

KEY FEATURES OF SB84: THE COMMUNITY SOLAR ACT

March 18, 2021

200 Megawatts of Community Solar until 2024

- Creates an **initial statewide program cap of 200 MW over the first 3 years of the program**. A 200 MW cap, when allocated proportionally to investor-owned utilities (IOUs), would be approximately 100 MW for PNM, 80 MW for Xcel Energy, and 20 MW for EPE over three years.
- After 2024, an annual cap will be set by the Public Regulation Commission (PRC) as part of the programmatic review and recommendations.

5-Megawatt Project Size

- Each community solar facility must have at least **10 subscribers**, and a single subscriber cannot own more than 40% of the facility's capacity.
- Subscribers & the community solar project facility must be within **the same utility service territory**.
- 40% of the generating capacity of each community solar facility is reserved for subscriptions sized to 25 kW or less, which ensures access to resident subscribers and small business-owners.
- 40% of the generating capacity is capped for use by a single subscriber, such as local government, non-profits, schools, churches, and housing authorities, facilitating community solar developers' ability to get financing by reducing risk.
- A community solar facility has the option of co-locating with other energy resources, such as energy storage, but not with other community solar facilities

Low-Income Participation

- **30% of each project capacity** will be reserved for **low-income customers** and low-income service organizations.
- The PRC will issue guidelines to ensure the low-income carve-out is achieved each year.

Public Regulation Commission Rulemaking

- Guides the PRC to:
 - Establish a **statewide annual capacity cap** and an **allocation process** for applicants.
 - Adopt and enforce rules that include **consumer protections for subscribers**.
 - Ensure **utilities are fairly compensated** for interconnection and administrative costs.
 - Determine the **subscriber bill credit rates** based on total aggregate retail rate methodology.
 - Ensure that non-subscribers are **not unduly subsidizing** community solar participants.

Involvement of Rural Electric Distribution Cooperatives

- **Rural electric distribution cooperatives** are **exempt from participation** in the program unless they decide to **opt-in, on a per-project or service territory-wide basis** and at the sole discretion of their governing boards.

Tribal Community Solar Development

- **Tribes and Pueblos have sovereign jurisdiction over their lands, including the use of their lands for energy projects and infrastructure**. Tribal sovereign authority means that Tribes and Pueblos are not subject to state law on tribal lands, and state legislative, regulatory, taxation and judicial authorities, and others, do not extend to Tribes and Pueblos, or Tribal members, or the activities of others on Tribal land. Despite this sovereign status, **Tribes and Pueblos do not have equal opportunity to pursue community solar without enabling legislation to create a statewide market and set equal standards for electric utilities that serve tribal lands in the state**.

Comprehensive Community Solar Program Review

- The PRC will provide a **comprehensive evaluation of the program** by November 1, 2024.
- The report on the status of the community solar program will evaluate:
 - Participation of investor-owned utilities and rural electric distribution cooperatives
 - Low-income participation
 - Adequacy of facility size
 - Proposals for alternative rate structures and bill-credit mechanisms
 - Cross-subsidization issues
 - Local developer project selection and expansion of the local solar industry
 - Community solar facilities' effect on utility compliance with the renewable portfolio standard