Model Legislation for a Balanced and Effective Community Solar Program

June 2024

The Coalition for Community Solar Access released a comprehensive and adaptable framework for legislators, policymakers, and stakeholders involved in community solar program design and implementation. The framework aims to support the creation of community solar programs that are inclusive, sustainable, and beneficial to all customers. **CCSA's model legislation** provides clear legislative language for the technical and financial aspects of program design, while maintaining strong consumer protection and equitable access features throughout. Importantly, the model is adaptable and modular for states, allowing decisionmakers to easily choose the program design features that best address the goals of their particular state.

Key Sections and Summaries

Preamble	**Intent and Vision:** Establishes the overarching goals of promoting clean energy, enhancing grid resilience, and ensuring that solar benefits are accessible to all, including low-income and underserved communities. It sets the stage for the legislative framework by highlighting the importance of community solar in reducing greenhouse gas emissions and fostering economic growth.
Definitions	**Clarity and Consistency:** Provides precise definitions for key terms used throughout the legislation, such as "Community Solar Facility," "Subscriber," and "Bill Credit." This section ensures that all stakeholders have a common understanding of the terminology, which is crucial for effective implementation and regulation.
Establishment of a Community Solar Program	**Program Structure:** Outlines the creation of a state-administered community solar program under the jurisdiction of the Public Utilities Commission. It specifies program goals, participation targets, and the roles of different stakeholders in developing, financing, and managing community solar facilities.

Billing and Crediting	**Financial Mechanisms:** Describes the methods for allocating bill credits to subscribers based on their share of the community solar facility's generation. It includes provisions for dual billing and net crediting, ensuring that subscribers receive the financial benefits of their participation.
Facilitation of Program Operations	**Operational Efficiency:** Details the processes for efficient program administration, including subscriber data management, utility reporting requirements, and ensuring timely and accurate bill crediting. This section aims to streamline operations and reduce administrative burdens.
Project Siting	**Location and Scale:** Sets guidelines for the siting of community solar facilities to maximize their benefits while minimizing land use conflicts. It includes provisions for colocation and the options available for preferred siting, such as brownfields, agrivoltaics and commercial rooftops.
Credit Value	**Economic Viability:** Establishes the methodology for determining the value of bill credits, incorporating factors such as avoided energy costs, grid resilience benefits, and environmental impacts. This section ensures that the financial incentives are sufficient to attract investment and participation.
Market Monitoring and Consumer Protection	**Transparency and Accountability:** Introduces measures for market monitoring, consumer protection, and enforcement of regulations. It includes requirements for subscriber organization registration, consumer disclosures, and regular reporting to ensure a fair and transparent market.
Interconnection Standards	**Technical Requirements:** Addresses the technical and procedural requirements for connecting community solar facilities to the electric grid. It aims to streamline interconnection processes, reduce delays, and ensure compatibility with existing grid infrastructure.
Low and Moderate Income Program Guidelines	**Equity and Inclusion:** Specifies guidelines for ensuring that low- and moderate-income households can participate in community solar programs. It includes income verification methods, participation targets, and minimum benefits to promote equity and inclusivity.

For assistance in using and adapting this model for your state, please contact CCSA at:

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COALITION FOR COMMUNITY SOLAR ACCESS

Model Legislation for a Balanced and Effective Community Solar Program

Community solar represents a transformative approach to solar energy, designed to broaden access to its benefits beyond behind-the-meter rooftop installations. Community solar gives customers that cannot or do not want to install solar on site, access to the benefits of clean energy. In other words, these programs allow electric customers, including residents, businesses, non-profits, and other electricity consumers, to collectively support and benefit from solar energy, regardless of the physical attributes or ownership of their home or business. Most community solar facilities are moderately sized, typically between 1 and 5 megawatts, positioning them as community-scale resources that bridge the gap between smaller commercial installations and larger utility-scale projects.

People join community solar projects by subscribing to a shared solar power facility. In exchange, they get discounts on their electricity bills based on the amount of power produced by their portion of the solar project. These shared facilities can be sited at a variety of locations on the distribution grid, including retired or active farmland, providing farmers with an additional revenue stream by utilizing less productive land for energy generation, or on large commercial/industrial rooftops, brownfields and landfills.

The intent of this model legislation is to provide a comprehensive framework for legislators, policymakers, and other stakeholders interested in establishing or refining community solar programs. This document provides a template for the essential components of program design, including electric customer eligibility, financial and administrative structures, and regulatory considerations. It aims to facilitate the adoption and implementation of community solar initiatives, ensuring they are accessible, equitable, and economically viable.

This model legislation is crafted as a modular document, recognizing the diverse needs and regulatory landscapes of different states and communities. Users are encouraged to adapt and use the sections that align with their specific circumstances and policy objectives. This flexibility allows for the creation of tailored programs that address local priorities and challenges while adhering to the fundamental principles of community solar. Each section provides an introduction that serves to inform bill drafters on the legislative intent of that topic. These introductory paragraphs are italicized and not intended to be included in the legislation.

For a deeper understanding of these concepts, CCSA has provided a companion document that delves into greater detail on each aspect of community solar program design. Together, these documents offer a comprehensive toolkit for those seeking to harness the potential of community solar to foster a more inclusive and sustainable energy future.

