



OFFICE OF PUBLIC AND INDIAN HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

June 23, 2022

Mr. Tommy Wells  
Director  
DC Department of Energy and Environment  
1200 First Street NE, 5th Floor  
Washington, DC 20002 -7957

Dear Mr. Wells:

I am writing in response to your May 2021 letter to Secretary Marcia Fudge regarding the treatment of DC Solar for All's community-net-metering (CNM) credits in household income and utility allowance calculations. Following up on the letter that the Office of Multifamily Housing sent to you in April 2022, the Office of Public and Indian Housing (PIH) has determined that CNM credits will be excluded from such calculations and therefore will not induce a rent increase or utility allowance adjustment for participants in the Housing Choice Voucher Program and residents in Public Housing. Further detail on this determination is provided below.

### **CNM Credits are Excluded when Calculating Utility Allowances**

CNM credits are issued by the Solar for All program to participating households according to the amount of electricity generated and exported to the grid by the community solar systems that serve the Solar for All program; the credits are not tied to the amount of electricity consumed by the tenants receiving the Solar for All reduction. The amount of the credits received, which corresponds to the amount of credits generated, is not determined by tenants' electricity consumption. Further, the credits appear on the bill as third-party payment rather than as a reduction in the utility rate, so they do not impact the cost of consumption.

For the Housing Choice Voucher program, Public Housing Agencies (PHAs) must set a utility allowance schedule "based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality." In developing the schedule, the PHA must use normal patterns of consumption for the community as a whole and current utility rates (24 CFR 982.517(b)). Individual consumption or credits are not a consideration since the schedule is set on an area-wide basis and there would therefore be no impact on the PHA's utility allowance schedule.

For Public Housing, PHAs must set utility allowances for each utility and for each unit type (size). The allowance must cover a reasonable amount of consumption for an energy-conservative household of modest means (24 CFR § 965.505(a)). As there is no connection between these credits and either the electricity consumption of tenants or the utility rate, PHAs must disregard the solar credit when calculating utility allowances.

## **CNM Credits are Excluded from Annual Income**

PIH has determined that CNM credits allocated to tenants under the Solar for All Program are a utility bill discount and therefore must not be included as annual income to the household. These credits appear on individual tenants' utility bills for the purpose of reducing their electricity payment and are not automatically transferable if a tenant moves. They also have no cash value aside from reducing the utility bill. The bill discount results from the decision by the District of Columbia to incentivize and build community solar power primarily on private property and to allocate its financial benefits to eligible residents. Residents authorize changes to their individual electric account that allows the CNM credits to appear on their bill and reduce their overall payment.

Please contact Ashley Matthews via email at [Ashley.E.Matthews@hud.gov](mailto:Ashley.E.Matthews@hud.gov) if you have questions about this letter.

Sincerely,

*Danielle Bastarache*

Danielle Bastarache  
Deputy Assistant Secretary  
Office of Public Housing and Voucher Programs

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