

# Community Solar Glossary

*Terms in this glossary may have multiple meanings, depending on context. Here they are defined in the context of their meaning when discussing solar energy in general and shared/community solar in particular.*

**Aggregation.** The act of grouping customers for a common purpose, such as for bulk buying.

**Anchor Customer.** A large customer participating in a shared solar array, often with good credit or large buying power. The participation of an anchor institution can reduce costs by helping a project reach economies of scale or by providing assurance to financiers.

**Array.** Two or more solar panels hooked together.

**Behind the Meter.** Refers to solar installed on the property of a residence or business for the customer's own use. The electricity generation from the solar array is used on-site and reduces that customer's demand on the electricity grid.

**Bill Credit.** A bill discount applied to the utility account for a customer based on the number of kilowatt hours produced by their portion of a solar array.

**Community Choice Aggregation.** A policy that allows municipalities to take over energy planning, energy buying and energy efficiency programs from the utility company on behalf of their residents. (Community Choice Aggregation is currently under consideration by the New York Public Service Commission.)

**Community Distributed Generation (CDG).** The New York policy that enables multiple customers to share a renewable energy project, and each receive bill credits for their share of the production of that project. (Also referred to as Virtual Net Metering or Community Net Metering.)

**Community Solar.** A catch-all phrase for various programs promoted by NYSERDA, including Solarize, K-Solar (a solar bulk buying program for schools), and shared solar. Sometimes people also use the terms "shared solar" and "community solar" interchangeably.

**Co-operative (or Co-op).** A jointly owned and democratically controlled business or organization. Co-operatives can be owned and controlled by the people they provide service to, the workers employed by the entity, or (in the case of a housing co-op) the people who live there.

**Developer.** An entity that secures financing, contracts an installer, and finds and manages customers for a shared solar project.

**Distributed Generation (also referred to as DG).** Energy production that occurs on a small, decentralized scale, rather than at large centralized power plants.

**Financing.** The lending of money to pay for the development of solar.

**Grid.** The network of wires and electricity distribution infrastructure that transports energy from the sources of generation to the sources of consumption.

**Incentive.** A subsidy or tax credit provided to help reduce the cost of solar.

**Installer.** An entity that designs and installs a solar array and related components and connects it to the grid.

**Interconnection.** The rules and process by which a solar array and system are connected to the grid.

**Kilowatt (kW).** A measure of electricity equivalent to 1,000 watts of electrical power. Commonly used to describe the capacity of a solar array to produce electricity.

**Kilowatt Hour (kWh).** A unit of energy equal to one kilowatt expended for one hour. Electricity usage is measured in kilowatt hours, and this is the unit used by utility companies to determine what a customer should be billed for. It is also used to measure the actual output of electricity from a solar array over time.

**Lease.** A legal contract through which a customer buys the power from a solar array, but does not own the panels. Leases often offer a fixed monthly rate for electricity produced by the solar array and no money down for customers.

**Master Meter.** A meter used to measure the entire electricity usage for a multi-family building or other property with multiple tenants. With a master meter it is usually impossible to know how much electricity an individual tenant uses.

**Megawatt (MW).** A unit equivalent to 1,000 kilowatts.

**Megawatt Hour (MWh).** A unit equivalent to 1,000 kilowatt hours.

**Net Metering (also known as Net Energy Metering).** A policy through which utilities are required to provide bill credits or payments to customers when production of their solar array exceeds their own consumption.

**NYSERDA.** The New York State Energy Research and Development Authority. The state agency responsible for many of New York's ratepayer-funded energy efficiency and renewable energy incentives and programs.

**Off-taker.** An entity that takes energy from a solar project (either directly or virtually) through its ownership or subscription to the project.

**Photovoltaic (PV).** A type of solar energy production that converts sunlight to electricity. Solar panels are also called solar photovoltaic panels.

**Power Purchase Agreement (PPA).** A legal arrangement in which a developer owns and operates a solar array and a customer or group of customers agree to purchase the system's electric output for a predetermined period.

**Public Service Commission (PSC).** The state agency that regulates the utility companies and the use of ratepayer funds in New York.

**Ratepayer.** Another term for an energy customer.

**Remote Net Metering.** A billing arrangement that allows a single customer to take credit on their bill for the electricity generation of a solar array on a property that is separate from their residence or business.

**Request for Proposals (RFP).** A solicitation for bids to develop a shared solar project, used by community groups, municipalities, and others to advertise that they are seeking to work with an installer or project developer. The RFP details the services sought and defines a fair process for bidding on the project.

**Rooftop Solar.** A solar installation that is placed on the roof of the customer that is using the electricity generated by a "behind the meter" system.

**Shared Solar.** A phrase referring to any arrangement in which a solar array serves more than one customer, and often many customers.

**Solar Garden.** Another term for shared solar. (Typically refers to the centrally-located solar array that produces energy for multiple customers.)

**Solar Investment Tax Credit (ITC).** A federal tax credit provided to the owner of a solar installation. The ITC is currently set at 30% of the cost of the solar installation, but is only available for tax payers who have a large enough tax liability to take advantage of it.

**Solarize.** An organizing model used by community groups and municipalities across the U.S. to help increase solar adoption through a combination of public education and bulk discounts.

**Sponsor.** This term is sometimes interchangeable with project developer. However, sometimes there is an extra role for an organization that wants to see a community solar project built and seeks a developer to implement one. In this case, sponsor refers to this organization. The project sponsor may aggregate customers to buy into or subscribe to the array and may take over the responsibility for managing these subscribers or owners and interfacing with the utility for subscriber billing once the array is built.

**Subscriber.** A customer who does not have an ownership stake in a shared solar project, but who nonetheless receives credit for a portion of the array's output on their bill because they are paying a monthly fee to the project developer.

**Tax Equity Investor.** An entity that invests in a renewable energy project in order to claim tax credits.

**Utility.** A company that delivers energy to customers. (Most utilities in New York are for-profit investor-owned entities, but some are publicly owned.)

**Virtual Net Metering.** A billing arrangement that allows more than one customer (usually many) to receive bill credits for the energy production of a shared solar array. (In New York, other qualified energy systems such as certain size wind turbines, anaerobic digesters, and fuel cells may also participate).

This glossary was prepared by  
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