About CCSA

CCSA is a national trade association representing more than 120 community solar companies, businesses, and nonprofits working to expand customer choice and access to solar for all American households and businesses through community solar. We work with customers, utilities, local stakeholders, and policymakers to develop and implement policies and best practices ensuring highly successful community solar programs that champion the energy customer. CCSA is striving to build the electric grid of the future where every American consumer has the freedom to choose clean, locally generated energy to power their lives. And as a start, by 2030, our goal is to give at least 10 million people in America — households, small and large businesses, schools, churches, and hospitals — access to community solar, which is equivalent to 30 GW of community solar capacity installed.

Preamble

Whereas, solar energy is an abundant, domestic, renewable, and non-polluting energy resource, significantly contributing to the reduction of greenhouse gas emissions and aiding in climate change mitigation;

Whereas, Community Solar Facilities grant all consumers, including homeowners, renters, and businesses, the opportunity to benefit from local solar energy generation, irrespective of the physical constraints of their properties, such as limited roof space, shading, or ownership status;

Whereas, local solar energy generation enhances grid resilience and reduces the need for expensive transmission and distribution infrastructure upgrades;

Whereas, community solar can provide access to local, affordable, and clean energy options to all energy customers, including lower energy bills and enhanced energy independence;

Whereas, Community Solar Programs empower consumers with additional energy choices, fostering inclusivity and equity by ensuring that the benefits of solar energy are accessible to all segments of the population, regardless of socioeconomic status;

Whereas, community solar can foster economic growth, create local jobs, stimulate the local economy, and provide opportunities for competition and innovative business models;

Whereas, Community Solar Facilities serve as educational tools and foster community engagement and awareness around renewable energy, contributing to a more informed and involved citizenry;

Whereas, it is the intent of [State] to expand the state's energy innovation and provide its residents with access to community solar, supported by a conducive policy and regulatory framework, and backed by technical and financial support to facilitate development;

Whereas, the long-term vision for community solar in [State] includes setting ambitious targets for capacity and percentage of energy mix, contributing to a sustainable and resilient energy future;

Therefore, [State] commits to the promotion and development of Community Solar Facilities as a cornerstone of its renewable energy strategy. Be it enacted by the [General Assembly of the State], that the Laws of [State] be amended to read:

Section 1: Definitions

The following definitions are typical of those found in community solar bills. However, definitions such as utility, electricity supplier and a number of other definitions are considered placeholders in this document and should be replaced by the state's existing statutory definitions and terminology. In some cases, not all definitions will apply, depending on the type of electricity market in a given state.

A. Bill Credit: The monetary value of kilowatt-hours (kWh) generated by the Community Solar Facility allocated to a Subscriber's electricity bill.

B. Colocation: Siting two or more Community Solar Facilities on the same or adjoining parcels of land.

C. Community Solar Facility: A facility that generates electricity by means of a solar photovoltaic device whereby Subscribers receive a Bill Credit for the electricity generated in proportion to the size of their Subscription. A Community Solar Facility is a facility that:

a. is interconnected with the [LDU] submitting compliance filings under Section 2 of this Act;

b. is connected to the electric distribution grid serving the state;

c. is limited in size to no more than 5 Megawatts-ac;[1] and

d. has at least 3 Subscribers.

D. Community Solar Program: The program created through the adoption of rules to allow for the development of Community Solar Facilities described in Section 2 of this Act.

E. Electricity Supplier: An entity that sells electricity, electricity supply services, competitive billing services, or competitive metering services and purchases or produces electricity for sale to a retail electric customer.[2]

F. Interconnection Standards: The technical and procedural requirements, as set forth in rules, tariffs or other regulatory or administrative documents, set by the Local Distribution Utility for connecting a Community Solar Facility to the electric grid and have the same meaning as [insert state statute or regulatory code reference as applicable].

G. Local Distribution Utility [LDU]: An entity that physically transmits or distributes electricity in the State to a retail electric customer.

H. Low Income Household: Electricity customers that

a. receive an annual gross household income that is at or below 200% of the Federal poverty level and does not exceed 80% of statewide median income; or

b. are certified as eligible for any federal, state, or local assistance program.

I. Nameplate Capacity: The maximum rated output of a solar photovoltaic (PV) system or facility as designated by the manufacturer under specific standard test conditions.

J. Moderate Income Household: Electricity customers that receive an annual household income that is in excess of 200 percent of the Federal poverty level and at or below 80 percent of the statewide median income.

[1] Many states limit Community Solar Facilities to 5 MW-ac but states have flexibility in setting a project size cap that serves the needs of their state.

[2] Applicable only to states with restructured electricity markets.

K. **Net Crediting:** A billing process in which a [LDU] charges a Subscriber's monthly electric bill based on the net calculation of the Subscriber's electric consumption after application of the Bill Credit and the Subscription cost.

L. **Public Interest Entity:** A public or Tribal entity, school, nonprofit organization, house of worship, or social service provider that predominantly serves low and moderate income populations.

M. **Renewable Energy Certificate (REC):** A certificate representing the environmental attributes of one megawatt-hour (MWh) of electricity generated from a renewable energy source and have the same meaning as [insert state statute reference] (should mirror existing statutory language, if applicable).

