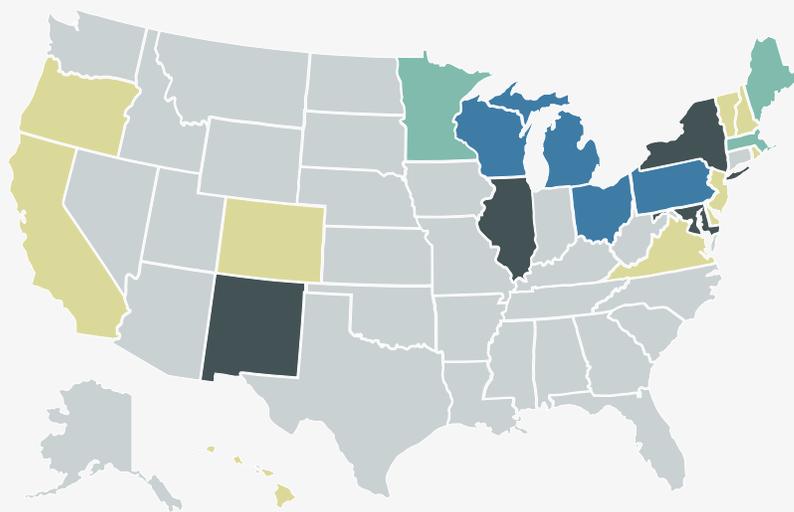


1Q 2026 Market Update

January 2026



U.S. Community Solar Landscape

- Programs nearly at capacity
MA, ME, MN
- Programs live and ongoing
IL, MD, NM, NY
- Niche programs live and ongoing
CO, DE, HI, NH, RI, NJ, OR, VT, VA, CA
- States to watch
PA, MI, OH, WI

Federal policy update

Near-term pipeline can meet tax credit deadlines, comply with supply chain rules

Solar projects starting construction in 2026 face new supply chain rules to qualify for federal tax credits that limit the use of components from Foreign Entities of Concern (FEOC).

The U.S. Department of Treasury plans to finalize the FEOC component thresholds for solar, wind and battery projects in January 2026. Currently, solar projects must use at least **40% of inputs from suppliers without ties to Chinese entities**.

Many developers in CBRE's network have secured enough components and began construction of community solar projects last year to avoid the new supply rules.

Solar projects that begin construction **before July 4, 2026**, can still secure a four-year window to come online and qualify for tax credits. Projects that miss the July 4th deadline must achieve commercial operation by December 31, 2027, a challenging timeline given the regulatory and supply bottlenecks.

Key takeaways

CBRE has access to projects that began construction in 2025, guaranteeing tax credit eligibility and maximizing subscriber savings. Projects starting in 2026 can meet FEOC supply rules, but U.S.-made inputs cost more.

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Illinois

Illinois expands 2025-26 community solar awards, solar and storage rebates

On October 16, 2025, the Illinois Commerce Commission (ICC) [doubled](#) the capacity of the Long-Term Renewable Energy Resources Procurement Plan (LTRRPP) for the 2025-26 program year.

There are now **900 MW of community solar awards available**, increasing subscription-ready pipeline in both ComEd and Ameren. This expansion responded to the July 2026 federal tax credit construction deadline, allowing developers to accelerate projects before incentives phase out.

Additionally, Illinois passed the [Clean and Reliable Grid Affordability Act \(CRGA\)](#) on October 30, 2025, to expand solar and storage rebates. CRGA will pay community solar projects a **\$250/kW rebate** and **\$250/kWh** for projects that add storage, enough to pay for most of the battery system costs.

Key takeaways

CBRE partners with Illinois' largest developers to capitalize on expanded community solar capacity and monetize incentives to maximize subscriber bill savings.

Massachusetts

SMART 3.0 launches with 90 MW community solar capacity for 2026

A minimum **90 MW of community solar capacity** will be set aside for [SMART 3.0 incentives in 2026](#). Developers have two options to meet the low-income community solar subscriber requirements under SMART 3.0:

- Have at least 40% of low-income (LI) subscribers earn a guaranteed 40% utility bill discount, and the rest can be market-rate customers.
- At least 15% of all bill credits must go to LI customers for free, and the remaining 85% can go to market-rate customers.

Some ground-mounted community solar projects over 1 MW must now include energy storage to access SMART tariffs. Community solar-plus-storage projects will also have access to demand response payments and clean peak credits.

Key takeaways

Low-income rules create high demand for anchor subscribers to fill the rest of project capacity. CBRE matches corporate clients with anchor offtake opportunities to maximize savings under SMART 3.0. Speed is of the essence, as limited capacity is available.

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Ohio

Proposed community solar bill proposal rules out corporate participation

HB 303 passed the Ohio House on November 19, 2025, with bipartisan support (73-2 vote) to set a 1,500 MW community solar program. The bill moved to the Senate for early 2026 action.

The current version **heavily restricts corporate participation** in the program by setting very strict size thresholds to subscribe to community solar projects.

Corporates that consume more than 700,000 kWh a year or have facilities in multiple states won't be able to subscribe. Only residential customers and small, local businesses should be able to subscribe under the current conditions.

Senate action is expected around February 2026 before the legislative session ends.

Key takeaways

The current bill restricts corporate participation in community solar. Companies with Ohio load have an opportunity to weigh in on legislative proposals during the Senate review of the bill.

Wisconsin

New effort to pass community solar intensifies before legislative session ends

Wisconsin held a much-anticipated community solar hearing on December 9, 2025, for [SB 559/AB 493](#), the state's proposed 1,750 MW community solar program.

The hearing drew significant support but faced opposition from investor-owned utilities. Major employers in the state, such as **Walmart, Kohler and Organic Valley**, as well as influential trade groups representing big retailers and farmers all backed the bill.

Wisconsin's legislative session ends in March 2026. Bill sponsors have acknowledged that negotiations will continue given utility opposition.

Key takeaways

Wisconsin's new attempt at community solar has strong corporate backing, but utility opposition persists. Companies with Wisconsin load can weigh in by engaging legislators before March 2026.

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States to watch

Maine: On November 24, 2025, over 100 developers sued to block [Maine's LD 1777](#), which takes effect in 2026. The law, signed in June 2025, adds retroactive fees and cuts compensation for existing projects. Some projects have had to restructure debt or even cancel customer subscriptions, unable to deliver the promised bill savings. CBRE is working with developers that are seeking new subscriptions to restructure their project financials. This presents a **timely opportunity for corporate energy buyers with load in Maine** to secure subscriptions and maximize savings.

Michigan: Legislators have made little progress on community solar bills [SB 518](#) and [SB 519](#) that were introduced on September 4, 2025. But Michigan has a two-year legislative session and has until the end of 2026 to pass the bill. Advocacy remains grassroots-led and still lacks any formal corporate support. Companies with Michigan load can weigh in now on rules for large C&I participation.

Pennsylvania: [HB 504](#) has remained in the Senate Consumer Protection & Professional Licensure Committee since House passage in May 2025. The state withdrew from the Regional Greenhouse Gas Initiative (RGGI) in November 2025. HB 504 could now advance in the Senate before the session closes on December 31, 2026.

Contact us to learn more.



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