State Shared Renewable Energy Program Catalog - DEFINITIONS

Shared Renewable Energy or **Shared Renewables Programs**: Sometimes called various other names, including "community renewable energy" or "community renewables" programs, these programs enable multiple customers to share the economic benefits of one renewable energy system via their individual utility bills. Participants purchase an interest in generation from a common renewable energy system, and directly receive the benefits of their participation on their utility bills. Some, although not all, shared renewables programs rely on virtual net metering ("VNM)" to allocate bill credits among participating customers; others rely on a separate bill credit allocation mechanism.

Shared renewables programs are distinct from community renewables investment programs, green tariffs, group purchasing programs, and other community or community-based renewable energy programs. For more detail on these programs and the defined terms below, see IREC's *Model Rules for Shared Renewable Energy Programs* and IREC's *Shared Renewable Energy For Low- to- Moderate-Income Consumer: Policy Guidelines and Model Provisions*.

1. GENERAL PROGRAM DETAILS

- **Year Launched:** This field identifies the year the program was first implemented, indicating how long the program has been active and available to customers. (In a few instances, where the program is not yet active and available to customers, the field identifies the year a bill was passed or rules were approved).
- **Sunset Date:** This field identifies the year the program is set to end, if applicable.
- **Applicability:** This field identifies which types of utilities are subject to the program – for example, investor-owned utilities ("IOUs"), municipal or publicly owned utilities ("Munis"), and/or electric cooperatives ("Co-ops").
- **Program Capacity Limit:** This field indicates whether there is a cap on the size of the program, if applicable. For example, a program may be capped once participating facilities cumulatively reach a certain number of megawatts in generating capacity or a percentage of a utility's peak demand.
- **Within NEM Program:** This field indicates whether the program is part of the state's overall net energy metering ("NEM") program ("Yes") or a stand-alone program ("No"), in particular with respect to its program capacity limit.

- **LMI Component:** This field identifies whether any aspect of the program is specifically designed in consideration of Low- to Moderate-Income ("LMI") customers. For example, the program may reserve a certain amount of program capacity for low-income customers; address financial barriers faced by LMI customers; or give preference to facilities with LMI subscribers.
- **Data:** This field identifies whether the program requires the utility or other relevant entity to collect and make publicly available any data regarding installed and queued capacity and/or other information (e.g., project location, number of benefitting accounts, etc.).

2. CUSTOMERS AND SUBSCRIPTIONS

- **Eligible Classes:** This field identifies the customer rate classes that can participate in the program. For example, a program may be open to all rate classes, including residential and non-residential classes (i.e., "all eligible classes"), or a program may limit participation to facilities serving only certain customer classes, such as state, municipal or agricultural customers.
- **Minimum Size:** This field identifies the minimum size of each customer's subscription, in kilowatts or megawatts, under the program rules, if specified.
- **Maximum Size:** This field identifies the maximum size of each customer's subscription, in kilowatts or megawatts, under the program rules, if specified.
- **Other Subscription Limits:** This field identifies other limits on customers' subscriptions, if applicable. For example, subscriptions may be capped at a certain percentage of customer's load or a certain percentage of a facility's generation. This field also identifies whether or not customers may subscribe to multiple facilities, if specified.
- **Minimum Participation Term:** This field indicates whether there is a minimum length of time that a subscriber must participate in the program.
- **Maximum Participation Term:** This field indicates whether there is a maximum length of time that a subscriber may participate in the program.
- **Portability:** This field indicates whether a customer's subscription can move with the customer when the customer moves within the utility's service territory.
- **Transferability:** This field indicates whether a customer's subscription can be transferred to another customer or back to the subscription organization.

3. GENERATION SYSTEMS

- **Eligible Renewables:** This field identifies the types of renewable energy technologies that can participate in the program – for example, solar, wind, other

renewables that may be defined by state law (e.g., geothermal, etc.), or other technologies (e.g., combined heat and power systems).

