Executive Summary

Energy derived from solar is abundant, non-polluting, and can be sourced from anywhere the sun shines. Few other energy sources have the unique ability to be sourced both domestically and locally. Therefore, solar power can be a reliable, secure component of the electrical grid. Missouri is particularly well-suited for solar development¹ and should capitalize on both its number of sunny days per year and state policies that encourage the development of solar. However, rooftop solar should not be the only option available to Missourians. Community solar, sourced from community solar farms, can open the solar market to a wider residential and commercial sector, particularly to low-income electricity customers. Community solar has the potential to provide benefits to Missouri that extend socially, economically, and environmentally.

Community Solar: How does it work?

Community solar farms or plants are mid-to-large scale installations located off-site from where the electricity is used, unlike rooftop solar which is generated by on-site arrays. The purpose of community solar is to offer solar-generated electricity to customers who choose not to, or are not able to, generate solar using their own arrays. Community solar is often funded by the local utility company and provides clean energy at less

than the retail cost of electricity, or the outright purchase of the panels themselves.²

Missouri currently has policies that promote solar development, such as rebates³, tax incentives⁴, and a net metering statute⁵. But Missouri law does not address the entire spectrum of desire for solar-powered clean energy. On-site solar installations are dependent upon the location of a home or business, upon the capital available to an interested customer, and the ownership of the proposed site. Renters, for example, do not have the ability to participate in rooftop solar. Low-income electricity customers do not have the capital - even with available financing mechanisms such as rebates and tax incentives - to invest in the up-front cost of installing solar panels. Some homes or businesses are not built for maximizing solar potential. For example, shade trees and northern or eastern facing roofs limit an array’s potential. Community solar farms are uniquely able to fill this gap.

Different solar farms have the same, basic framework: customers subscribe to a specific amount of solar generated electricity over a defined period of time. If a customer (such as a renter), moves to a new apartment, their community solar subscription follows along as it’s not tied to an on-site meter.

**Community Solar: How Can It Benefit Low-Income Missourians?**

Low-income customers face increasing energy burdens⁶, are disproportionately burdened with the adverse consequences of

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⁵ Net Metering & Easy Connection Act, 2007. Section 386.890, RSMo.
⁶ See our paper on energy burdens & poverty, “Using clean energy to address poverty in Missouri”
energy production and use, and tend to be disproportionately impacted by grid outages. A conscious policy and implementation focus on addressing these problems will reveal abundant opportunities to include low-income and environmentally disadvantaged customers and communities in the benefits of change. Right now, utilities do not offer these types of programs at any meaningful level because they do not have to. But legislation that requires the Public Service Commission (“PSC”) to consider these proposals as prudent, therefore giving them incentives to invest in community solar, would be proper legislation to prod this policy along.

Some community solar farms are operated in a more cooperative manner, whereby participating members work on the development of the project in exchange for energy savings to their household. Not only does this benefit the participants, but it also reduces labor costs for the program operators. This is known as “Sweat Equity”.

The “Sweat Equity” approach also provides participants with the skills needed to work in the clean energy industry. This type of program should include a workforce development-training program with a focus on minority and low-income participants in order to have long-term benefits for these participants and their communities. Not only does this promote customer choice and grid resiliency but this also serves as a productive workforce development program.

Other than proposing legislation to enable such low-income community solar programs, the Legislature can move to require the PSC to coordinate with state community action agencies through the Low-Income Home Energy Assistance Program (“LIHEAP”) to provide community solar for customers in need. The program is available over a four-year period for income-eligible participants. Eligibility levels vary by county and are calculated at or below 80% of the Area Median Income (“AMI”). After this period, under the theory of the program, participants should be able to improve their economic outlook and allow for other income-eligible community members to utilize the program.
CONCLUSION

Community solar development has the opportunity to transform our grid, making it stronger and safer while giving more options to customers. In addition to providing clean energy to a wider audience, community solar boosts the economy by creating jobs, supporting manufacturing industries, and reducing energy burdens that limit the potential for low-income households to participate fully in economic opportunities. In an evolving world, this is a win-win for all parties.