



What is a community solar garden?

Solar garden in Minneapolis, MN

Credit: IPS Solar

Assessing the Fit for Low-Income Customers

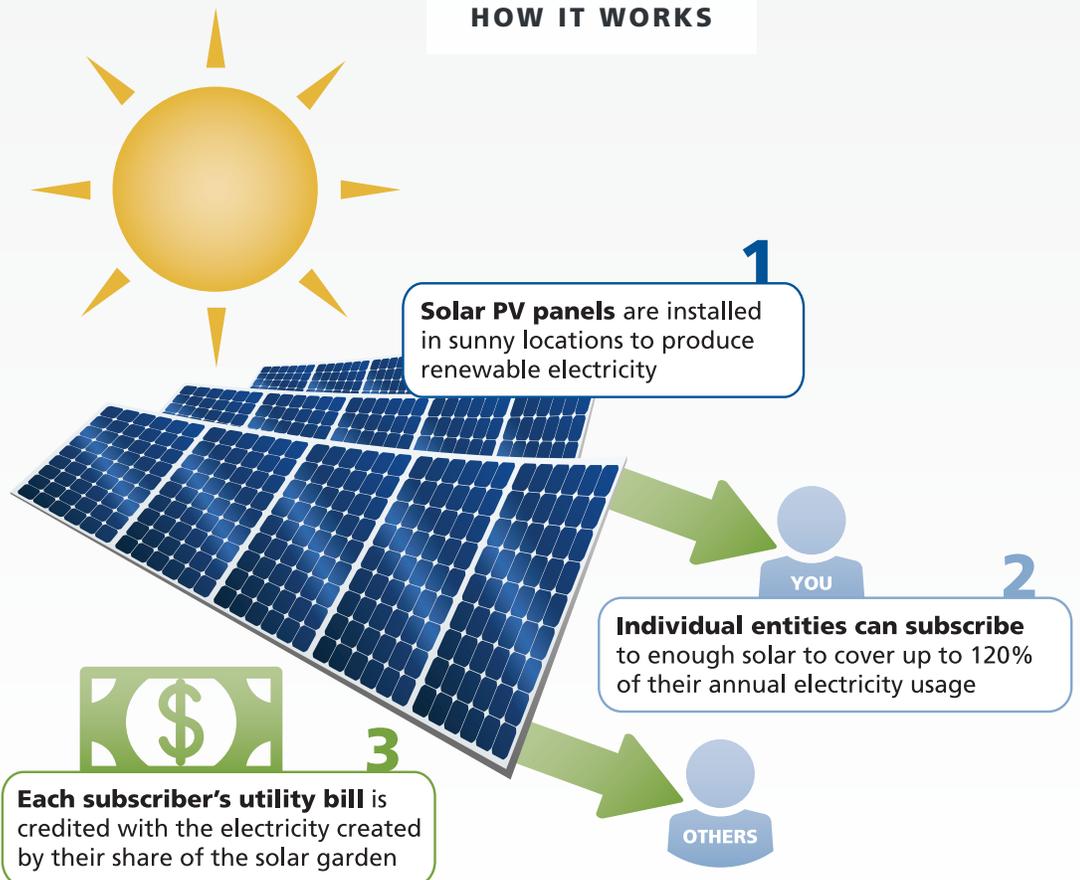
A Community Solar Garden (CSG) is a solar photovoltaic (PV) system that produces solar electricity for participating subscribers.

Subscribers will not have the solar energy running directly to their home. Instead, they will get the benefits of solar energy on their bills. These benefits will either be a kilowatt-hour (kWh) credit or a financial credit in dollars per kilowatt hour (\$/kWh) for their share of solar energy produced. This means that subscribers do not have to install solar on their own roof or property. Instead, anyone who pays an electric bill can join if their utility has a program.

As of 2019, over 30 Minnesota utilities have active community solar garden programs.

In the pages to come, *Table 1* provides a complete listing of utilities with CSG programming, and a map of these programs is provided in *Figure 1*.

HOW IT WORKS





Solar garden ribbon cutting in Rockford, MN

Credit: Wright-Hennepin Cooperative Electric Association

Minnesota Community Solar Programs

THE CSG PROGRAM IN XCEL ENERGY TERRITORY IS THE LARGEST IN MINNESOTA.

