



BERKSHIRE ENVIRONMENTAL ACTION TEAM

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Protecting the environment for wildlife in support of the natural world that sustains us all.

Community Owned Community Solar

What is community solar?

Community solar allows multiple households, businesses, or organizations to share the electricity and financial benefits from a single solar project.

Instead of installing solar panels on your own roof, you subscribe to—or in some cases own—a share of a larger solar array and receive credits on your electric bill.

Community solar makes it possible to benefit from solar energy even if you rent, live in an apartment, or have a roof that isn't suitable for solar.

Community-owned community solar (COCS)

builds on that model. Instead of a private developer owning the project, the community owns it. That means local residents or community organizations help make decisions about the project, and the financial benefits stay in the community rather than going to outside investors.



Why does community ownership matter?

Most community solar projects in Massachusetts are owned by private companies. Participants receive credits on their electric bills, but ownership and any profits remain with the developer.

With community-owned community solar, the project is owned through a cooperative, nonprofit, community land trust, or another community-based organization. This changes who benefits from the project.

Community ownership changes who benefits from the project:

1. Revenue stays in the community. Income from generating electricity can be reinvested locally instead of going to an outside developer.
2. The community makes the decisions. Local members decide where the project is built, who it serves, and how any financial benefits are used.

Types of COCS

1. Cooperative: Community members purchase membership shares and become co-owners of the project. Each member has one vote, regardless of how many shares they own, and profits are shared among the members.
2. Nonprofit or Community-Controlled LLC: A nonprofit or community organization owns and manages the solar project on behalf of the community. This model is often simpler to establish and finance, but individual



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community members have less direct control over decisions.

3. Community Land Trust: A community land trust can develop a solar project on land it already owns, often alongside affordable housing or other community projects. This model works especially well when new developments are being planned.

Where could projects be built?

- Community-owned solar projects can be developed in a variety of locations, including:
- Rooftops
- Ground-mounted solar arrays
- Parking lot canopies
- Brownfields (previously developed or contaminated sites)

How are they financed?

In the past, nonprofit organizations, cooperatives, and municipalities generally could not directly benefit from the federal solar tax credit. As a result, communities often had to partner with private developers to finance solar projects.

Today, eligible nonprofits, cooperatives, and municipalities can receive the value of the federal solar tax credit directly from the IRS through the federal elective pay ("direct pay") program. This makes community ownership more financially feasible and reduces the need for outside investors. Projects serving low-income communities may also qualify for additional tax incentives.

State incentive programs, low-interest clean energy loans, and local grants can help cover remaining project costs.

Why community ownership matters

- **Access solar:** even if you rent, live in an apartment, or can't install panels on your roof.
- **Keep the benefits local:** revenue stays in the community and can support local priorities.
- **Share in ownership:** community members have a voice in how the project is governed and how its benefits are used.
- **Build local resilience:** communities gain experience owning and managing clean energy infrastructure.

Learn more about
community-owned
community solar and BEAT's
clean energy work:
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