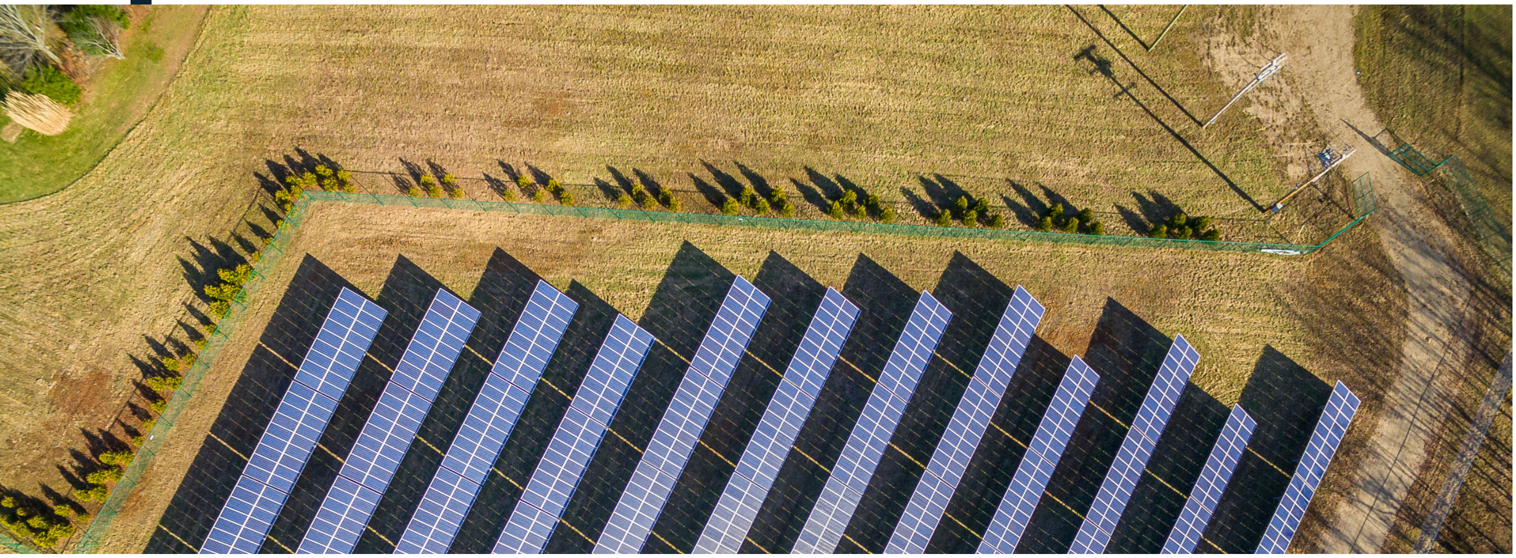
N. **Subscriber:** A retail electric customer of a [LDU] who owns one or more Subscriptions of a Community Solar Facility interconnected with that [LDU]. A Subscriber must be located in the same [LDU] service territory where the Community Solar Facility is interconnected.

O. **Subscriber Organization:** Any for-profit or nonprofit entity that owns, operates or manages subscriptions for one or more Community Solar Facilities. A Subscriber Organization shall not be considered a [LDU] or Electricity Supplier solely as a result of its ownership or operation of a Community Solar Facility.

P. **Subscription:** A contract between a Community Solar Facility and a Subscriber in which the Subscriber pays a subscription fee to the Facility and the Facility directs the utility to apply Bill Credits to the Subscriber's monthly [LDU] bill.

Q. **Subscription Agreement:** A contract between a Subscriber and the Subscriber Organization of a Community Solar Facility. A Subscription shall be sized such that the Bill Credits received in one year are not estimated to exceed the Subscriber's average annual bill at the premises to which the Subscription is attributed. Subscriptions must be transferable and portable within the service territory of the [LDU].

R. **Unsubscribed Energy:** The electricity generated by a Community Solar Facility that has not been allocated to Subscribers.



Section 2: Establishment of a Community Solar Program

This section creates the State's Community Solar Program under the jurisdiction of the Public Utilities Commission.

1. **Establishment of a Community Solar Program** - The State shall have a Community Solar Program beginning on [Effective Date of legislation]. The Community Solar Program shall:

    a. Be open to all rate classes and inclusive of electric customers on competitive supply service (if applicable).

    b. Be designed to achieve target deployment of Community Solar Facilities generating 10% of statewide peak demand based on the most recent full calendar year, updated annually.

2. **[Public Utilities Commission] Jurisdiction** - The [Public Utilities Commission] shall have jurisdiction over the administration of the Community Solar Program, including, but not limited to, compliance with regulatory requirements, management of stakeholder feedback, oversight of the administrative processes of the Community Solar Program and maintenance of records for the Community Solar Program.

3. **[Public Utilities Commission] Rulemaking** - The [Public Utilities Commission] shall establish regulations for a Community Solar Program by [Effective Date + 6 months] that:

    a. reasonably allow for the financing, development, operation and management of Community Solar Facilities;

    b. ensure participation opportunities for all electric customer classes;

    c. ensure the transferability and portability of Subscriptions within the same [LDU] territory; and

    d. establish participation targets as a [Percentage] of the total generating capacity enrolled in the Community Solar Facility for:[3]

        i. residential and small commercial classes; and

        ii. any other specifically identified populations or rate classes.

4. **Additional Compensation** - The [Public Utilities Commission] may establish additional compensation under Section 6 to achieve participation targets established under 3.c.

[3] The target percentages should be set taking into account the percentage of the total electric customer base and electric load represented by residential and small commercial customers, as well as the availability of other solar and renewable energy options to different customer classes. Mechanisms such as program carve-outs or goals, incentives, financing options, and education and outreach for certain customer classes can promote customer diversity and program accessibility.