Nearly all community solar gardens in Xcel Energy territory are provided by a CSG company, not by Xcel Energy itself. This means that participants, called subscribers, will now have two energy service providers: Xcel Energy and the CSG company. Subscribers will also pay two separate bills. These CSG subscriptions are designed to deliver immediate savings, and participants will see credits on their Xcel Energy bill. Through a separate agreement with the CSG company, subscribers will pay for their CSG subscription. Savings accrue to participants when CSG subscription bill credits are greater than the amount the participant has paid for the CSG subscription.

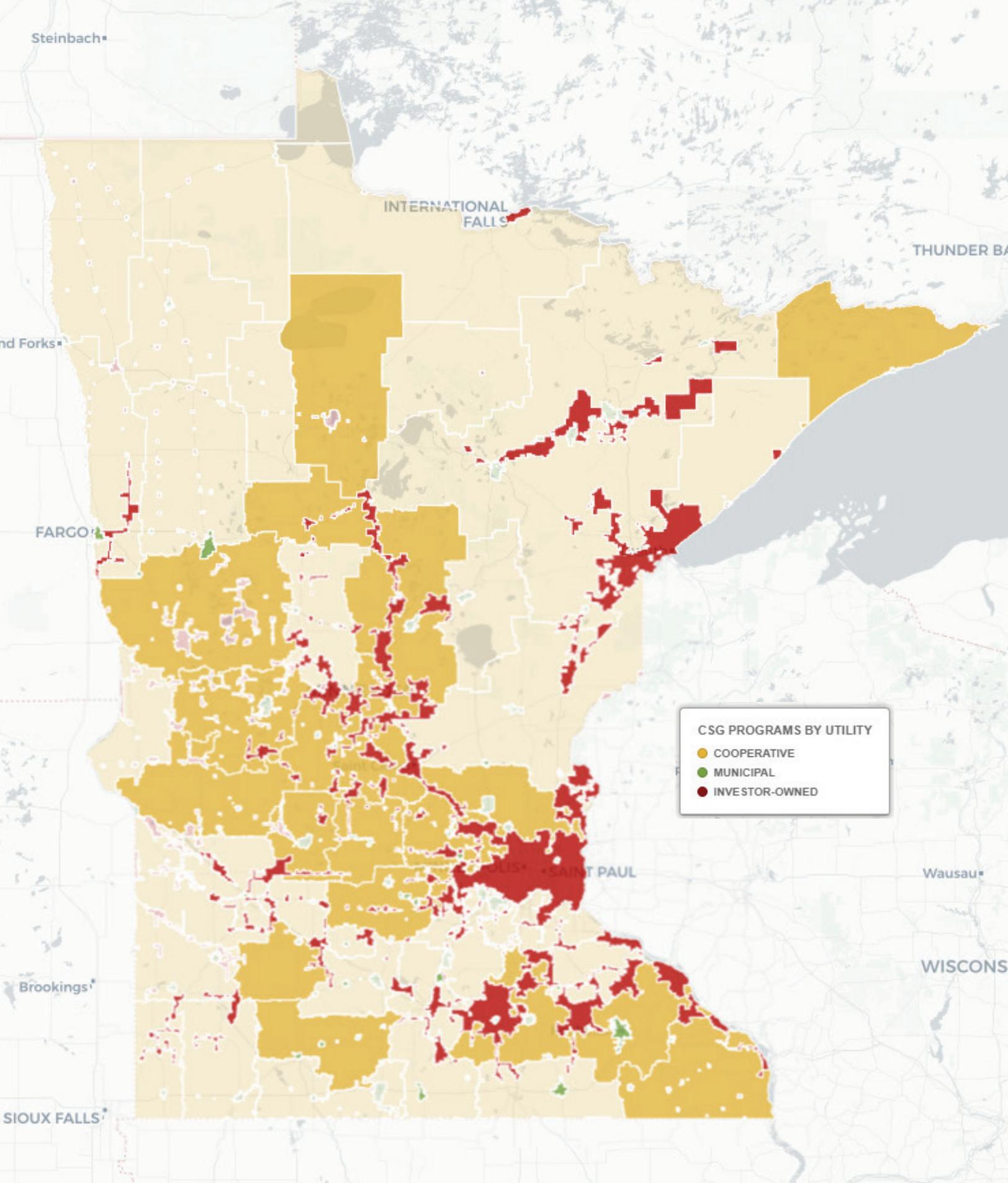
IN NON-XCEL ENERGY TERRITORY, CSG PROGRAMS ARE OFFERED DIRECTLY BY THE UTILITY.

