

Community Solar for the Retail Sector

Community solar allows businesses, public entities, and residents to subscribe to an offsite solar array and access the benefits of clean energy without having to install solar directly on their property.

Investing in community solar has become a viable option for large companies looking to help spur the development of localized renewable energy, while also making progress toward their own climate and social equity goals. Retail sector participation in community solar enables community solar subscribers to realize benefits, such as reducing their electricity costs, while also supporting clean, local energy.

Some community solar projects prioritize subscriptions for low- to moderate-income households, which often experience difficulty accessing the benefits of clean energy. When companies invest in the development of a community solar project, they can meet their own environmental goals and provide economic and environmental benefits to their local community.



Pathways for Retail Companies to Engage in Community Solar

Organizations interested in participating in community solar can do so as the anchor tenant, the site host, the off-taker, or the developer. An anchor tenant is typically an entity that has a significant electricity load. The anchor tenant subscribes to a community solar project under a contract, often for the lifetime of that project, to take a significant portion of the full capacity of the project (typically 40% or more). Anchor tenants can help community solar projects offset financial risk and can be critical to getting projects financed and developed. Site hosts are entities, typically with large roof space or suitable grounds with high solar energy potential. Site hosts enter into agreements with a solar developer to host a community solar array on their property. Site hosts may or may not participate as a subscriber to the community solar project themselves. An off-taker is an entity that subscribes to a portion of the energy produced by a community solar array. Off-takers may receive a discount on their electricity costs or renewable energy credits (RECs) proportionate to the size of their subscription. Entities may also serve as the community solar developer, which designs, finances, constructs, and often acquires and manages subscribers to a community solar project.

The examples outlined below illustrate how retail companies are acting as anchor tenants and off-takers to support community solar projects.

Starbucks Coffee Company



Beginning in 2021, Starbucks, alongside a sustainable infrastructure firm, invested in up to 23 community solar projects in New York state. These community solar projects supply solar energy to local Starbucks stores and up to 24,000 households, small businesses, nonprofits, and more. Starbucks receives renewable energy credits (RECs) from the projects, which will offset over 70% of the electricity consumption at Starbucks locations in New York. Starbucks' role as off-taker and investor in community solar projects, among many other initiatives, works towards Starbucks' goal of a 50% reduction in greenhouse gas emissions by 2030.

Kohl's, Inc



Kohl's is committed to expanding their renewable energy platforms by building off the company's existing solar locations. Kohl's started with about 38,000 solar panels in 2007 on the rooftops of 19 California stores. Now, they have more than 51 MW of solar energy installed and host 163 solar arrays around the country totaling more than 200,000 solar panels. The national retailer is in the process of deploying rooftop solar on 15 of its rooftops across Arizona and Illinois. The new systems will bring the total number of rooftop solar arrays to 178 and increase Kohls' solar capacity by 10.4%, bringing it to a total of nearly 57 MW. As an off-taker, Kohl's also has 18 locations in New York that will subscribe to a share of four community solar projects, which will generate clean, renewable energy and provide economic and environmental benefits to local area residents.

Walmart



In 2021, Walmart contracted with an anchor tenant to support 129 MW of community solar projects. Walmart agreed to a share of each of the 23 anchor tenant's solar farms across New York and will receive energy credits equal to approximately 50 MW of the entire portfolio. While not currently a member of the Better Climate Challenge, Walmart is currently working towards a goal of zero emissions by 2040, as well as powering 100% of its facilities with renewable energy by 2035. By the end of 2020, Walmart was working on over 550 onsite and offsite renewable energy projects in eight countries, 30 states, and Puerto Rico.

Learn More

Visit the Department of Energy's National Community Solar Partnership webpage at <https://www.energy.gov/communitysolar/community-solar> to access a range of resources on community solar. Find more resources and guidance on community solar and renewable energy in the Better Buildings Solution Center.