- **Ownership:** This field indicates whether facilities participating in the program may be owned by utilities, non-utilities (i.e., customers or third parties), or both.
- **Management:** This field indicates whether facilities participating in the program may be managed by utilities, by non-utilities (i.e., customers or third-parties), or both. Management of a facility includes managing subscribers, project marketing, and other responsibilities. (Note: Management is distinct from ownership. For example, a utility could enter into a power purchase agreement for the generation from a third-party-owned facility, but could remain responsible for the management of that facility, i.e., manage the facility's subscribers, marketing, etc. Alternatively, a utility could both own and manage a facility, or a third party could both own and manage a facility, depending on program rules.)
- **System Capacity Limit:** This field indicates whether there is a cap on the total capacity of a system, in kilowatts or megawatts, and whether there are different caps based on a facility's class or the utility type.
- **Minimum # of Subscribers:** This field indicates whether there is a minimum number of customers who may subscribe to a facility under program rules, if applicable.
- **Maximum # of Subscribers:** This field indicates whether a program places an upper limit on the number of customers who may subscribe to a facility under program rules, if applicable.
- **Siting Requirements:** This field identifies any requirements for the location of facilities, including any strategic siting requirements (e.g., optimal grid locations, or proximity to subscribers' locations).
- **Other Requirements:** This field identifies other program requirements for facilities.

4. BILL CREDIT

- **kWh versus $:** This field indicates whether customers receive bill credits in kilowatt-hours (kWh) or dollars under the program rules.
- **Embedded Cost/Value-Based:** This field identifies whether the program employs an "embedded cost" approach, a "value-based" approach, or some other approach to bill credit valuation. Under the embedded cost approach, the bill credit value is calculated by multiplying (1) the subscriber's share of the kWh electricity production from the facility and (2) the subscriber's retail rate, with the value potentially adjusted to remove certain rate components (e.g., the distribution charge). Under the value-based approach, bill credit value is calculated by multiplying (1) the subscriber's share of the kWh electricity production from the facility and (2) the value of the electricity produced as determined by the responsible regulatory body or agency, taking into account costs and benefits. (Note: these approaches are

described in more detail in IREC's *Model Rules for Shared Renewable Energy Programs.*)

- **Valuation:** This field indicates, with greater specificity, how the program calculates bill credits for customers.
- **Locational Component:** This field indicates whether the value of bill credits is affected by the location of the facility and/or customers.
- **Unsubscribed Generation:** This field indicates how unsubscribed electricity generated by a facility is treated and valued.

5. RENEWABLE ENERGY CREDITS (RECs)

- **Renewable Energy Credits ("RECs"):** RECs are tradable instruments that include all renewable and environmental attributes associated with the production of electricity from a shared renewable energy facility.
- **Treatment:** This field indicates how the program handles RECs, if specified.
- **Valuation:** This field indicates how the program values RECs, if specified.
- **Unsubscribed:** This field indicates how the program handles and values RECs for unsubscribed electricity, if specified.

ADDITIONAL CATALOG NOTES:

Some programs in the catalog do not address all of the above listed components; a blank cell indicates that a program's rules are silent regarding a particular attribute.

* Indicates that final rules and/or tariffs have not yet been approved for these programs, and program details may change.

** Indicates states where there is only one large investor-owned utility offering the shared renewables program, and therefore we reviewed the state-approved tariff and other program documents for that specific utility.

The catalog reflects IREC's interpretation of relevant laws, rules, orders, and tariffs, effective as of the Last Update date below. Any empty fields, or fields that say "Not specified," indicate IREC's understanding that the state's laws, rules, orders, and/or tariffs do not include that particular component or requirement. This table should not be considered a substitute for independent review of the current versions of these underlying documents.

The catalog does not capture voluntary, utility-level programs. Additional information regarding those programs may be obtained by contacting the Smart Electric Power Association (SEPA) (www.solarelectricpower.org).

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