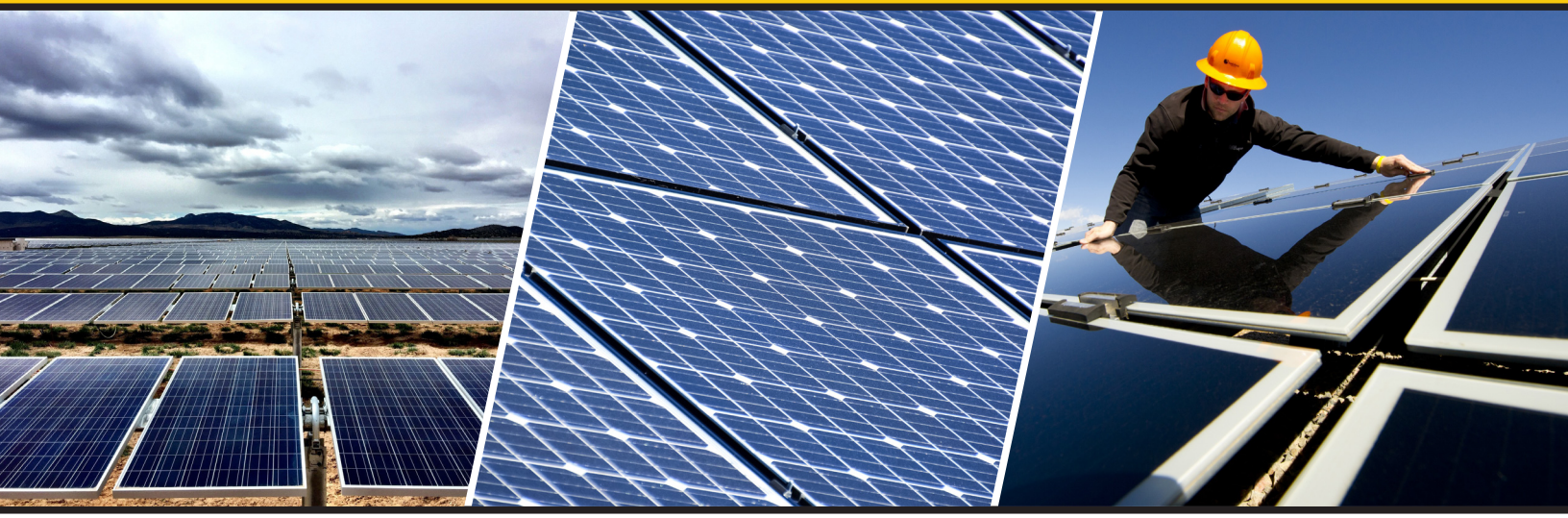
50 STATES OF SOLAR

Q4 2025 Report & 2025 Annual Review

Executive Summary



NC CLEAN ENERGY TECHNOLOGY CENTER | DSIRE insight

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The NC Clean Energy Technology Center is a UNC System-chartered Public Service Center administered by the College of Engineering at North Carolina State University. Its mission is to advance a sustainable energy economy by educating, demonstrating and providing support for clean energy technologies, practices, and policies. The Center provides service to the businesses and citizens of North Carolina and beyond relating to the development and adoption of clean energy technologies. Through its programs and activities, the Center envisions and seeks to promote the development and use of clean energy in ways that stimulate a sustainable economy while reducing dependence on foreign sources of energy and mitigating the environmental impacts of fossil fuel use.

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Full editions of and annual subscriptions to the 50 States of Solar may be purchased here.

The 50 States of Solar is a quarterly publication. Previous executive summaries and older full editions of *The 50 States of Solar* are available here.

The NC Clean Energy Technology Center also publishes the *50 States of Grid Modernization*, the *50 States of Electric Vehicles*, and the *50 States of Power Decarbonization* on a quarterly basis. Executive summaries of these reports may be found here. Please contact us for older issues of the 50 States of Solar.

ABOUT THE REPORT

PURPOSE

The purpose of this report is to provide state lawmakers and regulators, electric utilities, the solar industry, and other stakeholders with timely, accurate, and unbiased updates on state actions to study, adopt, implement, amend, or discontinue policies associated with distributed solar photovoltaics (PV). This report catalogues proposed and enacted legislative, regulatory policy, and rate design changes affecting the value proposition of distributed solar PV during the most recent quarter.

The 50 States of Solar series provides regular quarterly updates of solar policy developments, keeping stakeholders informed and up to date.

APPROACH

The authors identified relevant policy changes through state utility commission docket searches, legislative bill searches, popular press, and direct communication with stakeholders and regulators in the industry.

Questions Addressed

This report addresses several questions about the changing U.S. solar policy landscape:

- How are state legislatures, regulatory authorities, and electric utilities addressing fast-growing markets for distributed solar PV?
- What changes to traditional rate design features and net metering policies are being proposed, approved, and implemented?
- Where are distributed solar markets potentially affected by policy or regulatory decisions on community solar and third-party solar ownership?
- What changes to state or utility distributed generation interconnection rules are under consideration, and where are states adopting or modifying financial incentive programs for distributed solar?

