

## **HB 4715 & 4716 - Community Solar State Policies and Economic Benefits**

### **What is True Community Solar?**

MI HBs 4715 (Hood) and 4716 (Hoitenga) would set up a community solar model that allows customers to subscribe, purchase, or lease part of an offsite, independently owned solar installation while receiving proportional credits for that energy on their energy bills. Community solar policies like HB 4715 and 4716 are found across the country, and are an effective and low-cost way to help customers save on their energy bills and decrease their contribution to air pollution and climate emissions.

### **Community Solar is Well Established Across the Country; Michigan Lags Behind**

Community solar projects are not a new idea; 20 states across the nation have adopted policies that support wide-scale community solar adoption.

Furthermore, community solar projects of all types have cumulatively contributed over 3,000 megawatts of power to homes and businesses across 39 states, including traditionally conservative states like Oklahoma, Georgia, Texas, and Missouri.

The community solar industry is rapidly growing. Since 2010, nationally, cumulative community solar capacity has more than doubled annually on average (121% *per year*).

*Independently owned and grid connected community solar is not allowed in Michigan, and thus we are lagging behind other states in total and independent project development, with less than .1% of our total energy coming from community solar.*

### **Community Solar Programs Across the Country**

House Bills 4715 - 4716 were introduced to provide the missing legislative framework for expanded community solar access. The proposed bills require electric providers to allow and enable community solar, provide for third-party ownership of solar installations, and guarantee proportional bill crediting to participating customers.

- As of 2017, 17 out of 20 states that have adopted community solar legislation requiring electric utilities to allow independently-owned community solar installations to be hooked into grid
- These states allow community solar customers to receive credits on their energy bills from their electric utility provider, helping customers save money on their bills.

## **Community Solar Will Grow Michigan's Economy and Save Customers Money**

Community solar allows people to reduce their energy bills and purchase clean energy without having to install or own a solar array on their property. It also allows people who may not own property or have the sufficient funds to install their own solar panels to save money on their electric bill and support renewable energy by purchasing energy from local solar installations. According to an [October 2021 study from the MSU Product Center/Center for Economic Analysis](#):

- Researchers found that just for installation, the discounted cumulative gross state product would be about \$475 million. For long-term operations and maintenance, annual expenditures would lead to an estimated \$952 million gross state product, and \$1.47 billion over the life of the projects.
- Over the average 31-year lifespan of a project, maintenance would create and sustain 423 jobs per year. This would lead to projected labor income during the long-term phase of the lifespan of the projects of \$412.4 million; the combined expected labor income during the installation and operations and maintenance phase is about \$730.9 million
- The study was based on about 180 solar projects being installed over a six-year period at a rate of 30 projects annually, with each project having a capacity of 5 megawatts. Projects of this size are standard scale (currently) for community solar systems, the report noted, generating enough electricity to power about 950 homes.

According to Steven Miller with the MSU Department of Agricultural, Food and Resource Economics and one of the study's authors, said in a statement. "After analyzing the economic contributions of community solar power, it's clear that the addition of these types of installations significantly contribute to the state's energy and general economy. There's no question that this would provide Michigan with a positive benefit according to our analysis."