CoServ Electric

Summary
CoServ Electric (CoServ), based out of Corinth, Texas, is the second largest electric cooperative (co-op) in the State of Texas serving more than 152,000 members in Collin, Denton, Cooke, Wise, Tarrant, and Grayson counties. CoServ saw the value in diversifying their energy offerings to the public, a benefit to both customers who receive options and a value to company stakeholders who stand to profit from the diversification applied in the company’s portfolio. The CoServ Solar Station program was guided by participation in the National Rural Electric Cooperative Association’s (NRECA) Solar Utility Network Deployment Acceleration (SUNDA) project.

CoServ and Community Solar
Community solar is a concept that CoServ was interested in prior to being a part of the NRECA SUNDA project. In late 2013, CoServ began exploring options to install a large scale solar project to help their members who are unable to have solar on their rooftops, such as renters or members who do not have the correct roof conditions. When NRECA was granted the Department of Energy SUNDA project funds, CoServ took advantage of the opportunity to work collaboratively with 13 other cooperatives participating in the SUNDA project to get feedback on successes and failures during the project development process. The SUNDA program developed tools that ranged from resources for design, construction, and implementation of a large scale solar project to help lower the cost of utility-scale power and make it a viable renewable energy option for electric cooperative members.

The most challenging step for CoServ was finding land suitable for the solar array. CoServ faced rising real estate prices and restrictive zoning and permitting regulations, leaving them with few siting options for the array. CoServ worked with a land broker who was able to help the co-op sort through property and find a decent size and location for the solar array. CoServ choose to build a 2 megawatt (MW) array based off the size of the land they acquired. The co-op determined that it would be more time and cost effective to utilize the labor and equipment already in use,
CoServ and Community Solar Continued
rather than return at a later time to fill up the remaining land with additional solar installations. With a 2 MW ar-
ray, CoServ estimated energy production based off historical weather data and from that decided that 90% of
annual historical production would be the subscriber goal. The Solar Station offers rates for residential, commer-
cial, public buildings and industrial facilities. Rates are designed to reduce the under-recovery cost associated
with a disproportional burden placed on non-solar customers. The energy blocks are purchased to offset the cus-
omers monthly electricity charge during a billing period. Customers have the option of buying solar energy
blocks of 200, 400, 600, 800 kWh per month, each at a cost of $24, $50, $75, or $100, respectively. For more infor-
mation on CoServ’s Solar Station program, visit http://www.coserv.com.

Financial Information
The 2 MW solar array was a small undertaking compared to the over 1,200 MW load that CoServ generates. In the
early stages, project managers found the initial financing to fund the project did not need to be a difficult undertak-
ning and that the project costs could be fully absorbed even if no one signed up. With equity derived from a for-
profit subsidiary of the company, they were able to initiate the project and utilize the federal investment tax cred-
it and the accelerated depreciated tax benefit through the creation of a separate for-profit subsidiary company
that owns the solar facility. CoServ Electric then purchases the power produced from the solar subsidiary through
a power purchase agreement and in turn sells the power produced to its members in the forms of blocks of energy.
The company used the for-profit subsidiary to satisfy the “tax appetite“ necessary to receive federal invest-
ment tax credits, versus other co-ops who use mechanisms like tax-equity flips that allow them to indirectly
receive these benefits.

Other Solar Opportunities
The Solar Station is CoServ Electric’s second array. In 2009, CoServ
installed a 95 kilowatt peak system
on the roof of a truck shed at the
corporate headquarters in Corinth,
TX. The array produces about
136,000 kilowatt-hours (kWh) per
year, serving about 2.5 percent of
the kWh energy needs of the corpo-
rate facilities.

CoServ Electric also encourages members to interconnect their own source of power through the installation of
solar panels. CoServ offers net metering which allows customers to recoup their investment as they produce en-
ergy output from their installation. Members interested in more information about generating energy at a home
or business in CoServ territory can view the CoServ Manual on Distributed Generation.

The North Central Texas Council of Governments recommends to have an energy audit done by the State Energy
Conservation Office to establish where solar might fit into overall energy efficiency improvements and energy saving
potential. For more information on the SECO Technical Assistance Program,
please visit: http://seco.cpa.state.tx.us/energy-reporting/gov-assist.php/

The North Central Texas Council of Governments is working under contract with the State Energy Conservation
Office (SECO) to expand best management practices for solar photovoltaic systems throughout the State of