

The Community Solar Act – 2021 Fact Sheet (1-15-21)

Why Community Solar

Many New Mexicans are left out of the residential solar market:

- In 2017, 32% of NM's households **rented**. 30% of families that rent fall below the federal poverty line in New Mexico. A 2017 survey of big solar markets (CA, NY, NJ, MA) found that 70% of households with solar PV systems have annual incomes between \$45,000 and \$150,000, and only 13% of installations are on households earning less than \$45,000 per year. Community solar allows **access to all** regardless of income or property ownership.

Community solar helps vulnerable communities:

- The Community Solar Act requires 30% of community solar facilities to be reserved for **low-income households** and **low-income service organizations**. While in a typical community solar subscription a subscriber [may save 10% per year on their electricity bills, many subscriber organizations will offer greater discounts for low income households.](#)

How community solar stimulates New Mexico's economy:

- Large solar arrays are typically built by select solar companies responding to utility bid requests. In 2018, 80% of installed solar PV in New Mexico (644 MW) was owned/leased by utilities. Community solar opens the door for more **solar developers and entrepreneurs**.
- In 2018 there were 137 companies and **2,200 jobs** in New Mexico related to the development, installation, manufacturing, and sales of solar equipment.
- The Community Solar Act, as drafted, allows up to 100MW/year of new solar facilities, which could significantly **increase solar jobs** in New Mexico, creating full-time jobs during the near-term construction period; generate significant **earnings** for those employed across the solar supply chain; create **ongoing revenue** through land-leases for rural landowners, and **increase tax revenue** for urban and rural governments.

Key points about the Community Solar Act

This bill was largely derived from the work of the many stakeholders from the SM63 Community Solar Working Group.

Requirements:

- Creates an **initial statewide annual program cap of 100MW** (~1% of utility retail energy consumption) until 2024, after which the cap will be set by the Public Regulation Commission (PRC). When allocated proportionally by investor-owned utilities (IOUs), this could result in an annual cap of 50, 40, 10 MW/year for PNM, SPS, and EPE respectively.
- Limits the capacity of a community solar facility to **5MW**.
- A community solar facility must have at least **10 subscribers**. Both the subscriber and the community solar facility must be within the same **utility service territory**. A single subscriber can't own more than **40% of facility capacity**, with at least **40%** of the total generating capacity going to subscriptions of **25 Kilowatts or less**.
- **Renewable Energy Certificates (RECs)**, remain the property of the subscriber organization (builder of community solar facility), which can transfer or sell them to the utility.
- The Public Regulatory Commission (PRC) will provide a comprehensive **evaluation** of the program by **Nov 1, 2024**.
- Requires **30%** of project capacities to be reserved for participation by **low-income households and low-income service organizations**.

The PRC will:

- Adopt rules that include **consumer protections for subscribers**.
- Ensure that **utilities** will be able to be **fairly compensated** for **interconnection costs and administrative costs**.
- Determine the **subscriber bill credit rates** based on a total aggregate retail rate methodology.

Exemptions:

- **Rural Electric Distribution Cooperatives** are **exempt** from participation in the program unless they decide to **opt-in, on a per-project or service territory basis**.
- **Exempts Indian nations, tribes or pueblos** from some requirements, including restriction on development of community solar facilities in the service area of a rural electric distribution cooperative.