Actions Included

This report series focuses on cataloging and describing important proposed and adopted policy changes affecting solar customer-generators of investor-owned utilities (IOUs) and large publicly-owned or nonprofit utilities (i.e., those serving at least 100,000 customers). Specifically, actions tracked in these reports include:

- Significant changes to state or utility **net metering** laws and rules, including program caps, system size limits, meter aggregation rules, and compensation rates for net excess generation
- Changes to statewide **community solar** or **virtual net metering** laws and rules, and individual utility-sponsored community solar programs arising from statewide legislation
- Legislative or regulatory-led efforts to study the **value of solar**, **net metering**, or **distributed solar generation policy**, e.g., through a regulatory docket or a cost-benefit analysis
- Changes to state or utility **interconnection rules** for distributed generation systems, exempting rules governing transmission- or wholesale-level interconnection
- Utility-initiated rate requests for **charges applicable only to customers with solar PV** or other types of distributed generation, such as added monthly fixed charges, demand charges, stand-by charges, or interconnection fees
- Utility-initiated rate requests that propose a 10% or larger increase in either **fixed charges** or **minimum bills** for all residential customers
- Changes to existing **state or utility solar incentive programs**, or new solar incentive programs, including tax incentives, rebate and grant programs, and performance-based incentives
- Changes to the legality of **third-party solar ownership**, including solar leasing and solar third-party solar power purchase agreements (PPAs)

In general, this report considers an "action" to be a relevant (1) legislative bill that has been passed by at least one chamber or (2) a regulatory docket, utility rate case, or rulemaking proceeding. Introduced legislation related to third-party sales is included irrespective of whether it has passed at least one chamber, as only a small number of bills related to this policy have been introduced. Introduced legislation pertaining to a regulatory proceeding covered in this report is also included irrespective of whether it has passed at least one chamber.

Actions Excluded

In addition to excluding most legislation that has been introduced but not advanced, this report excludes more general utility cost recovery and rate design changes, such as decoupling or time-of-use tariffs. General changes in state implementation of the Public Utility Regulatory Policies Act of 1978 and subsequent amendments, including changes to the terms of standard contracts for Qualifying Facilities or avoided cost rate calculations, are excluded unless they are related specifically to the policies described above. Interconnection rules governing transmission- or wholesale-level interconnections are also excluded. The report also does not cover changes to a number of other policies that affect distributed solar, including solar access laws and renewable portfolio standards. Details and updates on these and other federal, state, and local government policies and incentives are available in the NC Clean Energy Technology Center's Database of State Incentives for Renewables and Efficiency, at **www.dsireusa.org**.

EXECUTIVE SUMMARY

2025 SOLAR POLICY ACTION

State and utility solar policies continued to undergo review in 2025, with nearly every state in the country considering policy or rate design changes – a trend which has continued over the past several years and is expected to continue. Table 1 provides a summary of state actions related to state solar policies and programs during 2025. Of the 386 actions identified, the most common were related to DG compensation policies (104), community solar policies (74), and residential fixed charge increases (68). The actions occurred across 49 states plus DC and Puerto Rico in 2025 (Figure 1). The states that saw the most solar policy action, or the most impactful actions, during 2025 are highlighted below.

Table 1. 2025 Summary of Policy Actions

Policy Type	# of Actions	% by Type	# of States
DG Compensation Policies	104	27%	37 + PR
Community Solar	74	19%	25 + DC, PR
Residential Fixed Charge or Minimum Bill Increase	68	18%	34 + PR
Financial Incentives	46	12%	20 + DC
Interconnection Rules	44	11%	22 + DC, PR
DG Valuation or Net Metering Study	21	5%	16 + DC
Third-Party Ownership of Solar	18	5%	11 + PR
Demand or Solar Charges	11	3%	7
Total	**386**	**100%**	**49 States + DC, PR**

Note: The "# of States/ Districts" total is not the sum of the rows, as some states have multiple actions. Percentages are rounded and may not add up to 100%.

TOP TEN MOST ACTIVE STATES OF 2025

While nearly every state in the country took some type of action on distributed solar policy or rate design during 2025, some states were particularly active, taking many different actions or especially impactful actions. The following states stood out in 2025 for their solar policy activity:

1. Nevada

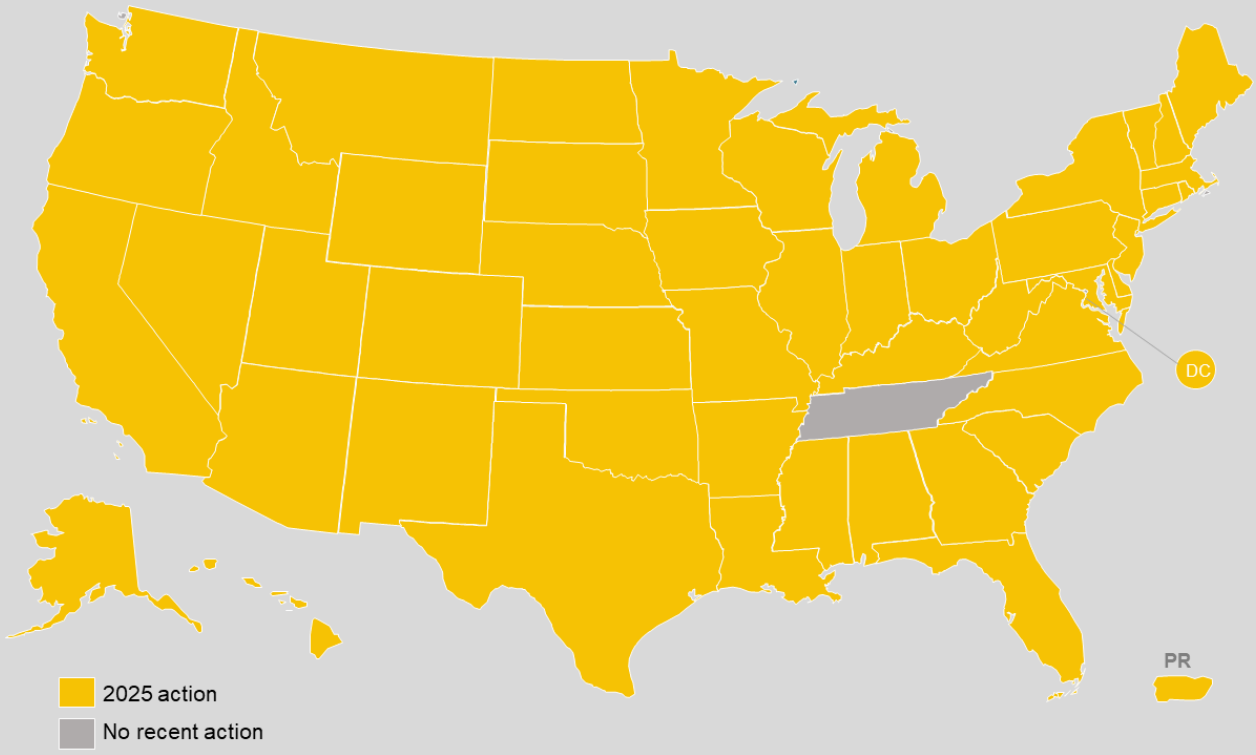
Nevada Power and Sierra Pacific Power both proposed to transition to net billing structures in 2025. The Public Utilities Commission of Nevada (PUCN) approved Sierra Pacific Power's tariff utilizing 15-minute netting. For Nevada Power, the PUCN denied the proposed change to the netting interval, instead approving new mandatory demand charges. Lawmakers, meanwhile,

