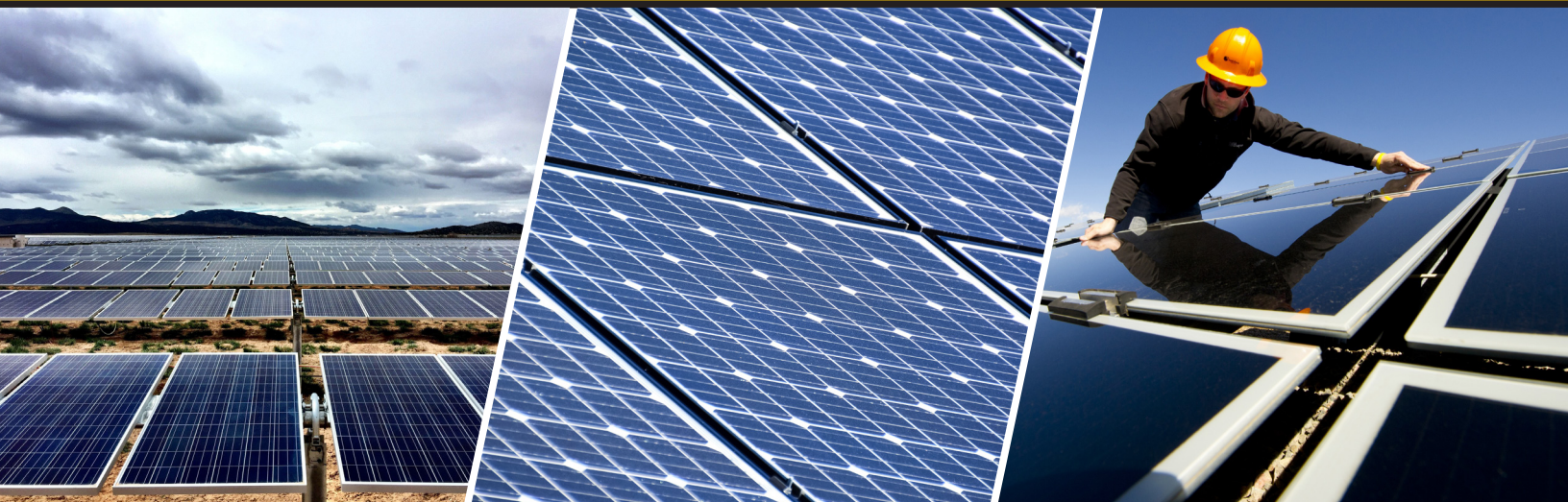


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STATES OF SOLAR

Q1 2026 Quarterly Report

Executive Summary



NC CLEAN ENERGY
TECHNOLOGY CENTER

DSIRE insight

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AUTHORS

Emily Apadula
Cleo Carter
Rebekah de la Mora
Caitlin Flanagan
Justin Lindemann
Brian Lips
Autumn Proudlove

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.

CONTACT

Rebekah de la Mora (rmdelamo@ncsu.edu)
Autumn Proudlove (afproudl@ncsu.edu)

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PREVIOUS EDITIONS AND OTHER 50 STATES REPORTS

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

OVERVIEW OF Q1 2026 POLICY ACTION

In the first quarter of 2026, 44 states plus DC and Puerto Rico took a total of 253 actions related to distributed solar policy and rate design (Figure 1). Table 1 provides a summary of state actions related to distributed solar policy and rate design during Q1 2026. Of the 253 actions cataloged, the most common were related to DG compensation rules (61), followed by interconnection rules (51), and community solar (46).