5. **Minimum Rulemaking Requirements** - The regulations shall include minimum requirements for program related filings and procedures, including:[LDU] tariffs;

    a. Interconnection Standards;

    b. [LDU] billing standards, communication and processes;

    c. Subscription Agreements;

    d. Subscription disclosure forms;

    f. income verification methods for Low and Moderate Income Subscribers;

    g. consumer protections in accordance with applicable law for marketing, Subscriber solicitation and contracting; and

    h. any other topics necessary for implementing the Community Solar Program.

6. **Program Administration** - The [Public Utilities Commission] shall administer the Community Solar Program to ensure compliance with this legislation and its regulations. Administration shall include:

    a. approving and allocating program capacity;

    b. tracking REC compliance;

    c. tracking deployed capacity;

    d. accuracy and timeliness of utility billing;

    e. tracking program participation; and

    f. ensuring Community Solar Facility and [LDU] adherence with program requirements.

7. **Allocation of State Funding to Support Program Implementation** - The state shall allocate necessary funding to the [Public Utilities Commission] for additional staff or the engagement of third-party consultants, as necessary, to effectively implement the Community Solar Program:

    a. The allocated resources shall be directed towards:

        i. development, administration, and oversight of the Community Solar Program;

        ii. ensuring program alignment with the state's clean energy goals, low-income energy assistance programs, and the efficient operation of the Community Solar Program; and

        iii. education and public outreach.

8. **Allocation of State Funding to Support Interconnection** - The state shall allocate necessary funding to the [Public Utilities Commission] for additional staff or the engagement of third-party consultants, as necessary, to assess and ensure that statewide interconnection practices are aligned with state goals. This funding shall support leadership of the Interconnection Working Group outlined in section 8, including:

    a. convening the monthly Interconnection Working Group meetings;

    b. coordinating with the respective utilities, industry and other stakeholders; and

    c. ensure timely filing of the Report in Section 8.3.b

9. **Reporting to Legislature** - Before the start of the next legislative session after installed program capacity reaches 80% of the target established in Section 1.b, the [Public Utilities Commission] shall submit a report to the legislature on the implementation and future of the Community Solar Program. The report shall:

    a. be developed through a process that invites participation of industry, NGO, and subject area stakeholders; and

    b. include recommendations for the future of the Community Solar Program and additional program capacity.

10. **[LDU] Rate Recovery** - The [Public Utilities Commission] shall allow the [LDU] to recover reasonable, prudently incurred costs of administering the program.

Section 3: Billing and Crediting

Bill credits are a mechanism to ensure that the benefits of distributed generation, which accrue at the time electricity is exported to the grid, are properly reflected on a subscriber's monthly electric bill. This section outlines how utilities shall provide subscriber benefits on the subscriber's periodic (monthly) utility bill. The language also covers the length of time over which bill credits must be applied, banked, or compensated if unsubscribed. If preferable, some of these determinations can be delegated to the State's Public Utilities Commission.

This section describes both dual billing and net crediting:

- ***Dual billing** is a method for utilities to attribute the benefits of community solar generation to the participating subscribers. The subscriber's energy usage costs are reduced by the full value of the bill credits associated with the subscriber's share of the generation up to the utility bill balance, with any additional credits carried over month to month. Meanwhile, subscription fees are collected by the community solar subscriber organization through a separate community solar bill paid to the Subscriber Organization.*
- ***Net Crediting** is a method by which the bill credit savings associated with the subscriber's share of generation and the subscription fee for community solar services are incorporated into the subscriber's standard utility bill for a nominal administrative utility fee. This process facilitates the recovery of the community solar subscription expenses through the utility's billing mechanism, ensuring that community solar subscribers receive a singular, consolidated bill that encompasses both traditional utility services and community solar subscriptions. Net crediting generally provides the easiest and most efficient way to facilitate community solar access to allow households that pay their utility bills in cash, including those that are unbanked.*

It is common practice for programs to allow individual projects to have most subscribers on net crediting and some subscribers on dual billing simultaneously. Larger, anchor subscribers often prefer dual billing, whereas net crediting is preferred by residential subscribers, importantly including those that are low and moderate income. Net crediting can create a simpler, more transparent subscriber experience but requires work and stakeholder engagement to ensure it works effectively. A market can implement either or both of these billing treatments.

Access to Subscriber's Electricity Bill

1. **[LDU] Obligations** - The [LDU] shall allocate or net Bill Credits for Subscribers on the Subscriber's monthly [LDU] bill, at the direction of the Subscriber Organization. Allocation or netting of Bill Credits shall be provided on an ongoing basis until the Subscriber Organization directs the [LDU] to stop applying or netting credits.

2. **Subscriber Organization Obligations** - The Subscriber Organization shall provide to the [LDU] a Subscriber list indicating the Subscribers' allocation share in a standardized electronic format. The [LDU] must effectuate changes to the Subscriber list and allocation shares at least monthly.

3. **Subscriber Credit Accrual Period** - Bill Credits shall continue to accrue indefinitely until an electric customer is no longer a Subscriber. Any Subscriber credits available at the time an electric customer is no longer a Subscriber shall accrue to the Subscriber Organization as Unsubscribed Energy in that month.

4. **Unsubscribed Energy** - A Subscriber Organization may direct the [LDU] to allocate Unsubscribed Energy at the full Bill Credit value for up to 24 months after the time it is applied to the Subscriber Organization's account. Unsubscribed Energy that a Subscriber Organization does not allocate within 24 months from the time it was applied to the Subscriber Organization's account shall be credited to the Subscriber Organization at the avoided cost rate.