established virtual net metering for low-income multifamily housing and ordered the PUCN to include community-based solar in its Expanded Solar Access Program.

2. Virginia

The Virginia State Corporation Commission established a new minimum bill for Appalachian Power's shared solar program and is reviewing changes to Dominion Energy's minimum bill. The Commission denied a net metering successor proposed by Appalachian Power, adjusting only monthly net excess compensation rates. Dominion Energy's net metering successor proposal is still under consideration. Lawmakers also created a distribution cost sharing program for grid upgrades triggered by distributed generation interconnection

Figure 1. 2025 Action on Distributed Solar Policy and Rate Design



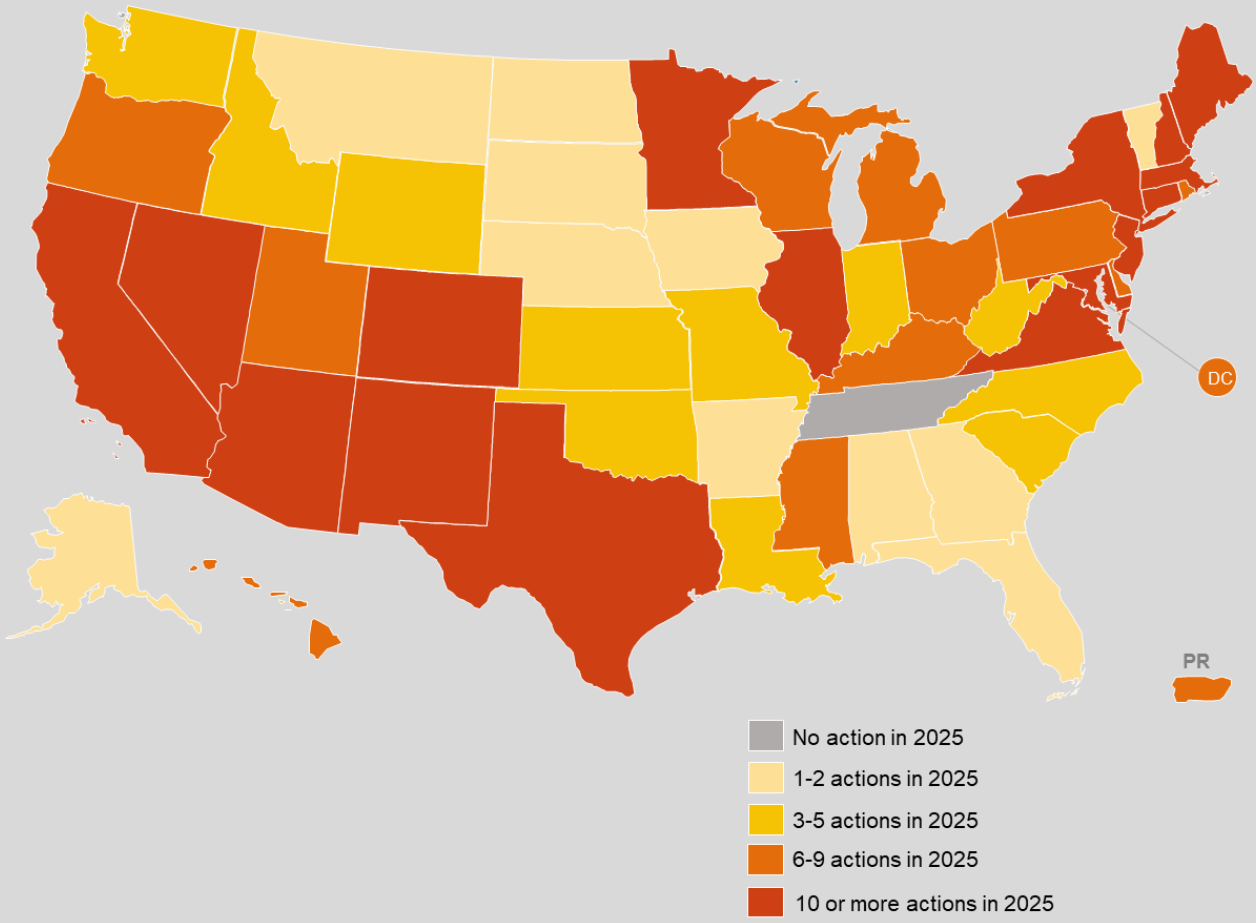
3. West Virginia

The West Virginia Public Service Commission approved a new net billing program for Appalachian Power and Wheeling Power, which utilizes instantaneous netting and credits all exported kWh at the avoided cost. Lawmakers considered three bills prohibiting public entities from entering into third-party power purchase agreements that exceed the cost of standard utility service, but the bills did not pass their originating chambers.

