Frequently Asked Questions

What is Community Solar?

Community Solar could actually be a number of things. It could be a community-owned solar installation, like at your local community center. It could be a publicly-located project funded through donations from community members. It could also be a bulk purchase of solar.

Community Shared Solar or Community Solar Gardens (which are the same thing) specifically refer to projects “whereby subscribers (at least 5) receive a bill credit for the electricity generated in proportion to the size of their subscription.”

Where did the name Community Solar Gardens come from?

Think of a community garden with solar. With a community garden, a bunch of neighbors come together at one central location to garden rather than having their own gardens in their own yards. There is centralized water and a sense of gardening camaraderie. You might also compare it to a CSA, where several members come together to support one farm and all benefit with fresh produce. Participants in a Community Solar Garden have their own share of a centrally-located project and receive a direct benefit: solar energy.

Do I subscribe upfront? Is it a one-time subscription?

There are different Community Solar Garden models. Some are up-front subscription models wherein the subscriber would do a lump sum up-front payment. Others are a “pay as you go” model wherein a subscriber pays a monthly (or other periodic) fee. There are also emerging models that combine both of these elements and have subscribers put some money down up front and pay some component of the costs over time.

What am I purchasing when I become a subscriber?

You might wonder if you own your share of a project or if you’re just leasing it when you subscribe. If you subscribe to a community solar garden, it means you are renting from the facility owner a portion of the solar energy it produces (Minn. Stat. § 216b.1641 subd. h and Minn. Stat. § 216B.164, subd. 10k).
Q How much can I buy?

A participant can buy as little as 200 watts of solar or enough to cover up to 120% of their annual electricity usage. Just for perspective, the typical MN home uses about 800 kWh each month—or 9,600 kWh/year. To fulfill all of that need might take about 8 kW of solar (assuming each 1 kW panel would generate 1,200 kWh per year if it had around a 14% capacity factor).

We recommend that people consider energy conservation and efficiency measures to reduce their energy needs before subscribing to a community solar garden to lower their upfront subscription costs and/or cover more of their needs.

Q How much does it cost?

The short answer is, it depends. Each developer will have their own subscription prices, and each subscriber will have an amount of their electricity that they're willing or able to cover with solar.

Q What if I start using more energy?

If you start using more energy, you will likely have an opportunity to subscribe to more panels to cover that usage.

However, solar has been seen as a catalyst for folks to use less energy, because they start to focus on ways they can save energy to make their solar go further. Hopefully participation in community-solar will also serve that function.

Q What happens to my subscription if I move?

If you move within the same county or to an adjacent county where your electric utility provider is still the same, you can still be a part of the same solar garden.

If, however, you move to a different utility territory, to a non-adjacent county, or to a different state, you could no longer participate in the same solar garden. Your options would be to (a) sell your subscription back at fair market value, (b) donate it to a nonprofit, or (c) transfer it to another family member.

Your solar garden operator keeps track of subscriptions and will handle the customer care role of processing any necessary changes.
Who can participate?

The great opportunity with community solar gardens is that anyone, or any group, can come together to kick-start a project. A congregation, a local government, a school, a community group or any group of customers can come together to develop a community solar garden.


Once a project is available, participants can sign on if they are a member/customer of a utility and located in the same county where a project is located, or the adjacent county. In plain English, that means you can subscribe to a project in Xcel Energy territory located in Hennepin County as long as you are an Xcel Energy Customer and live in either Hennepin County or any of its surrounding counties (i.e., Ramsey, Dakota, Scott, Carver, Wright, Sherburne, or Anoka).

Again, if there isn’t a project close to you, then you can serve as the catalyst to kick start one.

Will my energy bill go up, down, or stay the same?

As a subscriber to a community solar garden project, the energy use portion of your bill will go down, because you will be credited based on the rate paid for the kWh production of your share of the solar system. You will still pay fixed charges on your bill, such as a basic service charge, resource adjustments, and any city, county and local taxes.

Can I claim that my home or business is solar powered?

Well, not exactly. As a subscriber to a garden that sells the solar Renewable Energy Credits (sRECs) to the utility, you can claim that you are participating in a community solar garden project, but if the Utility has purchased the sRECs, they have purchased those solar energy attributes. Learn more in this handy one-pager.

Is the credit to my bill taxable income? Is the annual account settlement taxable?

The credit to your bill is not taxable. Whether or not the annual account settlement (which is the payment the utility would make via a check at the end of the year long period as a “bill true-up”) is taxable is still pending an IRS consideration. Subscribers should consult their own accountant/attorney.
How do I choose a developer?

The Developer is not regulated by the Minnesota Public Utilities Commission, so it is important to choose your solar developer wisely. The Developer is the person or group that pulls all the various components of the project together. These are the folks who would manage the financing, the insurance, the installation, the operations and maintenance and the agreements with the utility.

We never recommend one entity over another, but we pose questions a group or individual ought to ask of a potential developer:

- Do they have staying power to be around for the next 25 years? What is their background, and do they have the right experience?
- Who will be the entity to conduct the maintenance on the system? Has the contractor or developer set aside enough money to do on-going work?
- Have they secured the insurance for the project and covered all of their legal bases to move a project forward?
- Is this developer willing to listen to your interests and motivations and use those to tailor the project?

What makes for a good Host Site?

You want to make sure you’re really a good host site in terms of solar resource. What does that mean? It means south facing, no shading, a solid roof structure, ready access to the site, and a strong utility interconnection potential (i.e., close to a substation or other existing electrical infrastructure in the right utility territory).

You also need to make sure you’re in it for the long haul. If you want to lease your roof space to a project, you’ll need to do that for 25 years at minimum, and be an entity that will be around for 25 years to stick to the agreement.

Others could also play host, like a closed landfill, or a brownfield. Ideally you do not want to take up “green space” or prime agricultural land that could have a higher value used elsewhere.

Another consideration to keep in mind: a 1 MW project can require an area with either 3-8 acres of land or 100,000 sq feet of roof space (ideally a new roof).

Can a host site use energy generated on its roof (or a portion of it)?

Yes. If the host site is also a subscriber, then it could use some of the energy generated on its own site.
What is the role of Finance?

While the subscribers pay for a lot of the up-front costs of a project, there are additional investors who will be involved in the project because they have a tax appetite to benefit from the federal Investment Tax Credit (which will make any project more affordable). These folks are important because most of us don’t really have the ability to take advantage of these tax credits.

If you have questions about the tax implications of participating in a project, you should seek professional tax advice.

What is the role of the Utility?

The utility’s role in providing and charging for electric service will remain the same; however, in addition to that role, the utility is the entity that will buy the power and will then credit your bill via virtual net metering. In some cases they may also run their own community solar gardens program.

What is a Site Assessor?

A site assessor is critical to making sure the project is developed at the best possible host site… see above: one with a good solar resource and will a solid site for the installation.

What do the Outreach Partners do?

This is a fairly straightforward role. Outreach Partners secure participants to help fill a project and make it a success. This role is critical in terms of making sure folks know about the opportunity, understand their options, and sign on to participate. Outreach can be done in a paid or unpaid capacity.