5. **Bill Crediting Procedures** - The [LDU] shall ensure that the allocation or netting of Bill Credits:

    a. is applied to the Subscriber's monthly electric bill generated in the billing cycle following the billing cycle during which the energy was generated by the Community Solar Facility;

    b. reduces the Subscriber's monthly electric bill up to the total cost of electricity consumed that month including all fixed and variable charges, riders, taxes, and surcharges; and

    c. is carried over and applied to the next month's bill if the allocated or netted Bill Credit exceeds the current month's total cost of electricity.

Allocation of Bill Credits - Dual Billing

1. **Calculation of Bill Credits** - The [LDU] shall calculate Bill Credits for a Subscriber's monthly electric bill based on the Subscriber's allocated share of a Community Solar Facility's generation at the Commission-approved credit rate. The amount of the Subscriber's allocated share shall be as directed by the Subscriber Organization in accordance with the Subscription Agreement.

Netting of Bill Credits - Net Crediting

1. **Netting of Bill Credits** - The Subscriber's monthly [LDU] bill shall be calculated as the monthly [LDU] charges less the net Bill Credit.
2. **Calculation of Net Bill Credit** - The net Bill Credit shall be calculated as:
    a. the Subscriber's allocation in the Community Solar Facility at the Commission approved credit rate, reduced by the subscription cost, pursuant to the Subscription Agreement, as directed by the Subscriber Organization.
3. **Compensation for Subscriber Organization** - The applicable subscription fee, as directed by the Subscriber Organization, shall be included on the Subscriber's monthly [LDU] bill. Payments to the Subscriber Organization shall be:
    a. made in a timely manner, not to exceed one billing cycle after the application of Bill Credits on a Subscriber's account;
    b. remitted directly to the community solar Subscriber Organization;[4] and
    c. shall not be dependent on the [LDU]'s ability to collect on the Subscriber's monthly bill.
4. **Utility Compensation** - The [LDU] providing Net Crediting may:
    a. require a reasonable fee, not to exceed 1% of the net credit; and
    b. the [Public Utilities Commission] may determine that a higher fee is just and reasonable based on substantial evidence presented by the [LDU] and subject to stakeholder input.

[4] For example: A subscriber whose community solar subscription generates bill credits totaling $100 but who only incurs electricity costs totaling $80 in a month and who has a subscription agreement with a 10% bill credit discount would receive a utility bill for $72($80 total costs - $8 (10% of $80 of credits that can be used against her monthly charges). The remaining $20 would roll over for use in a future month. In this scenario the utility would collect $0.80 (1% of the $80 in credits applied to the subscriber's bill) and the facility owner would receive a payment of $71.20 ($80 of total credits less $8 discount given to the subscriber less the $0.80 paid to the utility).

SECTION 4: Facilitation of Program Operations

This section aims to facilitate a positive customer experience through efficient, automated processes to ensure bill credits and customer information is accurately accounted for and safeguarded.

1. ***Access to Subscriber data*** *- The [LDU] shall provide access to Subscriber billing and usage data to a Subscriber Organization. By order or regulation, the [Public Utilities Commission] shall establish requirements for a Subscriber Organization to obtain affirmative consent to access Subscriber billing and usage data, including status in LIHEAP, balanced billing and/or the [LDU's] energy assistance program. All data exchanged shall utilize the Subscriber's account number or other [Public Utilities Commission] designated identifier.*

2. ***Subscriber List*** *- The Subscriber Organization shall provide to the [LDU] a Subscriber list indicating the allocation or netting for each Subscriber's billing period in a standardized electronic format. The [LDU]must effectuate changes to the Subscriber list at least monthly.*

3. ***Utility Reporting*** *- The [LDU] shall provide to the Subscriber Organization a credit allocation report. The report shall be provided in a standardized electronic format within 30 calendar days following the end of the Community Solar Facility's bill cycle. The report shall include information sufficient for the Community Solar Facility to reconcile their generation, Bill Credits, Unsubscribed Energy, payment information and Subscriber status. The report must include, at a minimum:*

    a. *the total generation of the Community Solar Facility;*

    b. *the value of Bill Credits generated by the Community Solar Facility;*

    c. *Bill Credits applied to each Subscriber in the prior billing cycle;*

    d. *any remaining Bill Credits rolling over for use in future periods;*

    e. *Subscriber information necessary to confirm appropriate allocation of Bill Credits; and*

    f. *any other information the [Public Utilities Commission] determines necessary.*

Section 5: Credit Value

This section establishes the process and authority for the state's Public Utilities Commission to set the credit value of community solar generation that will be attributed to subscribers on their monthly electric bills. This rate may include energy values, societal values, environmental values and any other quantifiable benefits of distributed solar generation. This model legislation includes commonly accepted values that are necessary to support a viable community solar market in your State - this list does not reflect all potential quantifiable or non-quantifiable values.

1. **[Public Utilities Commission] Obligation to Set Credit Rate** - By order or regulation, the [Public Utility Commission] shall set the community solar credit rate and any additional compensation by [Effective Date + 9 months].

    a. The community solar credit rate shall be designed to maximize the benefits to ratepayers, Subscribers, and host communities from Community Solar Facilities and shall be sufficient to finance and build Community Solar Facilities.

    b. The [Public Utility Commission] is authorized and encouraged to hire a consultant with expertise in energy economics to determine the community solar credit rate and any additional compensation.

