

A PROGRAM OF THE
INSTITUTE FOR LOCAL SELF-RELIANCE


Search

Click and Donate
Help create better places

Community Solar Power: Obstacles and Opportunities

Published September 2010

Author: John Farrell



Community solar power can offer unique benefits in the expansion of solar power, from greater participation and ownership of solar to a greater dispersion of the economic benefits of harnessing the sun's energy. But community solar faces significant barriers in a market where the "old rules" favor corporate, large-scale development. New rules – better community solar policy and regulations – are needed to remove these barriers.

In this report, we explore whether community solar can:

- Overcome financial and institutional barriers to collectively-owned solar.
- Increase the number of people who can invest in and own decentralized solar power.
- Offer an affordable opportunity to "go solar."
- Disperse the economic benefits of solar power development.
- Tap unused space on existing structures rather than open ground for solar modules.
- Replicate.

Existing community solar projects have met many of these goals and overcome barriers to get electrons flowing. The Clean Energy Collective in Colorado has built a 78 kilowatt solar array on the purchase of 20 shares by local community members. A group in University Park, Maryland, put a 22 kilowatt rooftop solar array on a local church with 30 community members investing.

However, even the best community solar projects fall short of being a successful and replicable model for community solar power. But their failure is not their responsibility. There are still substantial barriers presented by solar policy – the old rules – that need to be removed and new rules that are needed to enable more community solar.

Efforts to remove barriers and enable community solar have been limited. A Washington state community solar incentive offers significant cash flow, but it expires in 2020. A Colorado solar gardens law creates a legal structure for community solar but perhaps at the expense of rooftop solar development. A handful of states have community (or virtual) net metering that means a group of solar investors can share the output from a solar array, but it doesn't reduce many of the other significant barriers affecting community solar.

Future community solar policy must make it easy for any community solar organization to use federal tax incentives or must modify federal tax incentives to make them easy to access. Community solar policies must make it simpler for community solar projects to comply with securities regulations. New policies should also favor rooftop solar because it reduces controversies regarding open space and simplifies connections to the existing electrical grid. Finally, new community solar policy should favor community solar projects that offer participants actual ownership shares, because it increases both the economic returns and the constituency for distributed solar power.

Our report examines nine existing community solar projects as well as other models to encourage community solar

power. It analyzes existing solar policy and presents recommendations for the new rules for solar power. To see more, click below to read *Community Solar Power: Obstacles and Opportunities*.

Download

[Community Solar Power - Obstacles and Opportunities](http://www.newrules.org/sites/newrules.org/files/communitysolarpower.pdf)

(<http://www.newrules.org/sites/newrules.org/files/communitysolarpower.pdf>)

Comments

The New Rules Project exists to encourage policies that will increase the political and economic power of citizens and communities. Newrules.org will only approve comments that are relevant and, in our judgment, add a valuable contribution to the topic. We may edit comments to bring out key points. Abusive comments will not be tolerated.

Post new comment

Your name: *

E-mail: *

The content of this field is kept private and will not be shown publicly.

Homepage:

Subject:

Comment: *