

Strategic Sequencing for State Distributed PV Policies

New analysis report aims to help state officials and policymakers expand markets for solar technologies and ultimately reduce the cost of installed solar nationwide

In recent years, state and local policymakers have shown increasing interest in developing renewable energy markets to promote local economic development, increase energy security, and reduce the environmental impact of electricity production. The National Renewable Energy Laboratory's *Strategic Sequencing for State Distributed PV Policies: A Quantitative Analysis of Policy Impacts and Interactions* examines the use of state policy as a tool to support a market for lower-cost solar photovoltaics (PV). The report discusses pathways for policy development

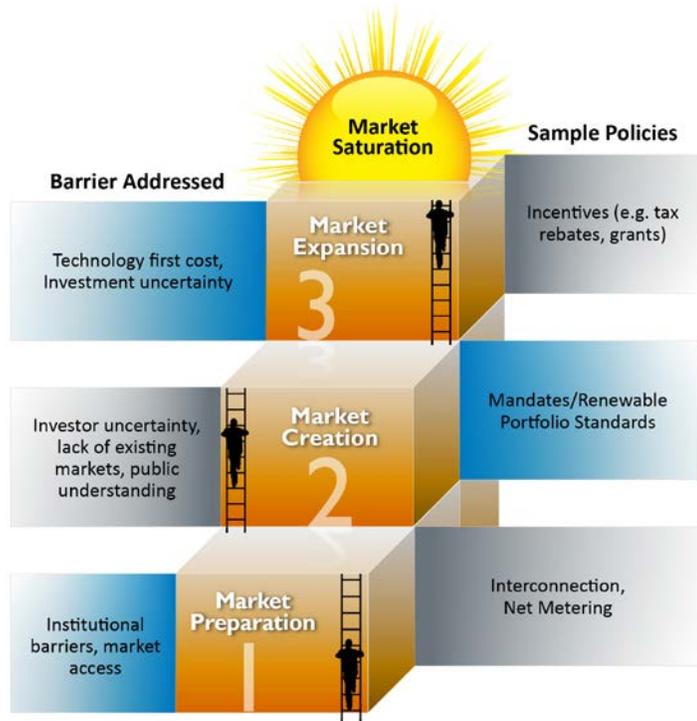


Figure 1: Framework for policy stacking. Illustration by Josh Bauer, NREL



The report finds that through strategic policy implementation, governments can successfully support renewable energy even in times when funding is limited.

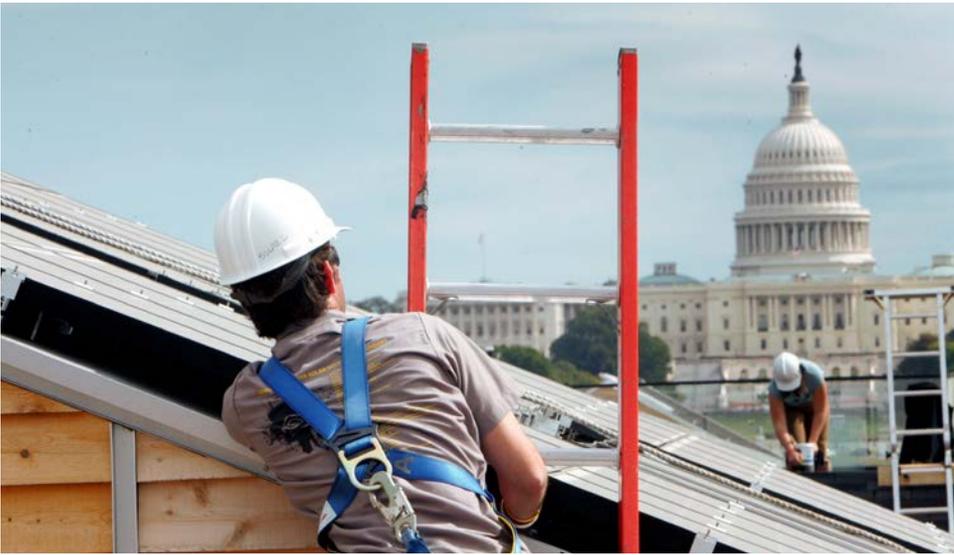


Photo by Stefano Paltera, NREL/PIX 23054

that allow local governments to stimulate robust private investment markets without extensive government-supported incentives. The report finds that through strategic policy implementation, governments can successfully support renewable energy even in times when funding is limited.

Through in-depth analysis, this report assesses the effects of improved interconnection standards, improved net metering standards, and renewable portfolio standards (RPS) set-asides on newly installed PV capacity. It also discusses the impact of a strategic sequencing of policies in attracting investment capital from private industry to develop a market for distributed generation (DG) solar PV. The sequencing order assessed begins with instigating low-cost policies that remove institutional barriers to DG development (market preparation policies), then moves to establishing markets (market creation policies), and finally, concludes with developing public sector investment-intensive incentive policies (market expansion policies).

The report presents quantitative evidence that demonstrates that more effective interconnection standards and, to a lesser extent, net metering policies, can both strengthen the impact of market creation policies and establish a necessary first step before higher-cost incentives will be effective. These findings provide policymakers with an efficient path for building a distributed solar market through policy implementation that maximizes policy impact on the market and optimizes budget.

Download this report to learn how to implement long-term, low-cost policies that can benefit states and efficiently draw private investors to develop PV markets:
www.nrel.gov/docs/fy13osti/56428.pdf.

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NREL is a national laboratory of the
U.S. Department of Energy,
Office of Energy Efficiency and Renewable
Energy, operated by the Alliance for
Sustainable Energy, LLC.

NREL/FS-7A30-56692 • November 2012

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