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

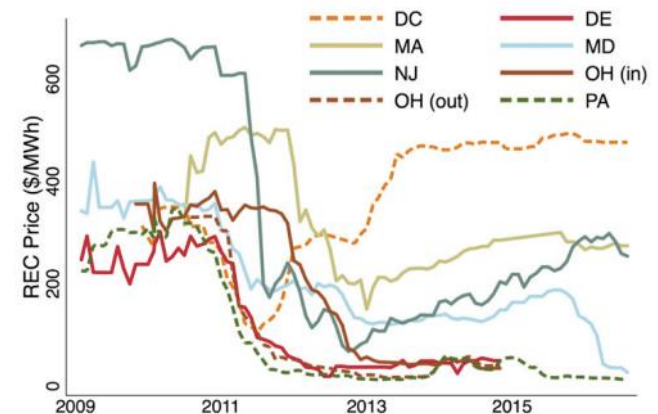
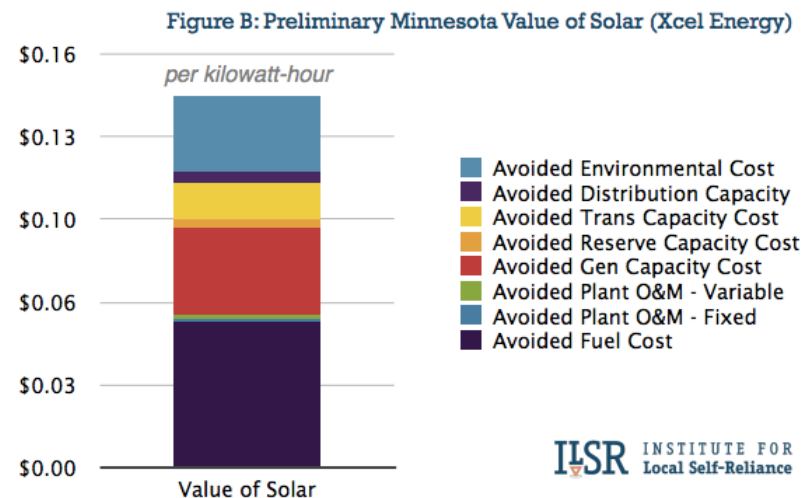


Figure 21. SREC pricing

# 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

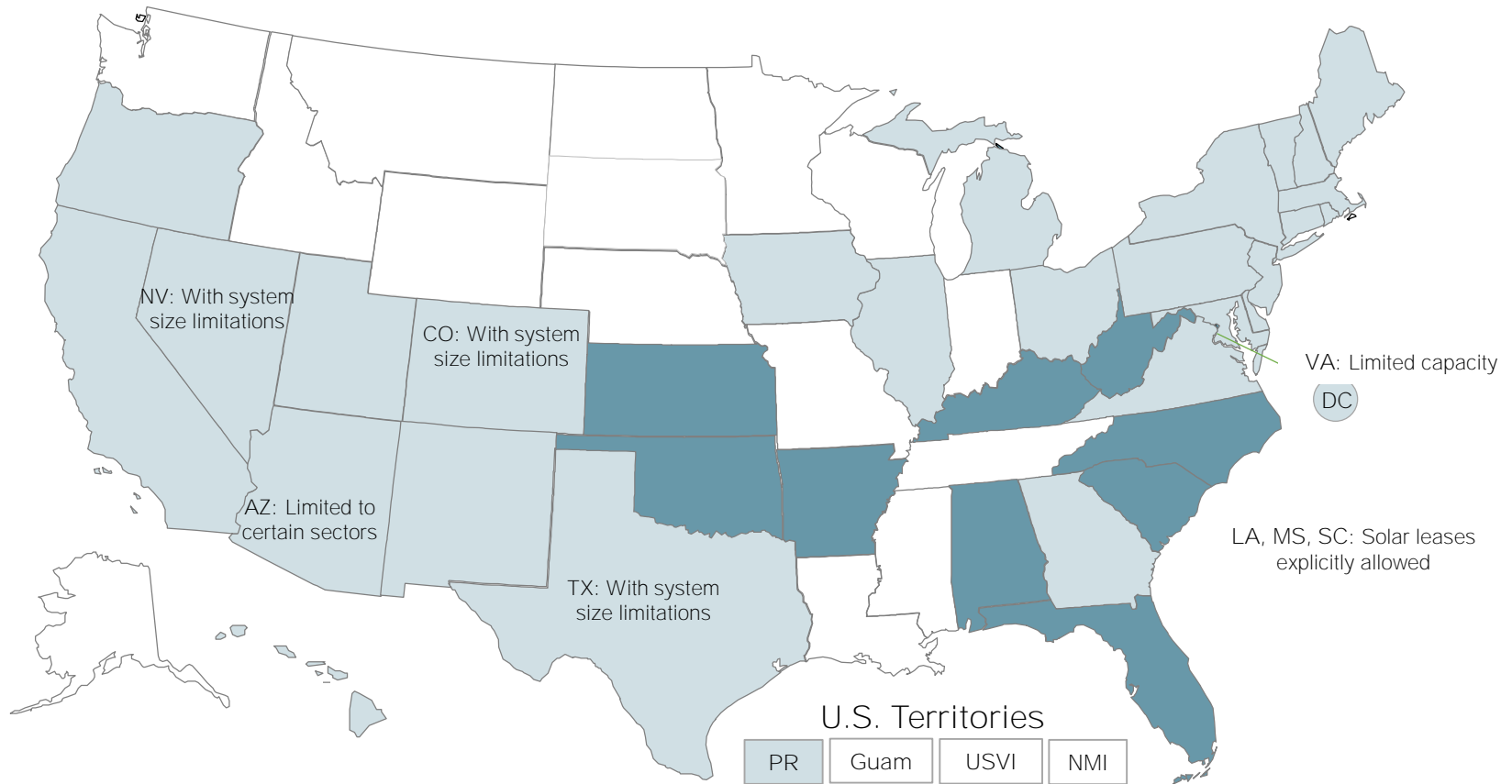


# 3rd party contracts (PPAs)

- 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)



- Apparently disallowed by state or otherwise restricted by legal barriers
- Authorized by state or otherwise currently in use, at least in certain jurisdictions
- Status unclear or unknown

Source: *DSIREusa.org*

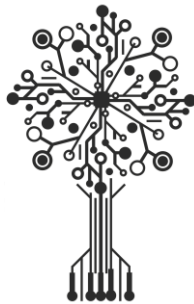
At Least 26 States  
+ Washington DC and Puerto Rico Authorize or Allow 3<sup>rd</sup> Party Power Purchase Agreements for Solar PV

# Contact Information

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# Thank you for attending our webinar

Questions? Contact:  
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Visit CESA's Solar In Your Community Challenge webpage  
for more info and resources:

[www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series](http://www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series)

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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

Webinar recordings and registration forms are available on CESA's website at:

[www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series](http://www.cesa.org/projects/sustainable-solar/solar-in-your-community-challenge-webinar-series)



# 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

Sign up at: <http://bit.ly/CESA-Webinar-11-17>

## **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](mailto:diana@cleanegroup.org)