Can’t Go Solar at Home? . . . Try a Community PPA

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Power Purchase Agreements (PPAs) Can Work for Individuals Too

• PPA defined: an agreement between a facility to host a PV system and purchase its electricity -- owned by a separate entity
• PPAs are growing among businesses
• Governments are getting in on the act
• Why not groups of individuals?
8 Prerequisites to a Community Solar PPA

1. Group of like-minded people willing to work on a PPA

2. Legal / policy framework led by an RPS (e.g. MD’s)
   a. 30% investment tax credit *(non-taxable income)*
   b. RECs: one for each 1,000 kilowatt hours generated
   c. Net metering: allows credit for and cash-out of excess generation

(cont’d)
8 Prerequisites to a Community Solar PPA (cont’d)

3. Other financial benefits, e.g. share of accelerated depreciation

4. Need to form LLC or some other business entity to own the systems + sign contracts with:
   
   > “LL” might stand for “lessons learned”

5. Solar company to install and monitor/maintain
8 Prerequisites to a Community Solar PPA (cont’d)

6. Host facility to buy electricity for 20+ years
   a. no up-front cash needed
   b. initial kWhr price 1-2 cents less than utility’s rate

7. Recruiting members – easier than you might think

8. Notify local utility – in advance – when ready to interconnect to grid
University Park Community Solar LLC

- 38 investors
- Average ‘investment’: $4K
- 2+ years to make this happen
- Annual REC income est: $8,400
- 7% annualized return
- Each person over 20 years will cut carbon emissions by 10 tons

MD’s net metering law upgraded by state Senator – 2\textsuperscript{nd} from right
Now for the result:

a 22 kW solar system ‘installed’ . . .
in 4 minutes
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