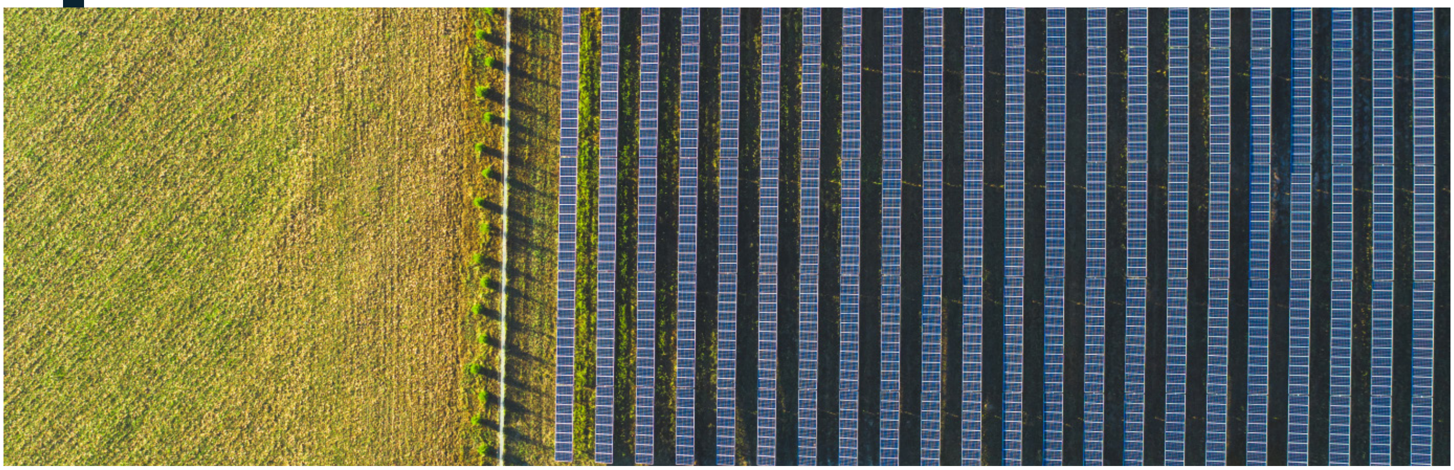
        i. The [Public Utilities Commission] and its consultants shall establish a process for stakeholder input on the community solar credit rate, and additional compensation, valuation methodology and data sources.

    c. The [Public Utilities Commission] shall review and potentially update the community solar credit rate, and any additional compensation, at least once every two years.

        i. Changes to the community solar credit rate, and any additional compensation, shall be phased-in on a [Public Utilities Commission]-determined schedule with increases or decreases not to exceed 10% of the existing community solar credit rate per year.

        ii. A Community Solar Facility shall continue to receive the community solar credit rate, and any additional compensation, available at the time it begins operations for not less than 25 years from the date the Community Solar Facility begins generating electricity.

2. **Credit Rate Valuation** - In determining the community solar credit rate the [Public Utilities Commission] shall include the value of:
    a. avoided energy costs;
    b. avoided capacity costs;
    c. avoided distribution costs;
    d. avoided transmission costs;
    e. avoided fuel costs;
    f. facility contributions to grid resiliency and grid services capabilities;
    g. environmental benefits including the avoided social costs of emissions associated with alternative forms of generation; and
    h. any other demonstrated values the [Public Utilities Commission] finds are in the public interest to include.
3. **Grid Integration Costs** - The [Public Utilities Commission] may perform an assessment of grid integration costs incurred by utilities, excluding costs paid by community solar facilities pursuant to interconnection agreements.
4. **Additional Compensation** - The [Public Utilities Commission] may determine additional compensation values for Community Solar Facilities that serve specific state land use, equity or other goals.
    a. Potential additional compensation categories may include:
        i. Community Solar Facilities sited on preferential locations such as brownfields, disturbed land, rooftops or agrivoltaics;
        ii. Community Solar Facilities serving low and moderate income subscribers, multifamily, master metered or other specific housing types; or
        iii. Community Solar Facilities serving Public Interest Entities.
5. **Renewable Energy Certificates and Non-Energy Values** - The owner of the Community Solar Facility shall retain ownership of the RECs and any other non-energy values of the facility's generation which are not compensated for in the community solar credit rate. RECs may be retired or sold by the owner of the Community Solar Facility.



Section 6: Project Siting

Community Solar Facilities are generally limited to no more than 5 MW-ac and are interconnected on the distribution system to take advantage of minimum economies of scale while avoiding siting challenges typically associated with utility-scale solar installations on the transmission system. The requirements in this section outline subdivision prohibition, co-location limitations and exemptions intended to ensure that community solar projects operate as community scale resources located within the distribution system. These land use provisions preserve the small, distributed nature of community solar installations while allowing for efficient siting and development of projects.

1. **Subdivision**- A Community Solar Facility shall not be sited on a parcel of land that has been subdivided with the intent of circumventing the aggregate size limitation imposed by the Community Solar Program.
2. **Colocation** - Colocation of Community Solar Facilities shall be prohibited except as provided below.
    a. The [Public Utilities Commission] may grant exemptions to the prohibition outlined in this subsection, provided that the co-location of Community Solar Facilities is consistent with public policy objectives and promotes access to the Community Solar Program.
    b. Co-location of Community Solar Facilities is not prohibited (is allowed) under the following conditions:
        i. the aggregate Nameplate Capacity of the co-located facilities do not exceed any size limitations established by the Community Solar Program for a single Community Solar Facility; or
        ii. the Community Solar Facility is co-located with other types of facilities, including but not limited to behind-the-meter rooftop installations, utility-scale projects, and facilities developed under separate programs of the [State].

