

PUTTING COMMUNITY BACK IN COMMUNITY SHARED SOLAR

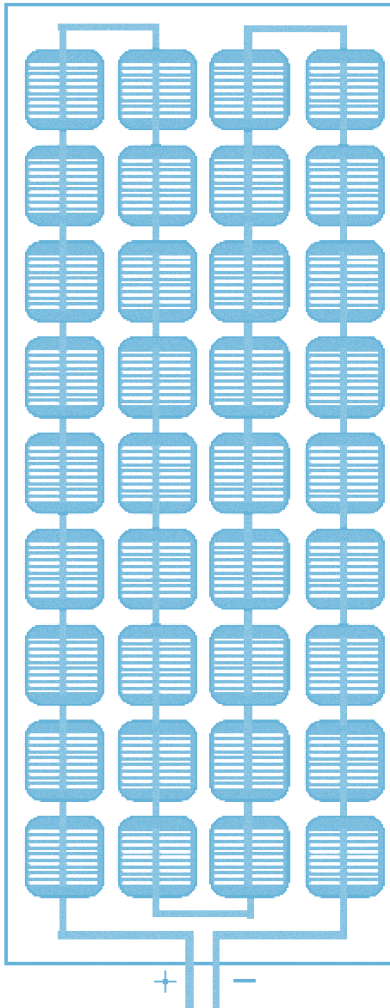
Solar is all the rage right now, and for good reason. Going solar is good for the environment and can make you (or someone else) a lot of money. If you own your own system, you make the money. If you lease or sign a power purchase agreement, someone else does.

The State of Massachusetts did some research on the economic benefits for leased vs direct owned solar systems and found that, *“Direct ownership results in a substantially higher economic benefit for the homeowner.”* If you own the right location and have the cash, owning your own system is the best way to go.

The best way for you to benefit from solar is to own your own system on your property.

Most of the people who want solar can't get it. They don't have enough sun or they don't own their roof, they don't have enough money, or they just don't have the time to figure it out. Community Solar gives everyone – renters and homeowners, non-profits and businesses – a chance to go solar.

But, it's not always easy to tell how the community will benefit most from community solar.



What is Community Shared Solar?

Instead of solar on your rooftop, you share a system with other electricity customers. The array produces electricity and sends it to the grid. Your electric company gives you credits for that electricity on your electric bill.

Direct ownership of community shared solar also results in a substantially higher economic benefit for the participants and the community.

Many people assume that all community solar projects are owned by their community. Some for-profit developers even go so far to say they're selling everyone panels in their community shared solar project, but that's quite misleading. If you really own the project, you control it. You will be involved in decisions and you'll have a share in the profits generated by it. If those things are not true, you don't own it. You might have a special non-voting interest in the project, but you're not an owner.

It's important that communities understand what they are getting and what they're not. For more information go to our website:

www.nelocalenergy.org



There are three basic ownership structures for community solar. They're all good models that will save people money, reduce our carbon footprint, and generate solar energy for your community.

- For-Profit Owned •
- Community Owned as part of a network of community projects with non-profit organizing •
- Community Owned as an individual community project •

Be sure you are choosing the right model for your community!

TERMS Net Metering

lets you use the grid to “store” electricity produced by your array and use it when you need it. Your solar array will generate electricity when the sun's out. You'll sometimes use electricity when the sun's out, but not always. If your state has Net Metering, your utility will charge you monthly for the electricity you use minus the electricity you sent to the grid. Without Net Metering, you'll need an expensive battery bank to store the electricity you produce for use when you need it.

IMPORTANT Virtual Net Metering

lets you use the grid to “store” and share electricity produced with off-site customers. To have a community shared solar array, your state needs to let the solar system owner apply Net Metering Credits to the bills of the other electricity customers who are participating in the community shared solar. Some states restrict Virtual Net Metering to municipalities, farms, or other specific groups. If you don't have Virtual Net Metering, you can get together and share the cost of a large solar system on a building in your community and have the building owner pay you back out of their electricity savings over time.

For-Profit Owned

Community Owned
as part of a network of community projects
with non-profit organizing

Community Owned
as an individual community project

COST	<p>10-15% savings on electricity for 25 years <i>Medium to High Cost</i> \$3.50+ per watt (Primary financial benefit goes to developer and investors)</p>	<p>40-50% savings on electricity for 25 years <i>Low Cost</i> \$1.60-\$2.20 per watt (Primary financial benefit goes to participants)</p>	<p>10-15% savings on electricity for 25 years <i>Medium to High Cost</i> \$3.50+ per watt (Primary financial benefit goes to participants but costs are high because each project has to pay for them.)</p>
TIME for DEVELOPMENT	None	Some 3-5 community leaders needed to advise on location, installer selection, community outreach and local permitting. Development done primarily by the Not-for-Profit.	A Lot 5-12 community leaders with a wide range of expertise needed to conduct all aspects of project development.
GOVERNANCE	None	Some or None Full governance, advisory role, or none as desired by the community.	A Lot Full governance responsibilities.
PROJECT OPERATIONS and MAINTENANCE	None	None	A Lot Full responsibility for managing the project or hiring someone to manage it.
RISK	Little Primarily assumed by the not-for-profit	Little Primarily assumed by the not-for-profit	A Lot Assumed by the project
FINANCING	Raised by For-Profit including participant fees	Raised by Not-for-Profit including participant fees	Raised by people in the local community including participant fees
DEVELOPMENT TIMELINE	6-9 months	6-9 months	1-2 years
LOCAL OWNERSHIP	None Even if the for-profit says you own your own panel, you are just owning a small non-voting interest in the solar project. You have no vote, no control, and no share of the profits.	Local Control Ownership as represented by the Not-for-Profit You become a member of the Not-For-Profit and control the project through your membership share.	Direct, Full Ownership You own and control the project.
CONSUMER BENEFITS	Easy to participate. Quick. 10-20% savings on projected electricity costs.	Easy to participate. 30-40% savings on projected electricity costs. <i>Community ownership + control + benefits = Long-term stewardship for community benefit.</i>	Easy to participate. 10-20% savings on projected electricity costs. <i>Community ownership + control + benefits = Long-term stewardship for community benefit.</i>

CONCLUSIONS

CHOOSE: For-Profit Ownership if you want a Community Shared Solar project that won't take you much time, you're only looking for a 10-20% discount on your projected electricity costs and you'd prefer to have a developer own and maintain the system for you.

CHOOSE: Community Ownership as part of a network of community projects with non-profit organizing if you want a Community Shared Solar project that saves people 40-50% on their electricity costs, you are interested in the benefits of local control, and you have 3-5 community leaders with appropriate skill sets who are willing to advise on the project during development.

CHOOSE: Community Ownership as an individual community project if you have a group of talented volunteers ready to develop the project and if you want a community Shared Solar project that you create yourselves, and that you own and control directly.