For utilities other than Xcel Energy, CSG subscriptions are currently offered at a price premium to utility members, therefore subscribers do not see any immediate savings. Customers will see both their CSG subscription charge and production credit (either kWh or \$/kWh) on their existing electric utility bill.

TABLE 1: EXISTING COMMUNITY SOLAR GARDEN PROGRAMS BY UTILITY TERRITORY

Cooperative (18)	Municipal (15)	Investor Owned (2)
Agralite Electric Cooperative Arrowhead Electric Cooperative, Inc. Beltrami Electric Cooperative Connexus Energy Crow Wing Power Itasca-Mantrap Cooperative Services Kandiyohi Power Cooperative Lake Region Electric Cooperative McLeod Cooperative Power Meeker Cooperative Light & Power Assn MiEnergy Cooperative (formerly Tri-County) People’s Energy Cooperative Redwood Electric Cooperative Runestone Electric Association South Central Electric Cooperative Stearns Electric Association Steele-Waseca Cooperative Electric Wright-Hennepin Cooperative Electric	<p>SMMPA* Austin, Rochester, Saint Peter, Princeton, Preston</p> <p>CMPAS** Blue Earth, Delano, Fairfax, Glencoe, Granite Falls, Janesville, Kasson, Kenyon, Mountain Lake, Sleepy Eye, Springfield, Windom</p> <p>MRES*** Detroit Lakes, Moorhead, Barnesville</p>	Minnesota Power Xcel Energy <p>Abbreviations:</p> <p><i>*SMMPA: Southern Minnesota Municipal Power Agency</i></p> <p><i>**CMPAS: Central Municipal Power Agency/Services</i></p> <p><i>***MRES: Missouri River Energy Services</i></p>

Figure 1: Existing Community Solar Garden Programs



Screen Questions: Is this a fit for low-income customers?

- 1 Do customers have to pay more to participate than they would otherwise pay (i.e., pay a price premium)?**
If so, then this is likely not a good fit for low-income customers at this time.
- 2 Do customers have to pay for the whole subscription up front?**
If yes, this may not be a good fit unless there is some other mechanism to pay for that subscription.
- 3 Are there CSG program criteria (other than that customers be in good standing with the utility) that limit participation?**
In Xcel Energy territory, developers may have minimum credit score requirements. This may limit access.
- 4 Are there penalties or charges for terminating a CSG subscription?**
If so, this may be a concern. For most programs, if the customer stays within a utility's service territory, the CSG subscription can transfer to a new address when the customer moves. If the customer moves out of the territory, there may be a fee for early termination.

Additional Considerations for LIHEAP Eligible Customers

For low-income customers who are eligible for the LIHEAP program, considerations should be given to how a subscription may impact a customer's potential LIHEAP benefit. Key features to consider include:

In non-Xcel territory—Form of subscriber compensation; kWh vs. \$ per kWh:

- A kWh credit will lower the kWh usage a subscriber is charged for on the bill. This credit will not lower fixed meter charges but can lower taxes and fees that are paid on a "per kWh billed" basis.
- A \$ per kWh credit will simply subtract that \$ amount from the overall bill after all other costs are applied.

In Xcel Energy territory:

- A subscription will lower a CSG subscriber's *apparent* electricity bill based upon a utility bill review. However, the actual energy costs to a household now include both the utility charges as well as the subscription charges. The real energy costs to a household may be much higher than those shown on the utility bill.
- If participating in a CSG lowers a household's apparent electric bill to less than 3% (or 7% for electric heat) of the household's income, the household will not qualify for POWER On.
- Households that heat with electricity may also see a reduction in LIHEAP benefits because the benefits are based on a review of heating bills.
- The Minnesota Department of Commerce recommends that program administrators invalidate Xcel's electric consumption in these cases, so the backup matrix is used to determine the benefit for CSG subscribers.

MORE ONLINE AT

CleanEnergyResourceTeams.org/SolarGardens