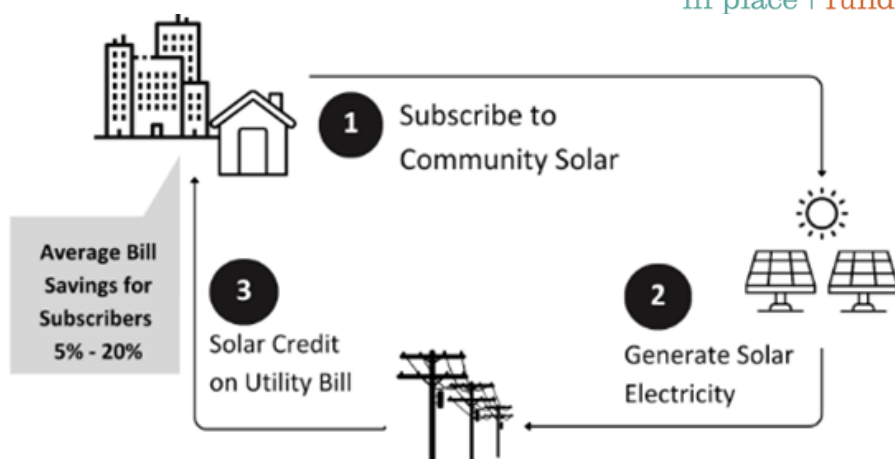


FACT SHEET

Community Solar in Indiana

Questions?

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Community solar is expanding nationwide, providing clean, renewable, and affordable energy to all. To make it accessible to customers of Indiana's investor-owned utilities, state legislation is needed. As of 2023, more than 20 states had such policies. These policies set rules for utilities and independent developers on connecting projects to the grid, enrolling customers, and billing.

How Does Community Solar Work?

Community solar is a system that allows households, businesses, houses of worship, schools, local governments, and others to join a nearby, independently owned, solar panel project. Participants subscribe to this project and the electricity produced by the solar system is integrated into the utility's grid. Subscribers receive a credit on their utility bill corresponding to the electricity generated by their share.

Community solar is ideal for utility customers who cannot, or prefer not to, install solar panels on their property. Reasons include:

- Renting or leasing their property, living in multifamily buildings, or home-owners association restrictions.
- Inability to afford the high upfront costs of a solar system.
- Unsuitable roofs due to shading, size, or slope.

Community solar projects are smaller than utility-scale systems and can be built on various sites, such as abandoned industrial sites, parking lots, rooftops of large buildings, and unused agricultural land. This flexibility allows for the utilization of otherwise underused spaces.

What Could Community Solar Legislation Look Like in Indiana?

Models for enabling legislation are SB 541 and HB 1581, introduced in Indiana's 2025 legislative session. Key provisions include:

- Independent, third-party ownership of community solar projects.
- Clear interconnection and grid access standards.
- IURC-directed community solar program with stakeholder engagement.
- Transparent, customer-friendly processes.

- Competitive, fair market for community solar.
- Fair rates for solar credits directly applied to subscriber utility bills.
- Participation by underserved communities.
- Promotion of local economic and environmental benefits.

Benefits of Community Solar

- **CHOICE:** Community solar provides new choices for Hoosiers of all income levels, including low- to moderate-income households, who want to be part of the transition to an affordable, clean, and renewable source of energy and are unable to have solar on their own roof or property.
- **SAVINGS:** Existing community solar programs in other states show that subscribers to independently owned projects can expect savings of between 5 to 20%.
- **PRIVATE INVESTMENT MEETING INCREASING DEMAND FOR CLEAN ENERGY:** Community solar could greatly expand private, non-utility investments in solar energy across the state, helping to meet the rising demand for clean, green energy needed to power electric cars, highly efficient household appliances and HVAC systems.
- **HEALTH:** Indiana tops the charts for asthma and other health conditions related to poor air and water quality. That's in part because we are still dependent on fossil fuels that pollute the air and poison our water. The quicker we can transition to clean energy sources, the healthier our communities will be.
- **PRICE STABILITY:** Solar power is locally produced. Once solar panels are installed, the cost of producing it is not affected by international conflicts or market developments that can lead to spiraling prices for fossil fuels and to utility price hikes. Subscribers to a community solar project therefore enjoy greater price stability over time.
- **NEW SOURCE OF REVENUE FOR PROPERTY OWNERS:** When a community solar project is built on leased land or on surfaces that otherwise may not have good economic uses - like warehouse roofs and sub-prime agricultural land - this can provide a new and reliable source of lease payments for the property owners.
- **BENEFITS TO LOCAL COMMUNITIES:** Community solar provides jobs for local residents, as well as tax revenues to local governments that help fund local government services and infrastructure projects.
- **BENEFITS TO ALL UTILITY CUSTOMERS:** Community solar saves all ratepayers money, because the electricity is locally produced and used and avoids the costs of transmission from large, centralized, far-away power plants.
- **GREATER EFFICIENCY:** Community solar arrays can be built in places that are well suited to solar production instead of placing panels on roofs oriented in less-than-ideal directions or cutting down trees to eliminate shade. That can translate into less expensive, higher performing solar in a community than otherwise might be possible.