



Legislation Text

File #: 13-0870, **Version:** 1

Resolution to Encourage Community Solar Development in Ann Arbor

At its July 9, 2013 meeting the Energy Commission adopted a resolution (attached) to develop a pilot Community Solar project. Community Solar is an emerging practice allowing a group of people or businesses to purchase shares in a renewable energy system not located at the site of their electric meter. The participants receive a share of the value of the energy produced from the off-site renewable energy system as if the system were located at their home or business. Certain preclusions do not automatically allow this to happen within the territory of large public utilities. The Great Lakes Renewable Energy Association (GLREA) is underway with a state-wide grant exploring feasibility and constraints facing Community Solar, and a pilot in Ann Arbor can inform, and be informed, by this effort.

The Cherryland Electric Cooperative in Traverse City is the first larger scale example in Michigan of Community Solar and has seen fast growth in resident participation in the short time the program has been available. With many residents living in shaded areas, not having adequate orientation for solar exposure, not owning their property, or facing upfront costs preventing them from supporting a full solar electric system themselves, they are prevented from the benefits generated by solar photovoltaics and from receiving available credits/payment from the utility company.

Given Ann Arbor's designation as a US Department of Energy "Solar America City," this to-be-defined pilot would advance sustainability aims of the City and help lower emissions associated with conventional power generation.

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Reviewed by: Craig Hupy, Public Services Area Administrator

Sponsored by: Energy Commission

Whereas, The City of Ann Arbor has adopted a Climate Action Plan and developed a Solar Plan that both advocate maximizing the installation and use of solar photovoltaic (PV) systems;

Whereas, It is estimated that 70% of the citizens of Ann Arbor do not have the ability to invest in efficient or practical solar energy because of site issues (e.g., shading, roof orientation, renters, condo owners);

Whereas, The high cost of installing a complete solar PV energy system is a barrier for many who alternately could afford to invest in a partial system or several solar collectors;

Whereas, Many people do not feel comfortable purchasing or maintaining a solar energy system with technology they know little about;

Whereas, Community Solar allows a group of people or businesses to purchase shares in a renewable energy system, not located at the site of their electric meter, to get their share of the value of the energy produced from the off-site renewable energy system as if it were located at their home or business;

Whereas, Community Solar can remove many of these barriers by allowing a group of investors to purchase shares in a group-owned solar energy system which is constructed, operated, and maintained by a third party;

Whereas, Community Solar projects also have the potential to be an economic development activity;

Whereas, These Community Solar participants would receive credit for the electricity produced from their share of the jointly owned solar energy system;

Whereas, Community Solar is proving very successful in areas where either State law (e.g., Colorado) or local utilities (e.g., Cherryland Electric Cooperative) have offered Community Solar programs;

Whereas, Numerous Ann Arbor neighborhood and church groups have contacted the Ann Arbor Energy Office or the Ann Arbor Energy Commission stating their desire to implement a Community Solar project in Ann Arbor; and

Whereas, Current utility policy in Michigan does not allow public utilities like DTE and Consumers Energy to offer Community Solar programs except as a Michigan Public Service Commission (MPSC) approved pilot program.

RESOLVED, That the Ann Arbor City Council direct the Ann Arbor City staff to work with DTE to develop a pilot program that could enable Community Solar in Ann Arbor when approved by the MPSC, with a target for outlining pilot deliverables and major components for the MPSC's consideration by March 31, 2014;

RESOLVED, That the Ann Arbor City Council encourage the Michigan Legislature to pass enabling legislation for Community Solar similar to the bill passed in the State of Minnesota on May 23, 2013 (Solar Energy Jobs Act - HF729) mandating public electric utilities submit a plan to allow separately metered accounts to be credited for investment in a Community Shared Solar project.