Section 7: Market Monitoring and Consumer Protection

This section establishes market monitoring and consumer protection practices for the benefit of both subscribers and the community solar market. An informed and willing subscriber is the best customer and a market with adequate protections is the best market for long-term investments. The requirements in this section balance the interests of subscribers in transparency and the interests of companies in adequate and fair enforcement. Lastly, this section establishes a reporting requirement for the Public Utilities Commission to allow for monitoring of the market as it matures.

1. **Registration Requirement** - All Subscriber Organizations seeking to solicit community solar Subscribers and Community Solar Facilities operating in the state must register with the [Public Utilities Commission]. The [Public Utilities Commission] may establish regulations for minimum registration requirements.

2. **Consumer Protections** - The [Public Utilities Commission] may establish regulations to ensure that all Subscriber Organizations:

    a. comply with applicable consumer protection statutes;

    b. ensure that there are no upfront fees or deposits, no termination fees, and/or no late fees.

    c. ensure that projects support inclusive outreach and engagement;

    d. retain all solicitation, marketing and contracting materials; and

    e. employ any other consumer protections necessary to ensure a viable community solar market.

3. **Enforcement** - The [Public Utilities Commission] shall establish regulations for the use of available statutory enforcement mechanisms.

    a. Enforcement regulations shall be designed to ensure that Subscriber Organizations and Community Solar Facilities comply with state law and [Public Utilities Commission] regulations.

    b. Before any violations of statute or regulation are established, a community solar Subscriber Organization or facility shall be provided a hearing and the opportunity to present evidence.

    c. The community solar Subscriber Organization or facility shall be provided a cure period before any non-monetary penalties are imposed.

4. **Reporting** - The [Public Utilities Commission] shall publish an annual report summarizing the state of the community solar market. The [Public Utilities Commission] may establish regulations for Subscriber Organizations and Community Solar Facilities to provide information necessary to report on:

    a. the total annual energy production of each facility;

    b. the number of active Subscribers; and

    c. the savings provided to Low and Moderate Income Subscribers.

5. **Anonymization** - The [Public Utilities Commission] shall anonymize and aggregate the information to protect competitively sensitive interests.

Section 8. Interconnection Standards for Community Solar Programs

This section addresses the process to evaluate and update the state's interconnection process. Interconnection is often one of the biggest barriers to the successful implementation of a state's community solar program and it is important to update this process to reflect national best practices. These provisions create a series of [Public Utilities Commission] actions and processes to assess and update interconnection to ensure program success.

1. **Establishment of Interconnection Docket** - The [Public Utilities Commission] shall open an interconnection docket within 30 days of this bill's enactment to review Interconnection Standards to assess the impact of [LDU] practices on achieving the target of the Community Solar Program.
2. **Review and Update Process -** The [Public Utilities Commission] shall establish updated Interconnection Standards by [enactment date + 1 year] to ensure that [LDU] practices will not present a barrier to achieving the target of the Community Solar Program.
    a. The [Public Utilities Commission] shall establish Interconnection Standards that:
        i. establish maximum timelines for processing interconnection applications;
        ii. ensure efficient management of interconnection requests;
        iii. improve transparency of interconnection queues;
        iv. require utilities to assess the capacity of the distribution grid to host additional distributed energy resources;
        v. adopt national best practices for technical standards including, at a minimum:
            1. application of interconnection screens;
            2. study methodology;
            3. feeder limits; and
            4. interconnection equipment requirements in response to issues such as ground-fault overvoltage or islanding; and
        vi. address the issues outlined in subsection [3.c] of this Section to the greatest extent possible.

3. **Creation of Interconnection Ombudsperson** - The [Public Utilities Commission] shall establish the ongoing role of interconnection ombudsperson to ensure efficient handling of interconnection applications including facilitating dispute resolution among utilities and project developers.

4. **Launching of Interconnection Workgroup** - The [Public Utilities Commission] shall create an interconnection working group (IWG) of interested stakeholders to address ongoing implementation issues.

    a. The [LDU] shall participate in the workgroup and provide any data and analysis necessary to support its work.

    b. By April 1 of the second year following enactment, and every two years thereafter, the IWG shall submit a report to the [Public Utilities Commission] that assesses the state's interconnection processes and describes consensus and non-consensus recommendations for improving the state's Interconnection Standards, regulations, tariffs and policies.

    c. The IWG Report shall include information and recommendations on the following topics, at a minimum:

        i. standardization and publication of common upgrade equipment costs;

        ii. cost-sharing mechanisms that allocate interconnection upgrade costs among all the beneficiaries;

        iii. queue management including:

            1. minimum application requirements;

            2. deposit requirements, and

            3. enforcement of timelines.

        iv. [LDU] data transparency, including accuracy and use of:

            1. distribution interconnection queue; and

            2. hosting capacity maps, including effective dates of each map; and

        v. any other topics related to interconnection performance and its impact on achieving the targets of the Community Solar Program as determined by the IWG.

    d. By September 1 of the year the report is filed, by regulation or order, the [Public Utilities Commission] shall respond to any recommendations or areas of non consensus in the IWG report.

