

NREL report estimates market potential of shared solar, discusses relevant securities regulations

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Analysis from the Energy Department's National Renewable Energy Laboratory (NREL) finds that by making shared solar programs available to households and businesses that currently cannot host on-site photovoltaic (PV) systems shared solar could represent 32 to 49 percent of the distributed photovoltaic market in 2020.

Shared solar models allocate the electricity of a jointly owned or leased system to offset individual consumers' electricity bills, allowing energy consumers to share the benefits of a single solar array. The report, *Shared Solar: Current Landscape, Market Potential, and the Impact of Federal Securities Regulation*, provides a high-level overview of the current U.S. shared solar landscape, analyzes the impact that a shared solar program's structure has on how it is regulated by the U.S. Securities and Exchange Commission, and estimates market potential for U.S. shared solar deployment. Key findings include:

- At least 49 percent of U.S. households and 48 percent of businesses are currently unable to host a PV system when excluding residential renters, those without access to roof space (e.g., multi-unit housing, malls), and/or those living or working in buildings with insufficient roof space. There are several factors, including easier and less restrictive participation and economies of scale, that may cause shared solar deployment to be significantly higher than these estimates.

- After accounting for the development necessary to expand the shared solar market as well as state-level policy limiting factors such as net-metering caps, shared solar could lead to cumulative U.S. PV deployment growth of 5.5-11.0 gigawatts between 2015 and 2020 and represent \$8.2 to \$16.3 billion of cumulative investment.
- Shared solar offerings that are marketed and structured to reduce customers' retail [electricity bills](#) are less likely to be treated as securities than those marketed and structured primarily as profit-generating programs.

"Historically, PV business models and regulatory environments have not been designed to expand access to a significant portion of potential PV system customers," said David Feldman, NREL energy analyst and lead author on the report. "As a result, the economic, environmental, and social benefits of distributed PV have not been available to all consumers. Shared solar programs open up the market to the other half of businesses and households."

More information: Report: www.nrel.gov/docs/fy15osti/63892.pdf

Provided by National Renewable Energy Laboratory

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