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STATES OF SOLAR

Q2 2026 Quarterly Report

Executive Summary



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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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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](#).

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 Q2 2026 POLICY ACTION

In the second quarter of 2026, 45 states plus DC and Puerto Rico took a total of 284 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 Q2 2026. Of the 284 actions cataloged, the most common were related to DG compensation rules (53), followed by community solar (48), and residential fixed charge or minimum bill increases (45).

Table 1. Q2 2026 Summary of Policy Actions

Policy Type	# of Actions	% by Type	# of States
DG compensation rules	53	19%	24 + PR
Community solar	48	17%	21 + PR
Residential fixed charge or minimum bill increase	45	16%	28 + PR
Interconnection rules	42	15%	17 + DC, PR
Plug-in solar	37	13%	25
Financial incentives	34	12%	18
DG valuation or net metering study	11	4%	10
Residential demand or solar charge	8	3%	6
Third-party ownership of solar	6	2%	4
Total	284	100%	45 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 Q2 2026

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

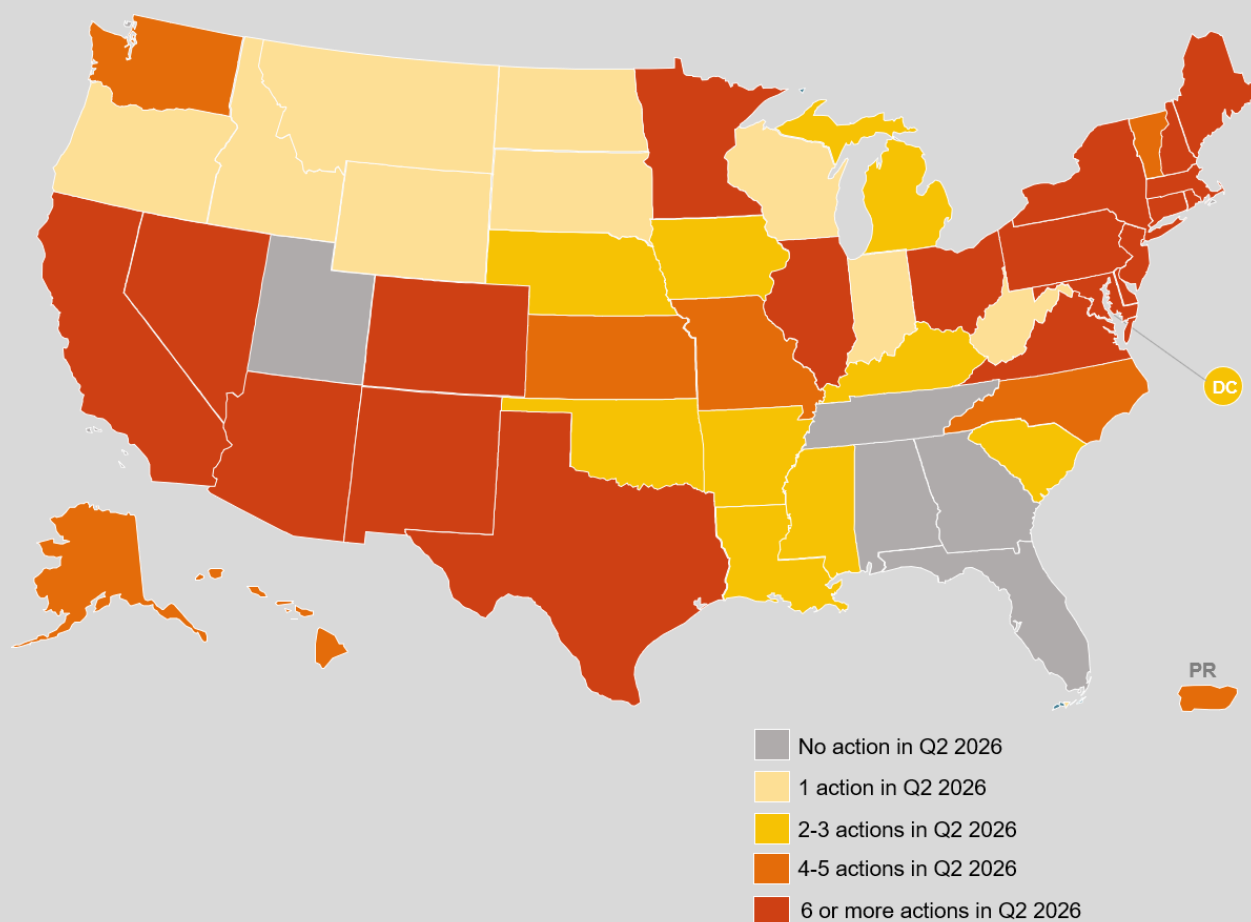
Connecticut Legislators Mandate Net Metering and Community Solar Successor Programs