Section 9: Low and Moderate Income Program Guidelines

Community Solar provides the ability for all electric customers - regardless of home ownership status or roof condition - to access the benefits of solar energy. However, this inherent benefit will not always lead to equitable participation. While optional, many states have chosen to implement a low and moderate income carveout or participation target. Based on State and Federal funding to incentivize low and moderate income participation, more states are using community solar to increase renewable energy access and direct more bill savings to low and moderate income subscribers. This section requires the State Energy Office and/or Public Utilities Commission to create intentional goals to increase participation and retention of low and moderate income subscribers.

Careful program design is necessary to reach the low and moderate income population. This section defines eligible low and moderate income subscribers, establishes income verification methods, and sets minimum benefits for participating low and moderate income subscribers. These three pillars create the core structure of a functional low and moderate income program. Finally, the subscriber billing experience is crucial for low and moderate income programs. Therefore, it is essential that a low and moderate income program include net crediting as outlined in Section 3 with comprehensive regulatory implementation by the Public Utilities Commission.

1. **Creation of Participation Target** - Each Community Solar Facility shall be required to provide at least [20-51]% of its generating capacity to Low and Moderate Income Subscribers.
2. **Establishment of Low and Moderate Income Requirements** -The [Public Utilities Commission] regulations required above shall:
    1. ensure that projects can reasonably meet the Low and Moderate Income Subscriber requirement;
    2. define eligible Low and Moderate Income Subscriber;
    3. establish permissible methods of income verification; and
    4. establish minimum benefits for participating Low and Moderate Income Subscribers.

Suggested additional legislative or regulatory language:

The following supplementary language may be used to strengthen the low and moderate income component of a community solar program. This level of specificity may be beneficial in statute, or it may be more appropriate to leave to the [PUC] for resolution through the process of enacting regulations. This is a question for the legislator to determine in balancing efficiency, flexibility and interaction with other existing [PUC] programs and definitions.

1. **Definition of Low and Moderate Income Subscriber Types** - Eligible Low and Moderate Income Subscribers shall include:
    a. Low Income Households and Moderate Income Households;
    b. Public Interest Entities; and
    c. Affordable housing entities as determined by the [relevant state or federal housing authority].
2. **Income Verification** - Permissible methods of income verification shall include:
    a. For Low and Moderate Income Households:
        i. electric customer attestation of income;
        ii. categorical eligibility based on participation in income qualified assistance programs including:
            1. state or federally funded assistance programs[6]; and
            2. any other assistance program identified by the [Public Utilities Commission].
        iii. geographic-based eligibility[7]; or
        iv. any other methods the [Public Utilities Commission] deems sufficient.
    b. For Public Interest Entities:
        i. geographic-based eligibility[8]; or
        ii. categorical eligibility based on administering or predominantly serving a population that participates in income qualified assistance programs including:
            1. state or federally funded assistance programs[9]; and
            2. any other assistance program identified by the [Public Utilities Commission].

3. **Minimum Benefits** - Minimum benefits for participating low and moderate income subscribers shall, at a minimum, be:

    a. For Low and Moderate Income Households [X]% of the value of the bill credits;

    b. For Public Interest Entities [X]% of the value of bill credits;

    c. For affordable housing entities [X]% of the value of bill credits; and

4. **Master-Metered Buildings** - For master-metered buildings benefits must be provided to residents in the form of reduced rent or additional services as allowed by HUD[10].

[6] These federal programs generally include: Asset Limited Income Constrained Employed persons or households, Federal Lifeline Support for Affordable Communications, Federal Public Housing Assistance, Food Distribution Program on Native American Reservations, USDA's National School Lunch Program, Head Start, Housing Choice Voucher Program, Low Income Home Energy Assistance Program, Low Income Household Water Assistance Program, Medicaid/ Children's Health Insurance Program, Section 8 Housing Choice Voucher Program, Social Security Disability Insurance, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families, The Special Supplemental Nutrition Program for Women, Infants, and Children, Tribal Head Start Tribally- Administered Temporary Assistance for Needy Families, Universal Service Fund, Utility Assistance, Veterans Disability Pension, Veterans Surviving Spouse or Weatherization Assistance Program.

[7] This can be based on state geographic eligibility map or the federal Climate and Economic Justice Screening Tool database: https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5

[8] This can be based on state geographic eligibility map or the federal Climate and Economic Justice Screening Tool database: https://screeningtool.geoplatform.gov/en/#3/33.47/-97.5

[9] These federal programs generally include: Asset Limited Income Constrained Employed persons or households, Federal Lifeline Support for Affordable Communications, Federal Public Housing Assistance, Food Distribution Program on Native American Reservations, USDA's National School Lunch Program, Head Start, Housing Choice Voucher Program, Low Income Home Energy Assistance Program, Low Income Household Water Assistance Program, Medicaid/ Children's Health Insurance Program, Section 8 Housing Choice Voucher Program, Social Security Disability Insurance, Supplemental Nutrition Assistance Program, Supplemental Security Income, Temporary Assistance for Needy Families, The Special Supplemental Nutrition Program for Women, Infants, and Children, Tribal Head Start Tribally- Administered Temporary Assistance for Needy Families, Universal Service Fund, Utility Assistance, Veterans Disability Pension, Veterans Surviving Spouse or Weatherization Assistance Program.

[10] https://www.hud.gov/press/press_releases_media_advisories/hud_no_23_162