



State of Wisconsin  
2025 - 2026 LEGISLATURE

LRB-0693/1  
KP&EVM:klm&cjs

## 2025 BILL

1     **AN ACT** *to amend* 66.0401 (1m) (intro.) and 76.28 (1) (e) (intro.); *to create*  
2           66.0401 (1e) (bd), 66.0401 (1e) (bm), 66.0401 (1s), 196.01 (5) (b) 9. and 196.376  
3           of the statutes; **relating to:** authorizing community solar programs and  
4           granting rule-making authority.

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***Analysis by the Legislative Reference Bureau***

This bill authorizes the establishment of community solar programs through which retail electric customers of an investor-owned electric utility may subscribe to a community solar facility and receive credits to their electric bills for electricity produced by the facility. Under the bill, entities called subscriber organizations may own or operate community solar facilities, which use solar energy to produce electricity. Retail electric customers may enter into a contract (subscription) with a subscriber organization through which the customers receive credits towards their electric bill based on their subscriptions. A subscriber and the community solar facility to which the subscriber subscribes must be located within the service territory of the same investor-owned electric utility. In addition, a subscriber may not receive an annual value of bill credits that exceeds the subscriber's average annual electric bill. Also, under the bill, subscribers may not receive any state subsidy for which generating electricity from a renewable energy resource is a

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criteria for eligibility nor may subscribers receive any payment or other benefit from a tax incremental district.

The bill requires an investor-owned electric utility whose service territory includes subscribers to a community solar facility to credit the electric bills of the subscribers based on their subscriptions. PSC must promulgate rules allowing for establishment of community solar facilities and for subscribers to receive electric bill credits for their subscriptions. Under the bill, PSC's community solar program rules must also satisfy various other requirements, including that the rules must modify existing interconnection standards, fees, and processes to facilitate interconnection of community solar facilities with the electric distribution grid. The rules must also require subscriber organizations to maintain proof of financial responsibility ensuring the availability of funds for decommissioning community solar facilities. PSC's rules must also provide that bill credits may not reduce a subscriber's monthly electric bill, including fixed charges, below \$20. Four years after the rules take effect, PSC must submit a report to the legislature evaluating the costs and benefits of community solar programs.

The bill limits the total nominal capacity of community solar facilities established in this state to 1,750 megawatts. PSC must apportion the total nominal capacity limit among the investor-owned electric utilities having a service territory within this state, and the apportionment must be based on each utility's proportion of the total electric load served in this state. A community solar facility may not be established within the service territory of an investor-owned electric utility if the nominal capacity of the facility plus the total nominal capacity of the community solar facilities already established within the service territory of the utility exceeds the capacity limit apportioned to the utility by the PSC. The bill also provides that PSC must promulgate rules that prohibit community solar facilities placed in service after December 31, 2035, from entering the program.

The bill also specifies that community solar facilities are subject to the zoning ordinances applicable to the parcels on which they are located. Also under the bill, with some exceptions, no building permit for a structure that is part of a community solar facility may be issued unless the municipality with zoning authority over the parcels on which the community solar facility is to be located approves the use of those parcels for purposes of a community solar facility by a two-thirds vote of the governing body of the municipality. The bill also subjects the community solar facilities of subscriber organizations to property taxation. Generally under current law, a person engaged in generating electricity for others is exempt from property taxation but is instead subject to a tax based on gross revenues.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**BILL****SECTION 1**

1           **SECTION 1.** 66.0401 (1e) (bd) of the statutes is created to read:

2           66.0401 (1e) (bd) “Community solar facility” has the meaning given in s.  
3           196.376 (1) (b).

4           **SECTION 2.** 66.0401 (1e) (bm) of the statutes is created to read:

5           66.0401 (1e) (bm) “Municipality” means a city, village, or town.

6           **SECTION 3.** 66.0401 (1m) (intro.) of the statutes is amended to read:

7           66.0401 (1m) AUTHORITY TO RESTRICT SYSTEMS LIMITED. (intro.) No political  
8           subdivision may place any restriction, either directly or in effect, on the installation  
9           or use of a wind energy system that is more restrictive than the rules promulgated  
10          by the commission under s. 196.378 (4g) (b). ~~No~~ Except as provided in sub. (1s), no  
11          political subdivision may place any restriction, either directly or in effect, on the  
12          installation or use of a solar energy system, as defined in s. 13.48 (2) (h) 1. g., or a  
13          wind energy system, unless the restriction satisfies one of the following conditions:

14          **SECTION 4.** 66.0401 (1s) of the statutes is created to read:

15          66.0401 (1s) REGULATION OF COMMUNITY SOLAR FACILITIES. (a)  
16          Notwithstanding ss. 60.61, 60.62, 61.35, and 62.23 (7), no building permit for a  
17          structure that is part of a community solar facility may be issued unless the  
18          municipality with zoning authority over the parcels on which the community solar  
19          facility is to be located approves the use of those parcels for purposes of a  
20          community solar facility by a two-thirds vote of the governing body of the  
21          municipality. This paragraph does not apply under any of the following  
22          circumstances:

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1           1. In a town that has not enacted a zoning ordinance under ss. 60.62 and  
2           61.35.