Connecticut legislators ordered regulators to establish successor programs for residential net metering, non-residential net metering, and community solar. The successors should consider the true value of distributed generation (based on a report released earlier this year), dynamic pricing and rates, the integration of energy storage, low-income incentives, and location-based incentives, among other things. Regulators opened a proceeding to develop the programs within days of the Governor signing the bill. The successor programs must be finalized by April 2028.

Arizona Courts Vacate Arizona Public Service's Grid Access Charge

Nearly two years after Arizona Public Service received approval for the addition of a Grid Access Charge for residential customers with on-site generation, the Court of Appeals vacated the Arizona Corporation Commission's decision. The Court's decision did not rule on the charges themselves, instead stating that the Commission violated procedural due process in making its decision. The charges, which the utility has proposed increasing as part of its ongoing rate case, have been remanded for further proceedings.

Figure 1. Q2 2026 Action on DG Compensation, Rate Design, & Solar Ownership Policies, by Number of Actions



Maryland Lawmakers Require Adoption of a Successor Net Metering Program

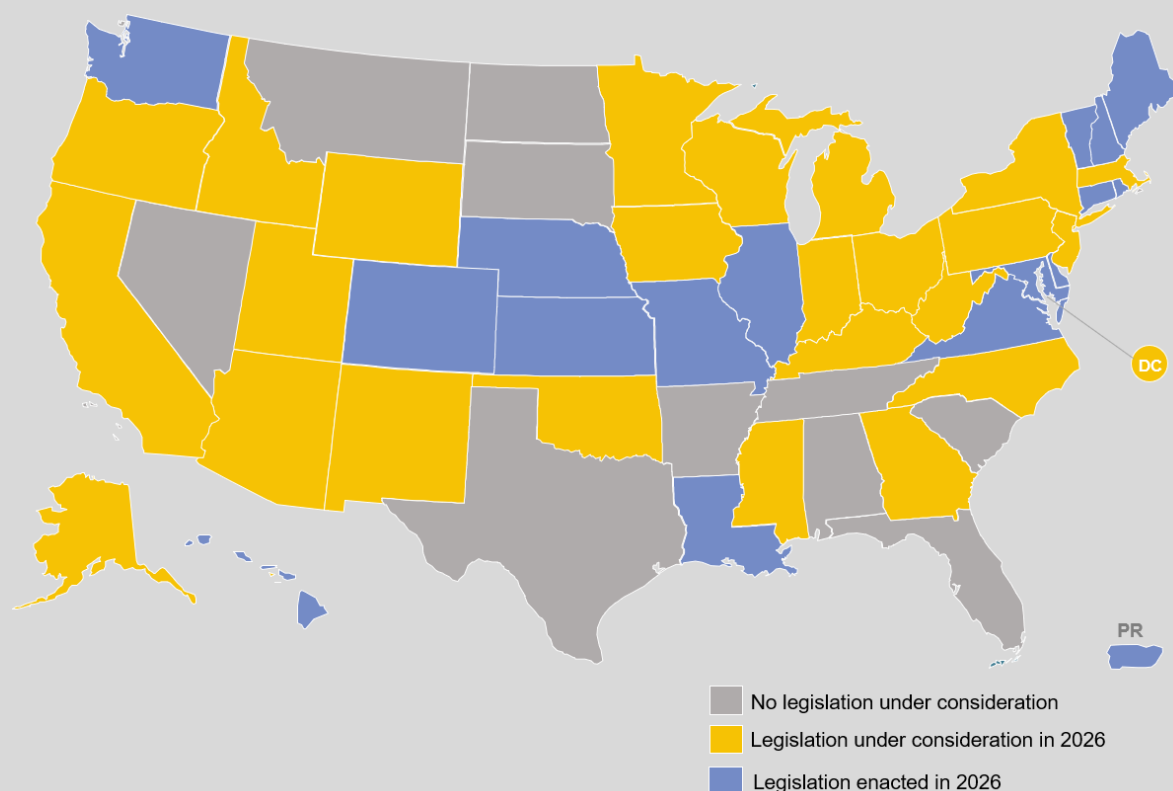
In May 2026, the Governor of Maryland signed H.B. 1532 into law, requiring the Public Service Commission to adopt a successor to the existing net metering program that includes a lower compensation rate for customers, a combined cap for both tariffs of 6,000 MW, and a requirement

to implement the new tariff by the earlier of July 1, 2027 or when the existing tariff hits its 3,000 MW cap. The bill also requires the prioritization of net metering applications currently in queue.