4. Idaho

Idaho Power and PacifiCorp both filed new export credit rates – Idaho Power as part of an annual update, PacifiCorp to implement the first iteration of its successor tariff. The credit rates apply instantaneously to all exported energy. When approving the export credit rates, the Idaho Public Utilities Commission suspended the annual update cycle, leaving these values in place until 2028. Avista Utilities, meanwhile, agreed to work with regulatory staff to discuss a study quantifying the costs and benefits of on-site generation for its export credit rate.

Figure 2. 2025 Distributed Solar Policy and Rate Design Activity, by Number of Actions



5. Maine

Maine lawmakers enacted a bill modifying the state's net billing program, implementing a tiered credit system based on system size and a new monthly capacity charge for community solar systems. The bill also ordered the Governor's Energy Office to develop a successor distributed energy resources program, with compensation based on the holistic value of the system. The

Maine Public Utilities Commission opened an investigation into interconnection and wrapped up an investigation into the benefits of distributed generation.

6. Illinois

Ameren Illinois, Commonwealth Edison (ComEd), and MidAmerican Energy finalized their transitions to net billing. ComEd also proposed a new community solar-plus-storage program, but later withdrew it after the General Assembly passed a bill establishing virtual power plant requirements. The bill, signed in early 2026, also amended the state's various solar incentive programs and interconnection rules. The Illinois Commerce Commission released a final report on the value of distributed generation.

7. Colorado

Xcel Energy filed its 2026-2027 Renewable Energy Plan, which revised the utility's Solar*Rewards incentive programs, replaced the Solar*Rewards Community program with the Inclusive Community Solar program, and proposed a new flexible interconnection process. Xcel Energy also requested approval for interconnection cost-sharing for community solar facilities, which the Colorado Public Utilities Commission approved. Colorado Springs Utilities proposed a new demand rate for net-metered customers, but the City Council later withdrew the plan.

8. Hawaii

In Hawaii, the HECO companies proposed a Phase 3 framework for their Community-Based Renewable Energy Program, and the Hawaii Public Utilities Commission (PUC) approved the utilities' NEM+ Program revisions. Lawmakers ordered the PUC to develop tariffs utilizing fair compensation and directed the State Energy Office to evaluate a potential green bonds program, while the Governor ordered the PUC to streamline interconnection processes.

9. Washington

PacifiCorp became the first Washington investor-owned utility to propose a net metering successor program, after reaching its statutory enrollment threshold. Regulators approved the program, along with an extra credit for low-income customers. Regulators denied a petition regarding meter socket adapters, but remain open to a formal rulemaking process. Meanwhile, the Washington State Academy of Sciences released its interim value of solar study.

10. Massachusetts

The Massachusetts Clean Energy Center released a grid services roadmap and valuation model. The Department of Energy Resources launched the Solar Massachusetts Renewable Target 3.0, revising incentive structures and the interconnection process; the Department made separate revisions to interconnection based on working group recommendations. The Department also proposed consolidating billing rules for community solar.

TOP SOLAR POLICY TRENDS OF 2025

Net Billing Transitions Spurred by Utility Proposals

Utilities are looking ahead and voluntarily proposing net metering successor programs for customers. West Virginia regulators approved Appalachian Power and Wheeling Power's new net billing programs, while their Nevada counterparts approved Sierra Pacific Power's net billing proposal. Nevada Power also proposed a net billing program, though regulators instead approved mandatory demand charges. The HECO Companies implemented a new tariff for existing systems to export additional capacity during grid service events.

Incorporating Net Metering into Advanced Rate Design Structures

As utilities evolve their retail rate designs, they are working to integrate net metering customers into time-of-use (TOU) or demand rates. Xcel Energy and PacifiCorp both proposed new net excess generation compensation for residential customers on TOU rates, while Ameren Missouri agreed to let net metering customers enroll in TOU rates. El Paso Electric in Texas and Colorado Springs Utilities both proposed demand rates for net metering customers.

Focusing on Distributed Generation Paired with Energy Storage

Pairing net-metered distributed generation systems with energy storage allows systems to provide greater benefits to both customers and the grid. Reports in Illinois and Massachusetts considered the grid benefits of distributed generation-plus-storage. New Hampshire regulators have an ongoing investigation also examining this. Hawaii lawmakers ordered regulators to develop compensation tariffs which must include storage riders, and regulators approved a new participation pathway for existing solar-plus-storage systems.

Releasing Cost-Benefit Analyses of Distributed Generation

States across the country released various cost-benefit analyses or reports on distributed generation this year. Illinois and Massachusetts released cost-benefit analysis tools and avoided cost calculators for distributed generation. Wisconsin published a literature review of value of solar studies, while Washington released its Phase 1 report for its ongoing value of solar study. Delaware released a cost-benefit study of net metering, finding traditional net metering to be more cost-effective than successor tariffs.

Reviewing Revisions to Aggregate Program Caps

A number of states reviewed aggregate program caps for net metering and community solar in 2025. Connecticut and New Hampshire opened net metering investigations, including review of the program caps, while New Mexico is performing the annual revision of its community solar cap. Kansas lawmakers increased the net metering cap from 5% to 8% of peak demand, while Alaska is considering a cap increase from 1.5% to 20% of demand.

Integrating Consolidated Billing into Community Solar Programs

Consolidated billing can streamline the administrative process for community solar while also improving customer understanding. New Orleans' City Council Advisors released a report on consolidated billing, while regulators in Maryland, Massachusetts, and New Mexico all proposed consolidated billing regulations. In Colorado, Xcel Energy included consolidated billing in its new community solar proposal, and the Ohio House passed a bill creating a community solar program, in which consolidated billing would be required.

