Buy/Lease/PPA – Comparing Models of Rooftop Solar Participation

Illinois Power Agency Power Hour
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National Perspective

- Residential TPO has declined
- Commercial TPO has remained relatively steady
- TPO levels vary from state to state

Source: Lawrence Berkeley National Lab, Tracking the Sun (2021)
State & IOU Solar Incentive Availability

Source: Database of State Incentives for Renewables & Efficiency (DSIRE) / DSIRE Insight Solar Policy Data Sheet
Third-Party Solar PPA Legality
www.dsireusa.org / June 2022

- Authorized by state or otherwise currently in use, at least in certain jurisdictions
- Status unclear or unknown
- Apparently disallowed by state or otherwise restricted by legal barriers
National Perspective

• Most states that allow third-party PPAs or leases have authorized this through legislation
• PUC or court decisions in some states
  – Florida – residential leasing
  – Iowa, Oklahoma
• Some states allow leasing only
  – FL, LA, MS, NC, SC
National Perspective

• Size limits or requirements to serve on-site load
  – Often, size limits are aligned with net metering rules
  – Ex. CO, NM, TX
• Limits based on customer type
  – Ex. AZ, AR, VA
• Aggregate capacity limits
  – Ex. NC, VA
National Perspective

• Ability for utilities to offer solar leases or PPAs
  – Ex. NC

• Consumer protection rules specific to lease or PPA providers
  – Ex. AR, NC
Q1 2022 Activity on Solar Third-Party Ownership

8 States considered legislative or regulatory proposals related to third-party ownership legality during Q1 2022

Source: NC Clean Energy Technology Center, 50 States of Solar Q1 2022 Report
National Perspective: Recent Actions

- **Mississippi**
  - Third-party PPAs for schools under consideration as part of revised net metering rules

- **North Carolina**
  - Request for declaratory ruling pending regarding energy services agreement for Fort Bragg

- **Virginia**
  - HB 266 enacted, expands ability for co-ops to allow third-party PPAs without Commission approval
National Perspective: Recent Actions

• Wisconsin
  – PSC case regarding denial of an interconnection request for a solar services agreement project
  – Midwest Renewable Energy Association lawsuit challenging PSC guidance treating third-party PPA providers as electric utilities
  – Vote Solar petition for declaratory ruling on third-party financed solar
  – Proposed legislation clarifying issue did not pass
Looking Forward

• General trend toward states providing more opportunities for third-party ownership
• Growing focus on accessibility for low-income customers
• Build Back Better bill provisions
  – Uncertain future
  – ITC extension & changes
  – Direct Pay option