Virginia Regulators Issue Decision on Dominion Energy's Net Metering Successor

Regulators in Virginia issued Dominion Energy a partial approval for its net metering successor program. The order allows the utility to shift to a net billing program with customer consumption and production netted on a 30-minute basis for visibility and tracking purposes only, functionally maintaining the current monthly netting policy. The order also rejects the proposed application fee but allows a significantly lower administrative fee to be charged monthly.

Figure 2. Distributed Solar Legislation Considered in 2026 (as of mid-July 2026)



Texas Regulators Approve Residential Distributed Generation Rate for El Paso Electric

The Public Utility Commission of Texas approved a new Distributed Generation (DG) rate for residential customers of El Paso Electric to replace the existing minimum bill mechanism. The DG rate's demand charge is 10% higher than the optional residential demand rate's demand charge; in return, the energy charge is lower. The new rate only applies to DG customers who already pay the minimum bill; grandfathered DG customers who do not pay the minimum bill can stay on their existing rate.

THE BIG PICTURE: INSIGHTS FROM Q2 2026

Legislators Continue to Advance Bills Authorizing Plug-In Solar

This quarter continued a trend of states considering legislation to allow for the installation and operation of portable solar generation or plug-in solar devices. At the end of June, lawmakers in 25 states had considered legislation pertaining to plug-in solar during 2026. Policymakers in seven states - Colorado, Connecticut, Maine, Maryland, New Hampshire, Vermont, and Virginia - enacted legislation in Q2 2026 enabling plug-in solar devices, joining Utah (which legalized plug-in solar last year). Lawmakers in another state - Delaware - adopted a resolution to study the safety and utility of portable solar devices. Plug-in solar legislation has also been passed in New Jersey and New York, and is awaiting final action by the Governors of these states. Legislation is still under consideration in California, Massachusetts, Michigan, North Carolina, Ohio, and Pennsylvania. A majority of the bills contain similar language and provisions, including exempting such devices from existing state interconnection and net metering requirements.

Decision-Makers Work to Balance Distributed Generation Program Costs

While distributed generation (DG) valuation and value of solar studies have been a regular occurrence, more states are looking at how to value the costs of DG and properly balance utility costs between DG and non-DG customers; this trend is particularly pronounced in states with stronger clean energy commitments. In New Hampshire, Liberty Utilities proposed a new consolidated adjustment mechanism to recover net metering credits paid to DG customers. Meanwhile, Maryland regulators approved new cost allocation methods for customers integrating DG along secondary voltage. Maryland legislators also enacted a bill initiating the development of a net metering successor tariff, which directs regulators to balance ratepayer costs and benefits. Lawmakers in Rhode Island allowed utilities to implement grid access fees for larger DG systems, while the state's Office of Energy Resources is currently studying how to control the cost of net metering for all ratepayers; in addition, Connecticut regulators' development of a net metering successor must consider costs to participants and non-participants.

States Consider Interconnection Improvements For Residential and Public Sector Customers

States across the country are considering improvements to the interconnection process to facilitate faster interconnection or ease administrative burden for residential and public sector customers, who often do not have the same resources as commercial customers to weather a complicated interconnection process. Maryland lawmakers implemented a five-day deadline to interconnect residential solar and a requirement for a residential solar permitting platform, while their Colorado counterparts mandated new rules for meter collar adapters, specifically calling out cost savings for residential customers in their legislative declaration. Virginia legislation created a grant to offset the costs of interconnection for public bodies, while a bill in Illinois prioritized interconnection requests from public schools. Oklahoma Gas & Electric proposed a standardized interconnection agreement for distributed generation; it currently relies on individualized agreements for each customer.

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
 - Interconnection Rules
 - Financial Incentives
 - Plug-in 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

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Subscription Type	Annual Subscription	Single Report
50 States of Solar Report	\$1,500	\$500
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