3           2. If use as a community solar facility is a permitted use for which no  
4           additional discretionary approval is required for all parcels in the municipality to  
5           be used as part of the community solar facility.

6           (b) Community solar facilities are subject to any zoning ordinance applicable  
7           to the parcel on which the community solar facility is located.

8           **SECTION 5.** 76.28 (1) (e) (intro.) of the statutes is amended to read:

9           76.28 (1) (e) (intro.) “Light, heat and power companies” means any person,  
10          association, company or corporation, including corporations described in s. 66.0813,  
11          qualified wholesale electric companies and transmission companies and except only  
12          business enterprises carried on exclusively either for the private use of the person,  
13          association, company or corporation engaged in them, or for the private use of a  
14          person, association, company or corporation owning a majority of all outstanding  
15          capital stock or who control the operation of business enterprises and except  
16          electric cooperatives taxed under s. 76.48 and subscriber organizations, as defined  
17          in s. 196.376 (1) (i), that engage in any of the following businesses:

18          **SECTION 6.** 196.01 (5) (b) 9. of the statutes is created to read:

19          196.01 (5) (b) 9. A subscriber organization, as defined in s. 196.376 (1) (i), if,  
20          besides owning or operating a community solar facility, the subscriber organization  
21          does not otherwise directly or indirectly provide electricity to the public.

22          **SECTION 7.** 196.376 of the statutes is created to read:

23          **196.376 Community solar programs. (1) DEFINITIONS.** In this section:

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1           (a) “Bill credit” means the kilowatt-hours generated by the community solar  
2       facility allocated to a subscriber to offset the kilowatt-hour usage on the  
3       subscriber’s electricity bill.

4           (b) “Community solar facility” means a facility that generates electricity by  
5       means of a solar photovoltaic device and that produces for its subscribers a bill  
6       credit for the electricity generated in proportion to the size of their subscription,  
7       and to which all of the following apply:

8           1. The facility is located on one or more parcels of land and no other  
9       community solar facility under the control of the same entity, an affiliated entity, or  
10      an entity under common control is located on that land.

11          2. At the time the subscriber organization that owns or operates the facility  
12      executes an interconnection agreement with the investor-owned electric utility  
13      serving the territory where the facility is located, the facility is not located within  
14      one mile, measured from the point of interconnection, of a solar facility under the  
15      control of the same entity unless the other solar facility is located on a rooftop or  
16      previously developed site.

17          3. The facility has at least 3 subscribers.

18          4. Either of the following applies:

19           a. The facility generates not more than 5 megawatts alternating current of  
20      electricity.

21           b. If the facility is located on a rooftop or previously developed site, the facility  
22      generates not more than 20 megawatts alternating current of electricity.

23          5. If the facility is located on a rooftop or previously developed site, the total  
24      electricity generated by the facility and all other facilities located on a rooftop or

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1 previously developed site that are located within one mile of the facility, measured  
2 from the point of interconnection, and that are under the control of the same entity,  
3 an affiliated entity, or an entity under common control does not exceed 20  
4 megawatts alternating current of electricity.

5 6. No subscriber holds more than a 40 percent interest in the output of the  
6 facility.

7 7. Not less than 60 percent of the capacity of the facility is subscribed to by  
8 subscriptions of not more than 40 kilowatts.

9 (c) "Control" means the possession, direct or indirect, of the power to direct  
10 the management and policies of an entity through any method.

11 (d) "Investor-owned electric utility" means a public utility that sells electricity  
12 at retail but does not include a public utility owned and operated by city, village, or  
13 town.

14 (e) "Non-ministerial permit" means a permit or approval necessary to  
15 construct a community solar facility that is not granted based on discretion.

16 (f) "Previously developed site" means a property, including any related buffer  
17 areas, that has been previously disturbed or developed for non-single-family  
18 residential, nonagricultural, or nonsilvicultural use regardless of whether the  
19 property is currently being used for any purpose. "Previously developed site"  
20 includes brownfields and parcels that have been previously used for any of the  
21 following:

- 22 1. A retail, commercial, or industrial purpose.
- 23 2. A parking lot.
- 24 3. A site of a parking lot canopy or structure.

