

STATE REPRESENTATIVE
The Honorable Joseph Bellino
State Representative
State Capitol
P.O. Box 30014
Lansing, MI 48909-7514

October 26, 2021

Dear Chairman Bellino and Members of the House Energy Committee:

I am writing to submit formal testimony in SUPPORT of House Bills 4715 and 4716, which would create community solar enabling policy for Michigan.

As a rural sociologist and a professor at Michigan Technological University, I have been studying community solar and its applications in rural communities and renewable energy in rural America since 2016. The research is clear that, *when done right with local community input in design*:

- (1) community solar is widely popular among the public and enjoys broad bipartisan support;
- (2) community solar is a better alternative for many households and for collective society than rooftop solar;
- (3) community solar is more attractive in many communities than utility-scale solar;
- (4) state enabling policy is important for setting the rules for community solar, opening markets, increasing installations, and ensuring that utilities appropriately share revenues with subscribers; and
- (5) community solar does not need to increase rates for anyone- it can reduce overall energy burden for subscribers, be accessible to low-to-moderate income residents with little upfront investment, and even reduce the number of electric bill defaults.

Not all community solar is equal. It can in fact look very similar to utility-scale solar projects where communities have little say in where a project is sited, how it is administered, or in the structure of costs/rewards. Investor-owned utilities have economic incentive to maintain control of these decisions, and to limit economic rewards that go back to consumer subscribers. This is why state enabling policy is so important to structure the playing field and ensure people a say in how these programs are developed.

Community solar is popular.

In 2016 and 2017, Michigan Tech students and faculty collaborated with the Villages of L'Anse and Baraga to study whether people in these small Upper Peninsula communities (with a population of about 2,000 people each) wanted to start a community solar project. Both villages have municipally-owned electric utilities that were considering starting projects. The studies included surveys that were sent to all of the utility customers in each village. In total, 157 households responded in Baraga and 152 households responded in L'Anse (17-20% of all residential accounts). Of the 309 total responses, only 18 said that the village should not pursue community solar, while 188 wanted the village to pursue community solar, and 101 said they were uncertain. In short, the community response was remarkably positive.

Together with partners and community input from interviews, surveys, and community meetings, we designed a program for L'Anse that was the right size, right cost, included the right transfer agreements and organizational partnership opportunities and buy-in options to work for L'Anse. We designed it so that those who did not choose to participate would not see any change in their electric rates. And for those who did, the full economic benefits (after lifetime costs were modeled) were redistributed to subscribers on their monthly bills. The project sold out its shares even before it was built. And it has been held up as an example for state and national awards.

Community solar is better for individuals and the collective than rooftop solar.

Rooftop solar can generate economic rewards for those who have access to it. Community solar is more accessible to renters and homeowners that don't have the right rooftop, less costly because of economies of scale, requires less knowledge/information, and is transferable if you move. It is cheaper and easier for almost any household than going it alone. Community solar systems can also be better managed by utilities who can plan for grid integration of a smaller number of larger facilities in comparison to a vast number of individual accounts.

Community solar is more attractive than utility-scale solar for host communities.

One of the greatest current challenges to energy transition is that host communities often resist siting utility-scale projects for which they have little say and receive little local benefit. My own research, and the broad body of research studying community response to utility-scale solar and wind proposals, finds that communities want to share in the economic benefits if they are going to host installations and that they want to be involved in the decision-making process. Community solar offers these opportunities. When we were working in L'Anse for instance, there was a utility wind project proposed at the same time that was met with enough local resistance that the project eventually failed. This was at the same time that the community solar project met essentially no resistance and much excitement among those same community members. The community solar project *belongs to the community* and it *benefits local people*. In another example, my own conversations with community members in Escanaba who have recently opposed a utility-scale solar project, indicate that these same people want the opportunity to do community solar, on their terms.

State Enabling Policy is Critical for Establishing the Ground Rules for Market Competition and Community-Based Design

Community solar is affordable and doesn't have to increase rates.

In states that have enacted community solar enabling policy, the number of community solar projects and resulting renewable energy generation have increased exponentially in the years following policy implementation. This speaks to the community and market demand for such projects. It also shows that these same states, Minnesota is a key example, have been able to maintain average electric rates significantly lower than Michigan's, despite the nation-leading proliferation of community solar projects there. Enabling policy protects consumers, while allowing for market competition and making sure that low-to-moderate income households can access programs.

Critical to the success of the project in L'Anse, was that the project was designed specifically to meet the unique needs of that community, with a great deal of input from the public giving local people a real say in how they get their energy. It specifically includes a program for low-to-moderate income residents that allows folks to participate with no down payment and on-bill financing. The Village manager reports that among low-to-moderate income participants, the electric utility has seen a remarkable increase in their ability to pay monthly utility bills. Enabling policy that creates space for uniquely designed projects, based on community needs is critical.

I've had several other communities, including Beaver Island, Sterling Heights, and the Keweenaw Bay Objive Community College all within the last month, ask if we could do a project, similar to L'Anse, partnering to design a community solar project that works for them. However, the ability for these communities to do that is restricted by the utilities who service their geographies. House Bills 4715 and 4716 would open up these opportunities to more communities around the state.

We know that community solar works and we've seen the benefits it provides. It is the fair, free and democratic thing to make it available to communities across Michigan.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Richelle L. Winkler".

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