

Solar Policies, Programs and Incentives in Washington DC, Maryland and Virginia

	DISTRICT OF COLUMBIA	MARYLAND	VIRGINIA
Current Installed Solar Capacity	7.8 MW	39.1 MW (COG region)	2.6 MW (COG region)
Renewable Portfolio Standard			
RPS Goal (Solar Carve-Out)	20% by 2020 (2.5% by 2023)	20% by 2022 (2% by 2021)	Voluntary: 15% of base year (2007) sales by 2025 (none)
Current SREC Price	~\$480/MWh	~\$130/MWh	N/A
Alternative Compliance Payment (ACP) Price	\$500/MWh until 2016, then declining	\$400/MWh until 2016, then declining	N/A
Financial Incentives and Tools			
State Rebate	\$0.50/W (\$3/W low income) Expired in 2013	\$1,000 per system (res.) \$30-\$60/kW (comm.)	Dominion Program: \$0.15/kWh (up to 20 kW res., 50 kW non-res.)
State Sales Tax Exemption	None	100% exemption for equipment sales and residential electricity sales	100% exemption under 20 MW Beginning in 2015
Local Property Tax Credits	100% exemption	Prince George's: 50% credit Montgomery: 50% credit or \$5,000	100% exemption under 20 MW Beginning in 2015
Power Purchase Agreements	Allowed	Allowed	Dominion pilot program up to 1MW
Commercial PACE Financing	20 year term, loan minimum: \$250,000	Locally determined – can start 10/1/14	Locally determined by ordinance
Net Metering			
System Size Cap	1 MW (no aggregate cap)	2 MW (Statewide cap: 1,500 MW)	20 kW residential; 500 kW non-res.
Standby Charge	None	None	\$4.19/kWh (for systems 10 – 20kW)
Virtual Net Metering	“Community Solar” - established by DC Community Renewables Act of 2013	“Aggregate Net Metering” - established by COMAR 20.50.10 in 2011	“Totalization” or “Meter Aggregation” - HB 1695 in 2013
Eligibility for Virtual NM	5 MW cap per system, 2 subscriber min.	Agriculture, non-profit organizations and municipal governments. 2 MW cap	Agricultural, adjoining properties

Solar Market and Policy Terms and Definitions

Renewable Portfolio Standard (RPS), Solar Carve-Out	Policies requiring that a certain percent of a retail electricity supplier's sales or new generating capacity be derived from renewable resources. A solar carve-out requires that a certain percent of the RPS be met with solar energy.
Renewable Energy Certificate (REC)	Represent the legal rights to the environmental and social benefits associated with the generation of renewable energy. One REC is produced for each MWh of electricity production. RECs prices are determined by market demand.
Alternative Compliance Payment (ACP)	The amount that electricity suppliers must pay per MWh of electricity that they are unable to generate themselves or buy rights to through REC purchases in order to meet the RPS requirement.
Solar Lease	A contract whereby a customer leases solar panels installed on their property for a flat monthly fee, and are entitled to use of the solar electricity generated over a period of time (usually 15-25 years). At the end of the contract, customers may have the choice of renewing the contract, purchasing the system, or having the equipment removed.
Power Purchase Agreement (PPA)	A third-party developer owns, operates, and maintains the solar system, and the host customer agrees to purchase the system's electric output for a predetermined period.
Property Assessed Clean Energy (PACE) Financing	Allows local property owners to borrow money from a local government to pay for renewable energy and/or energy-efficiency improvements. The amount borrowed is repaid via a special assessment on property taxes, or other locally-collected tax or bill, such as a utility bill. PACE helps property owners overcome high up-front costs by spreading these over a long period (usually 20 years).
Net Metering	Allows electric customers who generate their own electricity using solar or other renewable energy to credit the amount produced to their electricity bill, usually at the full retail rate.
Standby Charge	Monthly charge levied to net-metering customers for use of the utility's transmission and distribution systems.
Community Solar, Shared Solar, Virtual Net Metering	Allows multiple customers with multiple meters to purchase electricity from a single solar installation. Community solar in DC allows any customer to participate in a Community Renewable Energy Facility up to 5MW in size. In Maryland, aggregate net metering (or virtual net metering) allows some customers to credit solar production from one facility to multiple facilities, owned by the same or different entities.
Meter Aggregation, Totalization	Allows one customer with multiple meters to credit electricity from their solar installation to multiple meters. In Virginia, meter aggregation (or totalization) allows only agricultural customers to credit solar production to multiple meters on adjoining properties owned by a single entity.
Bulk Purchase, Cooperative Purchase, Aggregate Purchase, Solarize	A group purchase of solar generating systems whereby participants exercise their aggregate purchasing power to secure reduced costs for each individual system. Participants or the program administrator may select the vendor depending on the model used.