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1           4. Mining.

2           5. Quarrying.

3           6. A landfill.

4           (g) "Renewable energy credit" means a tradable credit that represents one  
5 megawatt hour of electricity produced from a renewable resource.

6           (h) "Subscriber" means a retail electric customer of an investor-owned electric  
7 utility who satisfies all of the following:

8           1. The subscriber owns one or more subscriptions to a community solar  
9 facility interconnected with the investor-owned electric utility.

10          2. The subscriber is located within the service territory of the investor-owned  
11 electric utility where the community solar facility is located.

12          (i) "Subscriber organization" means a for-profit or nonprofit entity that owns  
13 or operates one or more community solar facilities but does not include an investor-  
14 owned electric utility.

15          (j) "Subscription" means a contract between a subscriber and the owner of a  
16 community solar facility under which the estimated annual bill credits of the  
17 subscriber do not exceed the average annual bill for the customer account to which  
18 the subscription is attributed less the total annual amount that may not be reduced  
19 by bill credits under sub. (4) (b) 4.

20          **(2) ADMINISTRATION.** (a) Subject to the rules promulgated under sub. (4) (a),  
21 an investor-owned electric utility shall provide a bill credit to a subscriber's  
22 subsequent monthly electric bill for the proportional output of a community solar  
23 facility attributable to that subscriber. The value of the bill credit for the subscriber

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1 shall be the kilowatt-hour electricity production from the community solar facility  
2 for the subscriber's portion of the community solar facility. If an amount of the bill  
3 credit exceeds the amount that may be applied to the subscriber's monthly bill, the  
4 unused bill credit may be carried forward and credited against a future monthly bill  
5 of the subscriber for the following 24 months to the extent not credited in all  
6 intervening months between the month in which the bill credit was allocated to the  
7 subscriber and the month in which the carry-forward bill credit is credited.

8 (b) No subscriber may receive a subsidy from this state for which generating  
9 electricity from a renewable energy resource is a criteria for eligibility and no  
10 subscriber may receive a payment or other benefit from a tax incremental district  
11 under s. 66.1105.

12 (c) An investor-owned electric utility shall provide bill credits to a community  
13 solar facility's subscribers for electricity generated by the community solar facility  
14 for not less than 25 years from the date the community solar facility is first placed  
15 into operation.

16 (d) A subscriber organization shall, periodically and in a standardized  
17 electronic format, provide to the investor-owned electric utility whose service  
18 territory includes the location of the subscriber organization's community solar  
19 facility a subscriber list indicating the percentage of generation attributable to each  
20 of the investor-owned electric utility's retail customers who are subscribers to a  
21 community solar facility in accordance with the subscriber's portion of the output of  
22 the community solar facility. The investor-owned electric utility shall create a  
23 platform for the subscriber organization to periodically communicate updates to its

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1 subscriber list to reflect canceling subscribers and new subscribers. The investor-  
2 owned electric utility shall apply a bill credit to a subscriber's monthly electric bill  
3 for the output of a community solar facility during the immediately preceding  
4 month attributable to that subscriber.

5 (e) An investor-owned electric utility shall, on a monthly basis and in a  
6 standardized electronic format, provide to a subscriber organization a report  
7 indicating the total value of bill credits generated by the subscriber organization's  
8 community solar facility in the prior month as well as the amount of the bill credit  
9 applied to each subscriber.

10 (f) 1. A subscriber organization may accumulate bill credits if all of the  
11 electricity generated by a community solar facility is not allocated to subscribers in  
12 a given month. On at least an annual basis, the subscriber organization shall  
13 furnish to the investor-owned electric utility instructions for distributing  
14 accumulated bill credits to subscribers. The investor-owned electric utility shall  
15 allocate accumulated bill credits to subscribers identified by the subscriber  
16 organization.

17 2. a. Except as provided in subd. 2. b., if accumulated bill credits are not  
18 allocated under subd. 1. to a subscriber within 2 years of being accumulated, the  
19 investor-owned electric utility shall purchase the credits by paying a wholesale  
20 dollar-per-kilowatt-hour rate for the kilowatt-hour electricity production associated  
21 with the accumulated bill credits.

22 b. An investor-owned electric utility is not required to purchase credits from a  
23 subscriber organization under subd. 2. a. if the credits are accumulated for a period

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1 during which less than 90 percent of the electricity generated by the subscriber  
2 organization's community solar facility was subscribed to by subscribers.

3 (g) Any renewable energy credits created from a community solar facility's  
4 production of electricity shall annually be retired on behalf of subscribers in  
5 proportion to their bill credits received during the applicable year.

