



NATIONAL PUSH TO EXPAND COMMUNITY SOLAR

CALIFORNIA MUST ACT NOW OR BE LEFT BEHIND

WHAT NATIONAL PUSH ON COMMUNITY SOLAR?

Recent actions taken by the Biden Administration and the U.S. Congress, in July, highlight the urgency for California to act now or risk being left behind by a growing national push towards community solar to expand affordable, clean energy access to families with low-incomes.

The Biden Administration announced a new pilot program including five states and the District of Columbia to achieve \$1 billion in annual utility bill savings for 4.5 million low and middle-income households through community solar expansion. Participating families in New York State stand to save 20 percent on energy costs, some \$400 million each year, as a result of this project and their state's policies encouraging community solar growth.

The \$369 billion climate provisions of the breakthrough agreement called the Inflation Reduction Act of 2022 will boost community solar growth through the following incentives:

- Extending the 30 percent Investment Tax Credit (ITC) for solar panels
- Creating a 30 percent tax credit for storage technology in projects that pay prevailing wages
- Increasing tax credits for projects focused on low-moderate income households – a 40 percent ITC for projects serving 50% low-moderate income (LMI) customers and a 50 percent ITC for projects serving 100% LMI customers
- Providing \$7 billion for states to create or expand distributed solar programs serving disadvantaged communities.

"Every American community, especially those that face disproportionately higher energy burdens, deserves the economic and health benefits that come with increased access to affordable clean energy. This is why DOE is working across the federal government to open up community solar that will rapidly lower electricity bills for households that need it most and create good paying jobs in every pocket of America."

– JENNIFER M. GRANHOLM
U.S. Secretary of Energy



HOW COULD CALIFORNIANS BE LEFT BEHIND?



The federal government is setting the stage for massive community solar + storage growth. While California has led the nation in the solar energy market, it doesn't have a viable community solar + storage program and risks being cast aside as other states deploy and benefit from this proven, cost-effective, and scalable solution for equitable, affordable clean energy growth. Community solar is already taking root in a third of states. Across the country, it already generates over 4.4 gigawatts of power, which is enough to power nearly 800,000 homes. With momentum building in other states, California must act now on community solar because it will be competing against other states for federal funds that sunset in 2032.

HOW CAN STATE LAWMAKERS TAKE ACTION NOW FOR LOWER ENERGY BILLS, EQUITABLE CLEAN ENERGY GROWTH, AND A STRONGER ENERGY GRID?

AB 2316 (Ward): The bill combines the best approaches to community solar proven in other states to establish the nation's most equitable community solar program. The bill requires community solar to accomplish things California's current solar programs don't, including:

- Giving renters, nearly half of Californians and predominantly people of color, access to clean energy and lower bills
- Avoiding cost transfers onto non-participants
- Ensuring at least 51 percent of subscribers are low-income customers, triggering at least a 40 percent federal ITC under the Inflation Reduction Act
- Building the reliability of California's power grid through a dynamic rate structure that drives the deployment of energy storage
- Paying prevailing wages for workers, triggering a 30 percent federal ITC for storage installations under the Inflation Reduction Act.

\$1 Billion for Community Solar Support in Frontline Communities: As lawmakers and the governor negotiate the provisions of a climate and clean energy budget this month, a \$1 billion investment will help ensure that the communities most harmed by pollution benefit from the clean energy transition by supporting community solar + storage projects subscribed to by low-income households.



WHAT IS COMMUNITY SOLAR'S GROWTH POTENTIAL IN CALIFORNIA?

Millions of Californians are not served by the state's existing clean energy programs. Community solar + storage could give every Californian a way to reduce their power bill, fight climate change, and make our energy grid more reliable. Other states have proven community solar can be scaled quickly to equitably contribute to affordable clean energy goals. New York, for example, became the nation's community solar leader after authorizing its program in 2015. Its program requires at least 35 percent of community solar project subscribers to come from disadvantaged communities and LMI families. New York is expected to harness community solar to generate 70 percent of progress towards its goal to power 700,000 new homes with distributive solar by 2030.

An industry analysis found California could have 360MW of community solar + storage in place by Summer 2024 and 800MW of community solar + storage power online by Summer 2025 if rulemaking processes called for in AB 2316 were adopted by the California Public Utilities Commission by the end of 2023. Fueled by greater federal tax credits, AB 2316 along with the \$1 billion companion budget request will result in a boom for union-wage clean energy jobs. These actions would also help bridge California's projected energy gap of 2,700MW for the Summer of 2024 and 3,300MW for 2025 if extreme events fueled by climate change – such as heat waves, drought making hydropower less available, or wildfires reducing electricity transmission – create a demand surge and electricity supply shortage.