

COMMUNITY SOLAR

MAKING SOLAR ACCESSIBLE TO ALL



Simple changes in Montana law could:

- Allow more Montanans to access solar energy
- Create new jobs and economic development across the state

Here in Montana, we pride ourselves on hard work, independence, and self-sufficiency. We care about preserving our clean air, land, and water. That's why installing a solar photovoltaic (PV) array makes sense to many Montanans, especially with the cost of solar panels dropping 80% since 2008 and rooftop solar electricity reaching cost parity with energy from the grid. People from across the political spectrum are locking in their cost of electricity for over 25 years, achieving true energy independence, having energy choice, and living their values.

But rooftop solar installations aren't accessible to everyone in Montana, including those who live in rentals, multi-family units, homes with shaded rooftops, and those who can't afford to buy a full installation. Community solar is one way we can change that.

Net Metering

The policy that allows homeowners to connect their renewable energy installation into the grid is called "net metering". With net metering, any excess electricity generated by your solar array that is not needed to power your home is sent back onto the grid, spinning your electrical meter backwards. That power is then sold by the utility to your nearest neighbor.

Each kilowatt (kW) of energy you send to the grid gives you a kW credit to use in the future. This is a commodity exchange between the customer and the utility—kilowatt for kilowatt—and no money changes hands.

Then, on a cloudy day when your system is producing less energy than your home is using, you can draw electricity from the grid, spinning your meter forward. At the end of each month, the net total for your meter



Net metering

is calculated—thus the name “net metering.” You will either owe the utility money, or you will have earned credits that can be rolled over month-to-month for one year.

Current Policy in Montana

As Montana's net metering law is currently written, owning a solar system connected to the grid is limited to property owners with unshaded rooftops. Why? This and other artificial legal barriers were created by our net metering law in Montana. A renewable energy system:

- Can't be larger than 50 kW.
- Can't offset multiple meters. For instance, a farmer with four meters (house, barn, irrigation system, and water pump) currently needs four separate solar installations— one for each meter— rather than one system that can offset all meters.
- Must be on your property.

These legal barriers exclude and discriminate against farmers, renters, multi-family units and multi-meter properties, shaded rooftops, and those who can't afford a full installation. A 2008 study by the National Renewable Energy Laboratory (NREL) showed that only 22 to 27% of residential rooftops are suitable for hosting an on-site solar system because of structural, shading, or ownership issues. Getting rid of artificial, legal barriers would allow more Montanans to use solar power and would create new jobs and economic development across the state.

Community Solar

Community solar enables people to purchase a portion of a large, shared solar array that is located off their property. Panel owners receive credits on their electricity bill for the energy their solar panels generate. This is credited to their bill through “virtual net metering.”

Community solar systems could serve a neighborhood or apartment building, or a group of people across a city or county, depending on how the project is developed. Technically speaking, the owners of the shared solar array could live anywhere in the same utility territory.

There are several models for how projects can be developed, including by utilities, third-party investors, non-profits, or a group of local citizens. Schools, community centers, or anything with a large roof becomes a potential location for a community solar array, and those building owners could



Community Solar System

There are more than **50 community solar projects in 17 different states** throughout the US. ¹

Many states—including Montana—need legislation to enable community solar, because their current net metering laws do not allow community-owned systems. In other states, legislative changes were not necessary.

9 states have passed policies enabling community solar:

California	Minnesota
Colorado	New Hampshire
Delaware	Vermont
Maine	Washington
Massachusetts	

Other states with community solar installations include:

Iowa	Maryland
Kansas	Michigan
Kentucky	Oregon
Florida	Tennessee
Georgia	

¹<http://sharedrenewables.org/>

benefit from leasing their roof space.

By opening up the market to these new investment opportunities, Montana could see new solar energy projects developed that are available to any utility customer with an electric bill.

Another additional benefit is access to economies of scale. Larger solar installations achieve better economies of scale due to cost reductions from buying in bulk and dividing the cost of certain necessary pieces of infrastructure across a larger project. Thus, buying 5 kW of a 60 kW community solar array is cheaper for a participant than

installing their own personal 5 kW solar array.

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