

Affordable Community Solar Clean Energy

Improving access to clean distributed energy for all Vermonters



- **WHAT:** The Governor proposes to provide affordable pathways to enabling low- and moderate-income Vermonters to effectively participate in clean energy solutions sourced by solar.

Many Vermont households are unable to qualify for solar energy as part of a net metering program. Many renters and homeowners who lack practical space for on-site solar energy. The Administration proposes to create community solar solutions that enables qualifying low- to moderate-income households to participate in clean distributed energy by purchasing a share of a community energy project. Lower cost solar is achieved through larger community scale projects (e.g., 1 MW or greater). Incentives provided through seed funding will allow low- to moderate-income households to sponsor clean, discounted energy to power their homes. The Administration proposes to offer income-qualified households a discount of up to 8 cents per kWh relative to the cost of power, and potential additional discounts for the addition of storage and managed loads. The Governor proposes \$10 million in seed funding to launch the program in ways that will provide low- and moderate-income households affordable access to clean distributed energy resources.

- **WHY:** The Vermont grid is increasingly clean, and while many Vermonters have access to distributed energy like solar, it has not created opportunities for all Vermonters to share equitably in the transition to renewable energy.
- **WHO:** All consumers can participate in community energy projects, but additional program incentives would be available to low and moderate income households with incomes at or below 150% of the median household income levels in a community.
- **HOW:** Participating households maintain a virtual ownership share by sponsoring the community scale solar project. Customers may also combine storage with solar. One-time funds would be used to help buy down the cost of sponsoring solar panels for participating customers for lower rates. Participation in the program would be available to all, but the added inducement would be limited to income qualifying customers.



Under the program, a utility and community-scale solar developer optionally partner with a storage installer to enroll customers in a community array. Batteries would be optionally deployed to customer locations or with the solar to charge from the grid during daytime hours, earning savings for the array members and helping the overall project costs. The batteries also provide grid benefits during peak times and backup power for customers during outages. The approach benefits the participant, the solar developer, and all customers.

Funds could be used in one or more of the following pathways.

- Fund a low- to moderate-income solar, or solar and storage bundle where customer gets the equivalent of the lower cost energy plus the benefit of resiliency within the community.
 - Solar credit for low-income customers who shift usage to match production from a community solar array, with funding going toward the investments that generate on-bill credits
 - Buy down customer subscription cost for a pay-as-you-save community solar offering, with easy opt-in/opt-out, so that people can join the program as they move in without the typical speed bump of transferring the loan
- **FUNDING:** \$10 million is included in the Governor’s FY22 recommended budget to support affordable community solar and further spur investment in clean and affordable renewable energy from community-scale solar that can be combined with storage or flexible loads for further discounts.

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