

1 § 56-594.3. Shared solar programs.

2 A. As used in this section:

3 "Applicable bill credit rate" means the dollar-per-kilowatt-hour rate used to calculate the  
4 subscriber's bill credit.

5 "Bill credit" means the monetary value of the electricity, in kilowatt-hours, generated by  
6 the shared solar facility allocated to a subscriber to offset that subscriber's electricity bill.

7 "Low-income customer" means any person or household whose income is no more than  
8 80 percent of the median income of the locality in which the customer resides. The  
9 median income of the locality is determined by the U.S. Department of Housing and  
10 Urban Development.

11 "Low-income service organization" means a nonresidential customer of an investor-  
12 owned utility whose primary purpose is to serve low-income individuals and households.

13 "Low-income shared solar facility" means a shared solar facility at least 30 percent of  
14 the capacity of which is subscribed by low-income customers or low-income service  
15 organizations.

16 "Minimum bill" means an amount determined by the Commission under subsection D  
17 that subscribers are required to, at a minimum, pay on their utility bill each month after  
18 accounting for any bill credits.

19 "Phase I Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

20 "Phase II Utility" has the same meaning as provided in subdivision A 1 of § 56-585.1.

21 "Shared solar facility" means a facility that:

22 1. Generates electricity by means of a solar photovoltaic device with a nameplate  
23 capacity rating that does not exceed 5,000 kilowatts of alternating current;

24 2. Is located in the service territory of an investor-owned electric utility;

25 3. Is connected to the electric distribution grid serving the Commonwealth;

26 4. Has at least three subscribers;

27 5. Has at least 40 percent of its capacity subscribed by customers with subscriptions of  
28 25 kilowatts or less; and

29 6. Is located on a single parcel of land.

30 "Shared solar program" or "program" means the program created through the adoption  
31 of rules to allow for the development of shared solar facilities.

32 "Subscriber" means a retail customer of a utility that (i) owns one or more subscriptions  
33 of a shared solar facility that is interconnected with the utility and (ii) receives service in  
34 the service territory of the same utility in whose service territory the shared solar facility  
35 is located.

36 "Subscriber organization" means any for-profit or nonprofit entity that owns or operates  
37 one or more shared solar facilities. A subscriber organization shall not be considered a  
38 utility solely as a result of its ownership or operation of a shared solar facility.

39 "Subscription" means a contract or other agreement between a subscriber and the  
40 owner of a shared solar facility. A subscription shall be sized such that the estimated bill  
41 credits do not exceed the subscriber's average annual bill for the customer account to  
42 which the subscription is attributed.

43 "Utility" means ~~a Phase II Utility~~ *an incumbent investor-owned electric utility,*  
44 *notwithstanding subsection G of § 56-580 or any other provision of law.*

45 B. The Commission shall establish by regulation a program that affords customers of a  
46 ~~Phase II Utility~~ *Utility* the opportunity to participate in shared solar projects. Under its  
47 shared solar program, a utility shall provide a bill credit for the proportional output of a  
48 shared solar facility attributable to that subscriber. The shared solar program shall be  
49 administered as follows:

50 1. The value of the bill credit for the subscriber shall be calculated by multiplying the  
51 subscriber's portion of the kilowatt-hour electricity production from the shared solar  
52 facility by the applicable bill credit rate for the subscriber. Any amount of the bill credit  
53 that exceeds the subscriber's monthly bill, minus the minimum bill, shall be carried over  
54 and applied to the next month's bill.

55 2. The utility shall provide bill credits to a shared solar facility's subscribers for not less  
56 than 25 years from the date the shared solar facility becomes commercially operational.

57 3. The subscriber organization shall, on a monthly basis, in a standardized electronic  
58 format, and pursuant to guidelines established by the Commission, provide to the utility  
59 a subscriber list indicating the kilowatt-hours of generation attributable to each of the  
60 subscribers participating in a shared solar facility in accordance with the subscriber's  
61 portion of the output of the shared solar facility.

62 4. Subscriber lists may be updated monthly to reflect canceling subscribers and to add  
63 new subscribers. The utility shall apply bill credits to subscriber bills within two billing  
64 cycles following the cycle during which the energy was generated by the shared solar  
65 facility.

66 5. Each utility shall, on a monthly basis and in a standardized electronic format, provide  
67 to the subscriber organization a report indicating the total value of bill credits generated  
68 by the shared solar facility in the prior month, as well as the amount of the bill credit  
69 applied to each subscriber.

70 6. A subscriber organization may accumulate bill credits in the event that all of the  
71 electricity generated by a shared solar facility is not allocated to subscribers in a given  
72 month. On an annual basis and pursuant to guidelines established by the Commission,  
73 the subscriber organization shall furnish to the utility allocation instructions for  
74 distributing excess bill credits to subscribers.

75 7. All environmental attributes associated with a shared solar facility, including  
76 renewable energy certificates, shall be considered property of the subscriber

77 organization. At the subscriber organization's discretion, such environmental attributes  
78 may be distributed to the subscribers, sold to load-serving entities with compliance  
79 obligations or other buyers, accumulated, or retired.

