

SUPPORT SB1208 & HB2112

Community Renewable Energy Program

Senator Wexton & Delegate Keam

Reasons to support SB1208 & HB2112:

1. Community Renewable Energy (wind and solar) can be a win-win by providing tangible economic benefits to participating customers, strengthening local communities, and delivering valuable clean energy to the grid.
2. The establishment of a “Community Renewable Projects” program will give residential and non-residential customers the option to participate in solar and other renewable energy projects, even if generation on their own properties is not be feasible due to cost, the physical characteristics of their sites, their status as renters, or other factors.
3. Geographic eligibility: Project and subscribers share the same utility service territory. Broad geographic eligibility ensures that projects will be built where there are the best resources, improving project economics, and reducing the risk that customers will not be able to access community renewable energy projects where they are located.
4. Minimum subscribers: five. Fewer subscribers may raise concerns that the project is not truly a shared project, while a higher requirement may make it more difficult for projects to get started.
5. Minimum subscription size: 200 watts. The minimum subscription is set to ensure that developers are able to secure sufficient buy-in for project development, and to avoid the inefficiencies of a single project handling hundreds of tiny subscriptions.
6. Maximum subscription share: 40% of total project output. The maximum subscription share should be set below 50% to ensure that a project is truly shared, but lowering below 40% may make it difficult to secure an anchor tenant and may also prevent commercial or industrial end users from offsetting a significant portion of their energy use.
7. Maximum portion of customer load: 100% average annual consumption. The community renewable energy program is intended to allow customers to offset their load, and should be sized at 100% to capture average consumption.
8. Aggregate co-located capacity: 20 MW. The price of renewable energy projects generally decreases with increasing scale, but some limits will ensure that the program does not inadvertently support very large projects.
9. Bill crediting: determined by State Corporation Commission. Subscribers to a renewable energy project are paid for the output of their portion of the renewable energy project through an on-bill credit from their utility. This bill does not make any changes to the way that onsite generation is compensated.

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Overview

As renewable energy, particularly solar, continues to become more affordable, many families are expressing interest in this local, clean power source, but are unable to install a system at their homes for various reasons (structural constraints, shading from trees, etc.). These impediments prevent a large segment of the population from taking advantage of renewable energy.

A solution to this problem is Community Renewable Projects, most commonly solar projects. Community Renewable Projects take place through the development of solar or wind energy projects that provide power to multiple community members. Community Renewables systems are typically sited close to the community they will serve. These programs leverage economies of scale to reduce the price of solar for individual customers. This model can allow Virginians to access the benefits of renewable energy even if they are unable to install solar or wind systems on their own homes or businesses.

Community Renewable Projects can be utility-sponsored (either a utility developing its own program or working with a solar or wind company to offer a program), or customer-owned.

This bill directs the State Corporation Commission to adopt new rules under which Community Renewable Projects are authorized to operate.