



Understanding how **state policies** impact **solar market development**

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The **National Renewable Energy Laboratory (NREL)** is working with state governments and academic partners to develop a rigorous understanding of how state policies contribute to the development of solar markets and assist in the deployment and cost reductions for solar technologies.

Through this analysis-based, stakeholder-driven project, NREL staff is facilitating the deployment of solar technologies through understanding and sharing information on the connection between state energy policies and solar market development. The goal of the project is to understand which policies are most effective in different contexts (e.g., high electricity prices, low solar resources).

Findings to date include:

- Low-cost (to government and taxpayers), state-level policies are effective at driving markets for distributed generation
 - Incentive policies are more effective at expanding markets when built on a foundation of market-creation policies such as mandates (Renewable Portfolio Standard) and market access (net metering, interconnection).
 - While there are near-immediate market benefits for adoption of best practice market-creation policies
- (e.g., freeing the grid interconnection policies), policy stability and longevity are important to building effective long-term markets for renewable energy. Market impacts typically occur with at least a two-year time lag from passage.
- Mixes of policies explain growth best, indicating that an environment for investment in clean energy through implementation of a suite of policies may be more effective at driving clean energy development than those that choose a single or small number of mechanisms.

For more information, search on “policy stacking” in NREL’s publications database: www.nrel.gov/publications/

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