Approving Full Increases in Residential Fixed Charges

For the first time since 2020, state regulators approved more full increases in residential fixed charges (13) than partial increases (7) or no increases (12). This is also the year with the most full approvals since the 50 States of Solar series launched in 2015 – the previous high was 8 approvals in 2020 and 2024. Utilities in 11 states received their full requested increase, with increases ranging from $1.00 to $13.21, and from 7% to 118%.

Responding to Loss of Federal Incentives

After the federal government made changes to the Investment Tax Credit and Production Tax Credit, states responded with changes to their own programs and processes. Regulators in New York amended interconnection rules to allow for faster system connections. New Jersey and Connecticut regulators amended the application timelines for affected programs. Illinois lawmakers passed an omnibus energy bill with multiple provisions improving the financial standing of residential solar projects.

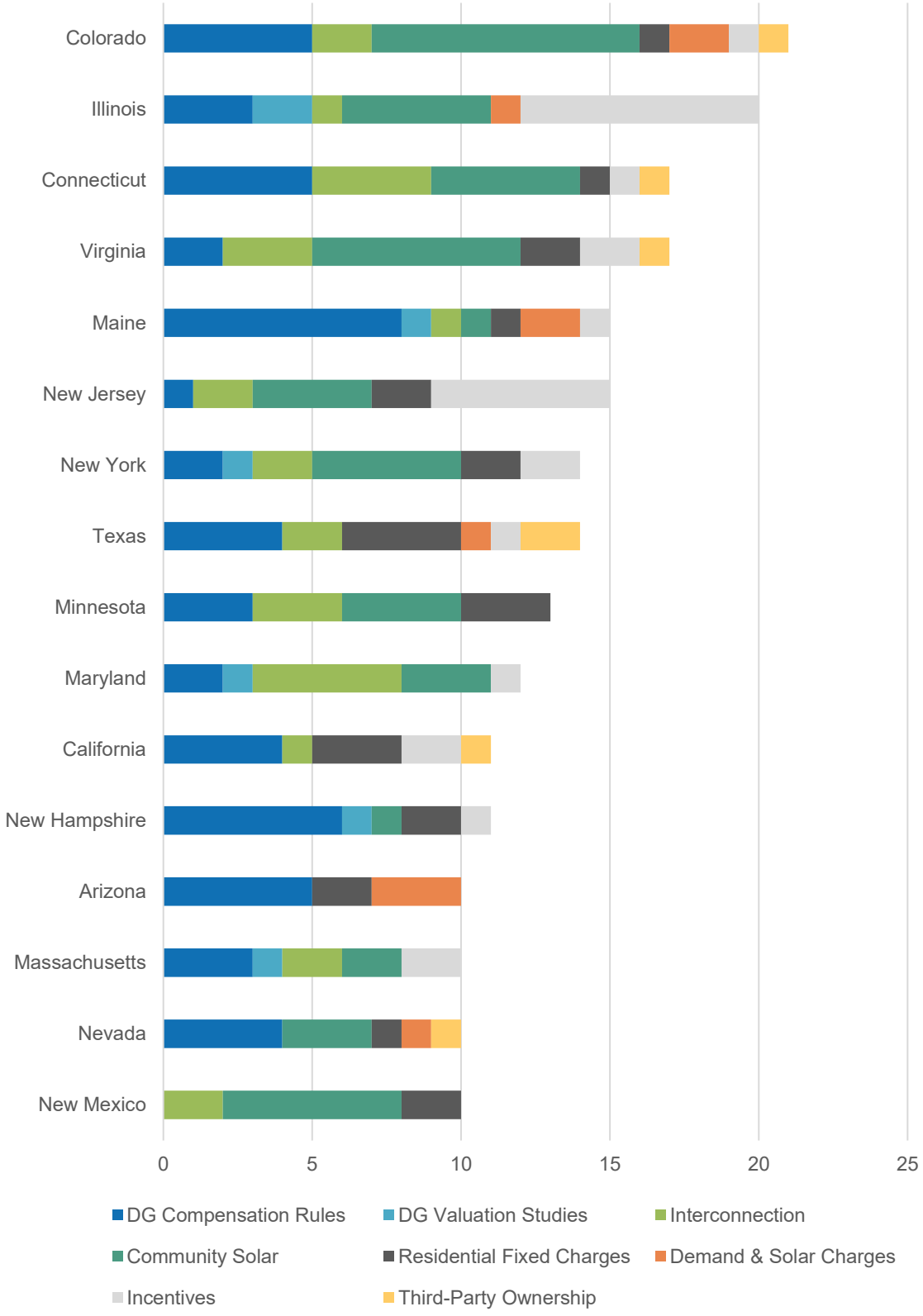
Proposing New Fees for Distributed Generation Customers

Utilities are increasingly proposing new fees for distributed generation customers, although many of these are being denied. Administrative law judges in Texas denied El Paso Electric's Distributed Generation Rate that would have implemented a new demand charge, Illinois regulators denied Ameren Illinois' residential peak usage charge, and the Colorado Springs City Council withdrew a demand rate for net-metered customers. However, Nevada regulators approved demand charges for all of Nevada Power's residential and small commercial customers.

Considering Iterative Revisions to Net Metering Policies

With net metering successors becoming more common, states that have already transitioned are considering additional revisions to their policies. Connecticut regulators began an investigation into its non-residential net metering program, while New Hampshire has an ongoing review. Maine lawmakers implemented tiered credits and a new credit rate methodology for its net billing program, while also calling for a new compensation program. Meanwhile, Idaho regulators revised the process to update compensation values.

Figure 3. Most Active States of 2025, by Type of Action



LOOKING BACK: 2015 - 2025

State and utility action on distributed solar policy and rate design remained at a very high level in 2025, consistent with recent years. Figure 4 shows the total number of actions taken in each year, by category tracked since 2015, while Figure 5 displays the number of states taking action in each category. Note that several actions were considered over multiple years.