Table 1. Q1 2026 Summary of Policy Actions

Policy Type	# of Actions	% by Type	# of States
DG compensation rules	61	24%	27 + PR
Interconnection rules	51	20%	20 + DC, PR
Community solar	46	18%	20 + PR
Residential fixed charge or minimum bill increase	43	17%	24 + PR
Financial incentives	28	11%	12
DG valuation or net metering study	11	4%	10
Third-party ownership of solar	7	3%	5
Residential demand or solar charge	6	2%	5
Total	253	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 Q1 2026

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

Governor of Rhode Island Orders Review of Net Metering and Incentive Program

Rhode Island Governor McKee’s first Executive Order of 2026 ordered the Office of Energy Resources to review the state’s net metering program and Renewable Energy Growth Incentive Program, to control program costs and prevent financial burdens while still achieving emission reductions. The review of virtual net metering must be completed by May 2026, while the review of behind-the-meter net metering and the incentive program must be completed by October 2026.

Virginia Policymakers Advance Distributed Solar Legislation

The Virginia General Assembly advanced several bills addressing distributed solar energy this quarter, which Governor Spanberger signed in April. These bills cover a variety of issues,

THE BIG PICTURE: INSIGHTS FROM Q1 2026

Legislators Pave the Way for Plug-In Solar

Lawmakers in ten states advanced legislation during Q1 2026 to allow the installation and operation of portable solar generation or plug-in solar devices. A majority of the bills contain similar language and provisions, including exempting such devices from existing state interconnection and net metering requirements. Additionally, many of these bills limit the devices' capacity to no more than 1,200 W and require them to comply with the National Electric Code and be certified by a nationally recognized testing laboratory. Several of the bills also limit customer ownership to one such device. While legislation has advanced in ten states, only one state, Maine, has enacted its version of the bill. In Maryland, the bill is awaiting a Gubernatorial decision, while the Virginia Governor sent the bill back to legislators with recommendations. This legislation has been passed by at least one chamber in seven other states.

States and Utilities Consider Flexible Interconnection for Distributed Generation

Flexible interconnection allows utilities to control when distributed generation can export to the grid, ensuring export volume aligns with grid capacity. While already implemented in some areas for larger systems, more states are starting to consider flexible interconnection processes for distributed generation. Connecticut utilities filed a proposal for flexible interconnection, recommending a two-phase implementation process to account for technical upgrades. The Governor of Massachusetts signed an executive order directing utilities to implement flexible interconnection, while the state House passed a bill establishing a program. Xcel Energy and PPL Utilities are both developing flexible interconnection proposals as part of overarching distributed generation plans, at the behest of regulators. Meanwhile, Maryland utilities are compiling information on possible changes to their existing flexible interconnection implementation.

Policymakers and Regulators Target Residential Energy Affordability Through Solar

With energy costs rising, policymakers are looking for ways to improve energy affordability, and one of their many solutions is increasing residential access to solar. The Maryland General Assembly passed a bill to investigate an opt-out model for community solar specifically targeting low-income customers; meanwhile, New Jersey regulators revised community solar eligibility so that new systems must offer at least a 20% bill discount to all subscribers and at least a 25% discount to all low-income subscribers. Washington policymakers established a new treasury account that will be used to improve energy affordability via community solar. The Governor of Illinois signed a landmark bill revamping incentives for low-income solar. Meanwhile, regulators in Nevada approved NV Energy's changes to its Expanded Solar Access Program so that it exclusively targets low-income customers. The utility has another program under consideration to allow multifamily affordable housing to operate solar for tenants.

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.

Solar Installation and Manufacturing Companies

- 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

Visit <https://www.dsireinsight.com/subscriptions/> to purchase the full 50 States of Solar Q1 2026 Report or learn more about our additional subscription offerings.

Subscription Type	Annual Subscription	Single Report
50 States of Solar Report	\$1,500	\$500
Single-Tech Subscription (Solar) <i>(Includes 50 States of Solar report, plus comprehensive biweekly legislative & regulatory solar tracking, policy data sheets, & curated monthly policy updates)</i>	\$4,500	N/A
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We offer complimentary copies of the 50 States of Solar to **policymakers and regulators only** (limited to federal and state legislators and staffers, utility commissioners, utility commission staff, state consumer advocate office staff, and state energy office staff). [Contact us](#) to receive a complimentary copy of the most recent report.

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