80 C. Each subscriber shall pay a minimum bill, established pursuant to subsection D, and  
81 shall receive an applicable bill credit based on the subscriber's customer class of  
82 residential, commercial, or industrial. Each class's applicable credit rate shall be  
83 calculated by the Commission annually by dividing revenues to the class by sales,  
84 measured in kilowatt-hours, to that class to yield a bill credit rate for the class (\$/kWh).

85 D. The Commission shall establish a minimum bill, which shall include the costs of all  
86 utility infrastructure and services used to provide electric service and administrative  
87 costs of the shared solar program. The Commission may modify the minimum bill over  
88 time. In establishing the minimum bill, the Commission shall (i) consider further costs  
89 the Commission deems relevant to ensure subscribing customers pay a fair share of the  
90 costs of providing electric services and (ii) minimize the costs shifted to customers not in  
91 a shared solar program. Low-income customers shall be exempt from the minimum bill.

92 E. The Commission shall approve a shared solar facility program with a capacity  
93 available to shared solar customers on a first-come, first-served basis as follows:

94 1. a program of 150 megawatts for customers of a Phase II utility with a minimum  
95 requirement of 30 percent low-income customers. The Commission shall approve an  
96 additional 50 megawatts of capacity upon determining that at least 45 megawatts of the  
97 aggregated shared solar capacity in the Commonwealth have been subscribed to by  
98 low-income customers.

99 2. a program for each Phase I utility with a maximum program cap determined by the  
100 Commission, not less than the minimum amount necessary to establish a functional  
101 program and not more than would, in the Commission's determination, after taking into  
102 account all resources in the regional transmissions authority to which such utility  
103 belongs, risk grid reliability. The Commission shall periodically review and update the  
104 maximum program cap for each Phase I utility. Each program shall include a minimum  
105 requirement of 30 percent low-income customers.

106 **F.** Subscriber organizations shall be allowed to demonstrate compliance with the low  
107 income requirement using either project capacity or project savings methodology. The  
108 Commission, in collaboration with the Department of Mines, Minerals and Energy, may  
109 adopt mechanisms to ensure low-income customer participation.

110 **F.G.** The Commission shall establish by regulation a shared solar program that  
111 complies with the provisions of subsections B, C, D, and E by January 1, 2021, and  
112 shall require each utility to file any tariffs, agreements, or forms necessary for  
113 implementation of the program within 60 days of the utility's full implementation of a new  
114 customer information platform or by July 1, 2023, whichever occurs first. Any rule or  
115 utility implementation filings approved by the Commission shall:

116 1. Reasonably allow for the creation of shared solar facilities;

117 2. Allow all customer classes to participate in the program;

118 3. Create a stakeholder working group including low-income community representatives  
119 and community solar providers to facilitate low-income customer and low-income  
120 service organization participation in the program;

121 4. Encourage public-private partnerships to further the Commonwealth's clean energy  
122 and equity goals, such as state agency and affordable housing provider participation in  
123 the program as subscribers of shared solar projects;

124 5. Not remove a customer from its otherwise applicable customer class in order to  
125 participate in a shared solar facility;

126 6. Reasonably allow for the transferability and portability of subscriptions, including  
127 allowing a subscriber to retain a subscription to a shared solar facility if the subscriber  
128 moves within the same utility's service territory;

129 7. Establish standards, fees, and processes for the interconnection of shared solar  
130 facilities that allow the utility to recover reasonable interconnection costs for each  
131 shared solar facility;

132 8. Adopt standardized consumer disclosure forms;

133 9. Allow the utility the opportunity to recover reasonable costs of administering the  
134 program;

135 10. Ensure nondiscriminatory and efficient requirements and utility procedures for  
136 interconnecting projects;

137 11. Address the co-location of two or more shared solar facilities on a single parcel of  
138 land and provide guidelines for determining when two or more facilities are co-located;

139 12. Include a program implementation schedule;

140 13. Prohibit credit checks as a means of establishing eligibility for residential customers  
141 to become subscribers;

142 14. Require net crediting functionality as part of any new customer information platform  
143 approved by the Commission. Under net crediting, the utility shall include the shared  
144 solar subscription fee on the customer's utility bill and provide the customer with a net  
145 credit equivalent to the total bill credit value for that generation period minus the shared  
146 solar subscription fee as set by the subscriber organization. The net crediting fee shall  
147 not exceed one percent of the bill credit value. Net crediting shall be optional for  
148 subscriber organizations, and any shared solar subscription fees charged via the net  
149 crediting model shall be set to ensure that subscribers do not pay more in subscription  
150 fees than they receive in bill credits; and

151 15. Allow the utility to recover as the cost of purchased power pursuant to § 56-  
152 249.6 any difference between the bill credit provided to the subscriber and the cost of  
153 energy injected into the grid by the subscriber organization.

154 **G H.** Within 180 days of finalization of the Commission's adoption of regulations for the  
155 shared solar program, a utility shall, provided that the utility has successfully  
156 implemented its customer information platform, begin crediting subscriber accounts of

157 each shared solar facility interconnected in its service territory, subject to the  
158 requirements of this section and regulations adopted thereto.  
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