Figure 4. Number of Solar Policy Actions 2015-2025

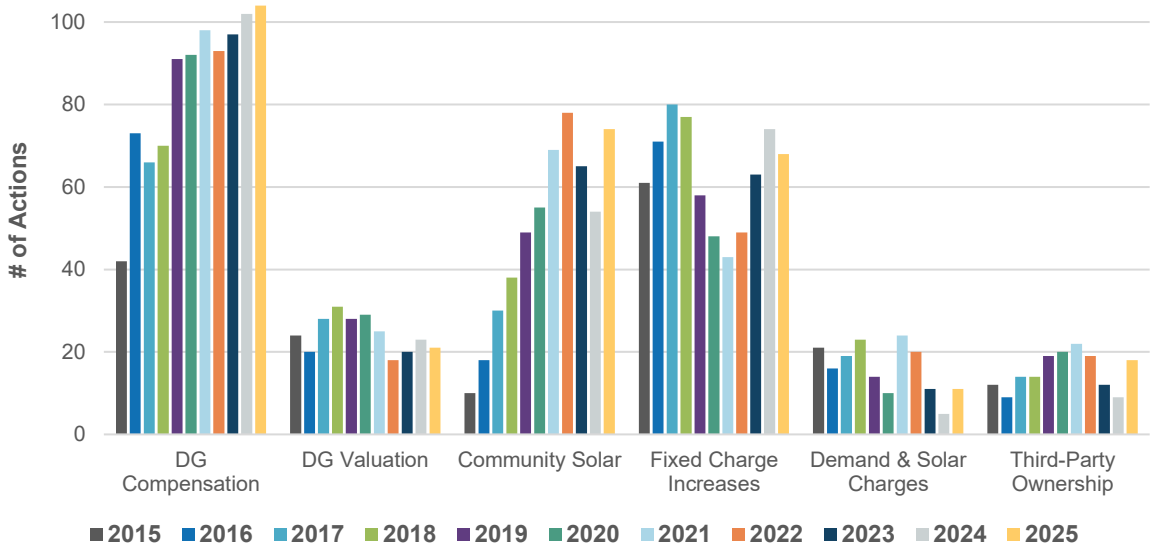
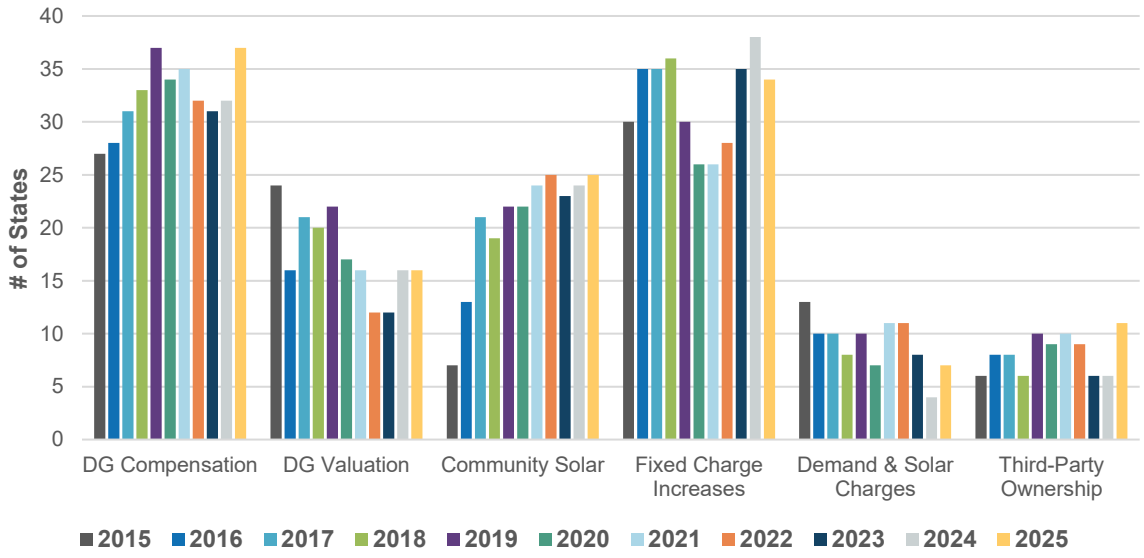


Figure 5. Number of States Taking Solar Policy Action 2015-2025



OVERVIEW OF Q4 2025 POLICY ACTION

In the fourth quarter of 2025, 44 states plus DC and Puerto Rico took a total of 215 actions related to distributed solar policy and rate design (Figure 6). Table 2 provides a summary of state actions related to distributed solar policy and rate design Q4 2025. Of the 215 actions cataloged, the most common were related to residential fixed charge and minimum bill increases (49), followed by DG compensation rules (48), and community solar (41).

Table 2. Q4 2025 Summary of Policy Actions

Policy Type	# of Actions	% by Type	# of States
Residential Fixed Charge or Minimum Bill Increase	49	23%	28 + PR
DG Compensation Rules	48	22%	25 + PR
Community Solar	41	19%	20 + PR
Interconnection Rules	29	13%	16 + DC, PR
Financial Incentives	24	11%	10 + DC
DG Valuation or Net Metering Study	11	5%	10
Demand or Solar Charges	8	4%	6
Third-Party Ownership of Solar	5	2%	2 + PR
Total	**215**	**100%**	**44 States + DC, PR**

Note: The "# of States/ Districts" total is not the sum of the rows, as some states have multiple actions. Percentages are rounded and may not add up to 100%.

TOP FIVE SOLAR POLICY DEVELOPMENTS OF Q4 2025

Five of the quarter's top policy developments are highlighted below.