6 **(3) CAPACITY LIMITATION.** (a) The total nominal capacity of the community  
7 solar facilities established in this state may not exceed 1,750 megawatts.

8 (b) The commission shall apportion the total nominal capacity limit under  
9 par. (a) among the investor-owned electric utilities having a service territory within  
10 this state. The apportionment under this paragraph shall be based on each  
11 investor-owned electric utility's proportion of the total electric load served in this  
12 state.

13 (c) A subscriber organization may not establish a community solar facility  
14 within the service territory of an investor-owned electric utility if the nominal  
15 capacity of the community solar facility plus the total nominal capacity of the  
16 community solar facilities already established within the service territory of the  
17 investor-owned electric utility exceeds the capacity limit apportioned to the  
18 investor-owned electric utility under par. (b).

19 **(4) COMMISSION; DUTIES; RULES.** (a) No later than the first day of the 13th  
20 month beginning after the effective date of this paragraph .... [LRB inserts date],  
21 the commission shall promulgate rules allowing for establishment of community  
22 solar facilities and for subscribers to receive bill credits.

23 (b) The rules promulgated under par. (a) shall do all of the following:

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1           1. Reasonably allow for the creation and financing of community solar  
2 facilities.

3           2. Allow all customer classes to participate as subscribers to a community  
4 solar facility and ensure participation opportunities for all customer classes.

5           3. Prohibit removing a customer from the customer's applicable customer  
6 class because the customer subscribes to a community solar facility.

7           4. Provide that bill credits under sub. (2), including bill credits carried  
8 forward from a previous month, may not reduce a subscriber's monthly electric bill,  
9 including fixed charges, below \$20.

10          5. Reasonably allow for the transferability and portability of subscriptions,  
11 including allowing a subscriber to retain a subscription to a community solar  
12 facility if the subscriber moves within the same investor-owned electric utility's  
13 service territory.

14          6. Modify existing interconnection standards, fees, and processes as needed to  
15 facilitate the efficient and cost effective interconnection of community solar  
16 facilities and to allow an investor-owned electric utility to recover reasonable  
17 interconnection costs for each community solar facility.

18          7. Provide for consumer protection in accordance with existing laws.

19          8. Require that investor-owned electric utilities efficiently connect community  
20 solar facilities to the electrical distribution grid and do not discriminate against  
21 community solar facilities.

22          9. Establish a process for queuing and enrolling community solar facilities in  
23 the program under this section for each investor-owned utility until the capacity  
24 limitations established by sub. (3) are reached.

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1           10. Require a subscriber organization to satisfy interconnection process  
2 benchmarks, demonstrate site control, and obtain all applicable non-ministerial  
3 permits for a community solar facility before the subscriber organization enrolls a  
4 community solar facility into the program under this section.

5           11. Require a subscriber organization to establish a plan outlining time  
6 frames and estimated costs for decommissioning its community solar facility upon  
7 discontinuance of use of the facility. The commission shall require a subscriber  
8 organization to maintain proof of financial responsibility ensuring the availability  
9 of funds for decommissioning its community solar facility to ensure that  
10 decommissioning costs are not borne by landowners, the state, or a city, village,  
11 town, or county.

12           12. Adopt land use standards that community solar facilities shall satisfy by  
13 providing native vegetation, pollinator habitat, or a dual use. Requirements  
14 described in this subdivision shall be based on standards established for solar  
15 facility development in states with high penetrations of solar facilities and shall  
16 require community solar facilities to demonstrate compliance during operation of  
17 the community solar facilities.

18           13. Adopt standards for construction practices that mitigate agricultural  
19 impacts. Requirements described in this subdivision shall be based on standards  
20 established for solar facility development in states with high penetrations of solar  
21 facilities and shall require community solar facilities to demonstrate compliance  
22 before beginning operation.

23           14. Prohibit a community solar facility that is placed in service after  
24 December 31, 2035, from enrolling in the program under this section.

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(c) No later than 4 years after the date identified in the notice under 2025 Wisconsin Act .... (this act), section 8 (1), the commission shall evaluate the costs and benefits of the program under this section and shall submit a report containing the evaluation to the legislature in the manner provided in s. 13.172 (2).

**SECTION 8. Nonstatutory provisions.**

(1) NOTICE OF FILING COMMUNITY SOLAR FACILITY RULES. At the same time the public service commission files with the legislative reference bureau under s. 227.20 the rules promulgated under s. 196.376 (4) (a), the public service commission shall send a notice to the legislative reference bureau for publication in the Wisconsin Administrative Register that states the date on which the rules will take effect as provided in s. 227.22.

**(END)**