



## **Allegheny Solar Cooperative – Power Up Your Home, Business, and Community!**

By Ron Gaydos

Solar energy is great, isn't it? It creates needed electricity and heat without combustion. It's decentralized. And it uses a resource that never gives out. Right now, solar energy installations are done one array at a time. Progress in the transition from fossil to renewable solar energy is therefore very slow.

The people who founded the Allegheny Solar Cooperative (ASC) want to speed it up by facilitating more installations all over the region. They've decided the best way to do that is through the for-profit cooperative business model. As Ian Smith, one of the ASC's co-founders pointed out, their business is "fully community member-funded and without any subsidy."

A few things had to happen, however, before the ASC could get started.

First, forward-thinking community leaders began initiatives to take advantage of Millvale's unique riverfront location. Then they undertook planning to establish Millvale as an eco-district, which recognizes the necessity of tying sustainable development to inclusive economic progress.

Smith attributed a lot of the community awareness to Millvale sustainability coordinator Zaheen Hussain's tireless work coordinating community participation in the eco-district planning process, which attracted more people to the idea that solar energy was an option for Millvale. Solarize Allegheny, which promotes solar energy throughout Allegheny County and assists homeowners to navigate the solar development process. This helped raise awareness of solar energy and helped people understand that it was indeed feasible. Finally the Millvale Community Library and Imagine Center next door promoted solar by example by installing the first array in Millvale on its roof. Brian and Mandy Wolovich installed a second array on their Millvale home. Then a third was installed on the Millvale Community Center on Lincoln Avenue.

"We intended at first for development to be on non-profit buildings," said Smith. Various locations were explored, discounted, and explored again, which led to a meeting at the Grist House Brewery to discuss

further plans over a few beers. That evening, their search for solar projects got the attention of the owners of Grist House, who invited a proposal. That became the ASC's first project!



ASC Millvale solar installation. *Solarize Allegheny photo*

The ASC's business model is fairly simple. Members invest in shares of the ASC. They use that investment capital to develop a solar project. The ASC charges the owner of the building a competitive price for the energy, and also gets paid through the reimbursement received from the electric utility for the electricity produced and sent back into the grid. Profits are then distributed to members or reinvested in new projects or other expenses, according to the members' democratic decision. Any federal income taxes owed by the cooperative can then be reduced by tax credits the federal government has established for homeowners and for-profit businesses.

The ASC is a for-profit Pennsylvania cooperative corporation. The type of cooperative they are now is known as a "producer cooperative". Mandy Wolovich, one of ASC's founders, says "We're just finishing up a guide for establishing a producer cooperative like the ASC, and we'll be glad to share it with anyone interested." Every new initiative takes a lot of coordinated effort, and for the ASC it was no different. Cooperatives are not a shortcut, nor are they a charity. In the case of the ASC, it is an empowering means for self-help among community members to share the burdens for a large investment that will make their community better.

There are still a few challenges to larger-scale solar production in Pennsylvania. Utility scale generation gets a discounted payment compared to the residential payment, and that lowers revenues so larger

scale operations aren't yet financially feasible in Pennsylvania. Because of plentiful fossil sources like coal and natural gas, the electricity rates are relatively low in PA, making the production of renewable sources less attractive. As for any business, the ASC had to make the necessary investment in time and expertise (and therefore, often money) to solve technical challenges, organizing efforts, and legal matters.

Despite those challenges, the founders of the ASC have largely overcome the challenges of learning cooperative culture, level decision making, and operating in the less common cooperative business model.

Looking into the future, the ASC has three goals:

- First, they want to become a major solar developer, installing larger arrays and spreading the economic benefits to more people.
- Second, they want to directly employ many people in the solar industry, in administration and in technical positions, possibly even operating as a worker-owned cooperative. "People are talking about the possibility of a worker-owned cooperative", and
- Third, they would like to share their experience and capacity to be a regional resource "being successful enough to engage the region with great expertise," said Smith.

They've already had a positive impact on the solar energy scene in Millvale, and it probably won't be long before they have a greater impact on the solar industry in the Pittsburgh region, reducing greenhouse gases, and become a progressive leader in cooperative business culture.

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