Illinois Lawmakers Make Overarching Changes to Solar Programs

In early January 2026, the Governor of Illinois signed an omnibus energy bill passed by the General Assembly in October 2025. The bill makes revisions to the state's community solar, solar-plus-storage incentive, Solar for All, and Adjustable Block programs. It also allows the Renewable Energy Resources Fund to develop payment support for low-income solar systems. In addition, the bill establishes an Interconnection Working Group and an Ombudsperson to oversee the interconnection process.

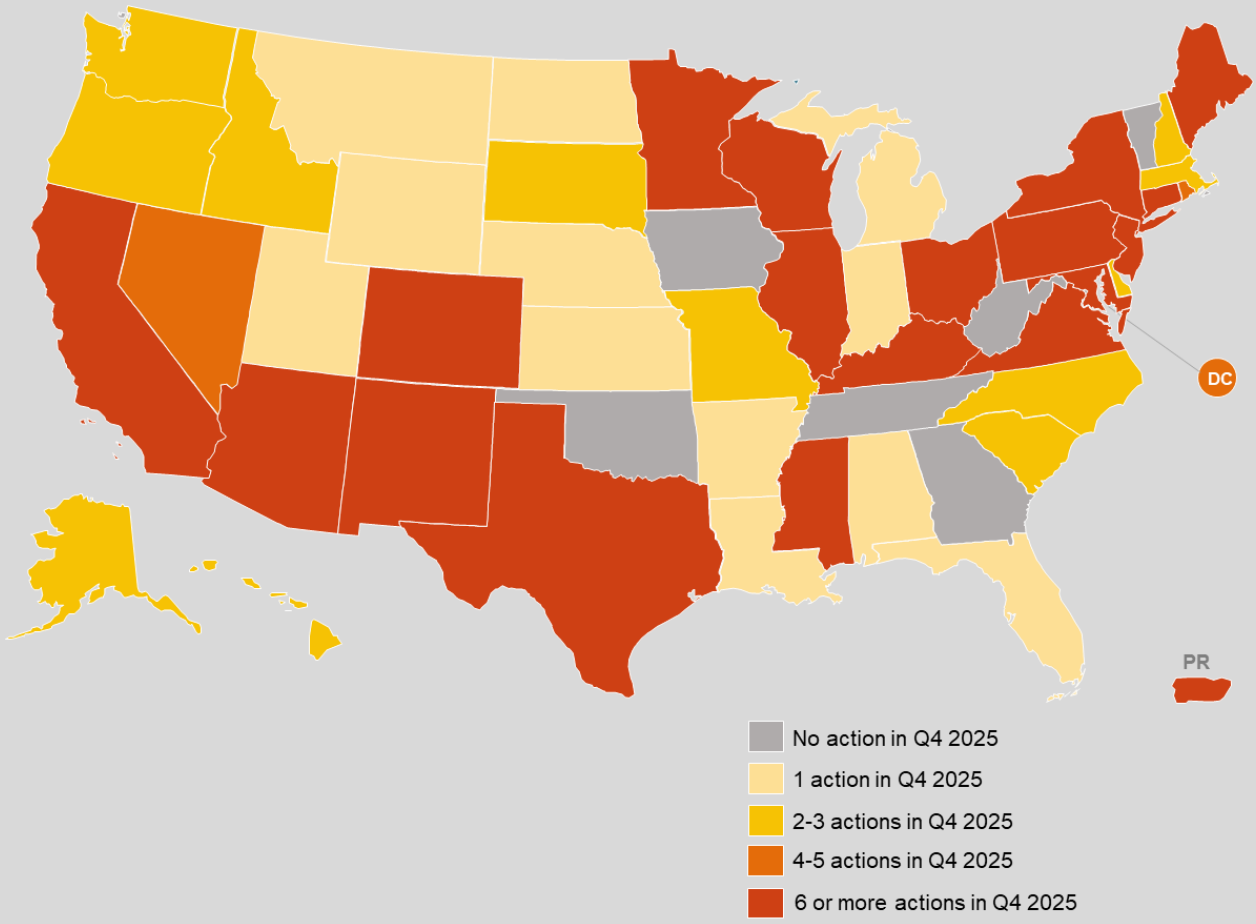
Colorado Springs City Council Withdraws Demand Tariff for Net Metering Customers

The Colorado Springs City Council withdrew a proposed demand non-time-of-use rate for residential and commercial net metering customers after public opposition. The rate was meant to be a continuation of the municipality's EnergyWise advanced rate design program, which all non-net metering customers transitioned to in October 2025. Net-metered customers will stay grandfathered into the existing non-demand non-time-of-use rate.

Hawaii Regulators Approve HECO's NEM+ Exported-Limited Option

In November 2025, the Hawaii Public Utilities Commission approved the HECO Companies' proposed addition to their NEM+ Program. The NEM+ Program allows customers to add non-exporting capacity to their existing net metering systems without losing their net metering status. The new participation option will allow grid exports from added capacity, but only through participation in a grid services program; outside of grid services events, the system's export capacity must be limited to the original system size.

Figure 6. Q4 2025 Distributed Solar Policy and Rate Design Activity, by Number of Actions

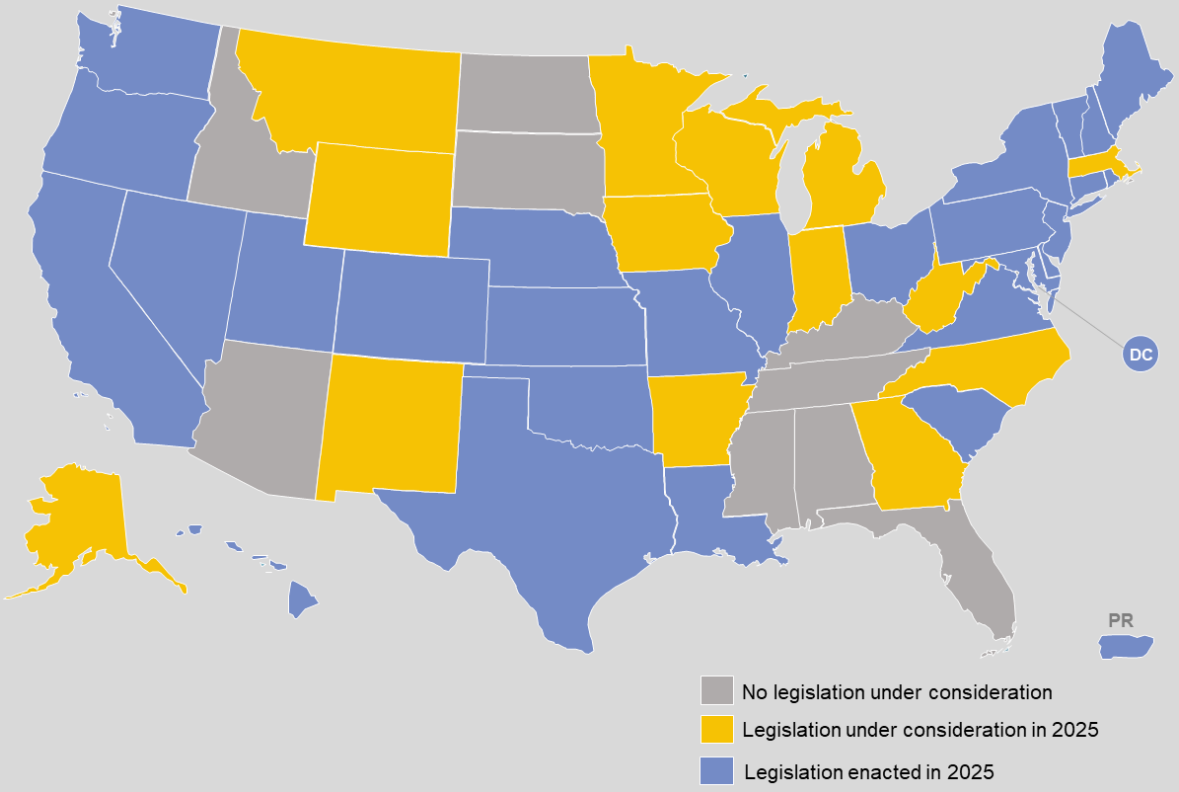


Washington Regulators Approve PacifiCorp Net Metering Successor

The Washington Utilities and Transportation Commission approved PacifiCorp's net billing program, making PacifiCorp the state's first investor-owned utility to propose a net metering successor after reaching its statutory enrollment threshold. The new program utilizes an hourly netting interval and

credits excess generation at 5.167 cents/kWh. The Commission also approved an equitable access credit, allowing low-income customers to receive the same economic benefits of net metering under the new successor. The successor will go into effect in February 2027.

Figure 7. Distributed Solar Policy Legislation Under Consideration in 2025



Regulatory Commission of Alaska Adopts Community Solar Rules

The Regulatory Commission of Alaska adopted final regulations for the Community Energy Program, established by 2024 legislation. Facilities can be utility- or third-party owned and can use a variety of renewable energy resources, including solar. Credits are provided on a monthly basis at the retail rate, with any generation above the participant's usage credited at the avoided cost rate. Utilities must submit program tariffs by June 2026. Utilities are expected to use a system size limit of 5 MW, but may impose a smaller limit with justification.

FULL REPORT DETAILS & PRICING

FULL REPORT DETAILS

Content Included in the Full Quarterly Report:

- Detailed policy tables describing each pending and recently decided state and utility action regarding:
  - Net Metering
  - Distributed Solar or DG Valuation
  - Community Solar
  - Residential Fixed Charge and Minimum Bill Increases
  - Residential Solar Charges (Demand Charges, Standby Charges, & Grid Access Charges)
  - Third-Party Ownership
  - Utility-Led Rooftop Solar
- Links to original legislation, dockets, and commission orders for each policy action
- Summary maps of action for each policy category above
- Excel spreadsheet file of all actions taken during the quarter and separate Powerpoint file of all summary maps available upon request
- Qualitative analysis and descriptive summaries of solar policy action and trends
- Outlook of action for the next quarter

WHO SHOULD PURCHASE THIS REPORT

The 50 States of Solar allows those involved in the solar and electric utility industry to easily stay on top of legislative and regulatory changes. The report provides a comprehensive quarterly review of actions, an undertaking that would take any one business or organization weeks of time and thousands of dollars in staff time. At a cost of $500 per issue (or $1,500 annually), the 50 States of Solar offers an invaluable time and financial savings. With direct links to original sources for all actions, customers may stay on top of legislative and regulatory developments between quarterly reports.

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- Identify new market opportunities, as well as changing and risky markets
- Stay on top of state policy developments relevant to your business
- Give your own team a head start in tracking legislative and regulatory proceedings

Investor-Owned and Public Power Utilities

- Learn about the approaches being taken by other utilities facing similar challenges
- Stay on top of relevant state policy developments
- Utilize an objective source of information in legislative and regulatory proceedings

Investors and Financial Analysts

- Identify new investment opportunities and emerging areas of growth, as well as risky investments
- Access rate data that is often buried in regulatory filings

Advocacy Organizations

- Learn about the diverse solar policy and rate proposals in other states
- Learn about the outcomes of other state's policy and rate decisions
- Utilize an objective source of information in legislative and regulatory proceedings

Researchers and Consultants

- Access valuable data requiring an immense amount of time to collect first-hand
- Identify research needs to inform solar policy and rate design proceedings
- Cite an objective source in your own research and analysis

PRICING

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