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**HOUSE BILL NO. 1222**

Offered January 15, 2010

A *BILL to amend the Code of Virginia by adding in Title 67 a chapter numbered 12, consisting of sections numbered 67-1200 through 67-1205, relating to the establishment of a grant program for solar energy projects; Voluntary Solar Resource Development Fund.*

Patron—Ebbin

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Title 67 a chapter numbered 12, consisting of sections numbered 67-1200 through 67-1205, as follows:**

**CHAPTER 12.****VOLUNTARY SOLAR RESOURCE DEVELOPMENT FUND.****§ 67-1200. Definitions.**

As used in this chapter:

*"Commission" means the State Corporation Commission.**"Customer" means any person receiving transmission and distribution service from an electric utility.**"Electric utility" means any investor-owned electric utility or cooperative electric utility.**"Fund" means the Voluntary Solar Resource Development Fund established pursuant to § 67-1202.**"Photovoltaic device" means a device that uses a solar photovoltaic process to generate electricity.*

*"Solar energy project" means a project that involves the acquisition, installation, or operation of a photovoltaic device, solar water heating device, or solar space heating device at a residence, structure occupied by a nonprofit organization, or commercial establishment.*

*"Solar space heating device" means a device that, when installed in connection with a structure, uses solar energy for the purpose of heating the interior of the structure.*

*"Solar water heating device" means a device that, when installed in connection with a structure, uses solar energy for the purpose of providing hot water for use within the structure.*

**§ 67-1201. Duties of electric utilities.**

A. Each electric utility shall provide its customers with the option to make voluntary contributions to the Fund. Customers may exercise the option at any time through the check-off mechanism provided by this section, or by otherwise notifying the electric utility.

B. The option to make voluntary contributions to the Fund shall be provided through a mechanism that allows customers to choose to contribute \$1, \$5, \$10, or "other amount" each month. Electric utilities may provide the option to make contributions through any of the following mechanisms:

1. A check-off option may be provided on electric utility bills;

2. A check-off option may be provided on a response card separate from the customer bill that is mailed to a customer, either with or separately from the bill, and can be mailed back to the electric utility; or

3. A customer may agree to make voluntary contributions through a telephone call to the electric utility.

C. In addition to one of the mechanisms specified in subsection B, electric utilities may employ additional mechanisms to solicit voluntary contributions to the Fund.

D. Electric utilities shall add the amount designated by customers to the customer's bills each month. Customers may terminate their contributions at any time by notifying the electric utility.

E. Each electric utility shall provide its customers with notification of the option to make voluntary contributions to the Fund pursuant to the provisions of this chapter at least every six months.

F. Each electric utility shall prepare notification materials informing customers of the existence, purpose, and means to contribute to the Fund. To the extent available, the notification materials shall include descriptions of solar energy projects that have been funded. The notification materials shall be distributed to customers at least every six months through a bill insert or a separate mailing. If the utility provides the check-off option through response cards, the response cards shall be included as part of the notification materials. The notification materials shall be prepared in consultation with the Commission.

G. Each electric utility shall transfer moneys collected pursuant to this chapter to the Commission, including any associated interest, each quarter. The Commission shall deposit such moneys in the state treasury to the credit of the Fund, consistent with the provisions of this chapter.

H. The Commission shall allow electric utilities to recover their reasonable costs of implementing the

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59 provisions of this chapter in appropriate ratemaking proceedings.

60 I. On or before June 1 of each year, each electric utility shall submit a report to the Commission  
61 stating the number of customers, by customer class, that have contributed to the Fund, the amounts of  
62 the contributions, and an accounting of its costs of administration.

63 § 67-1202. Voluntary Solar Resource Development Fund established; administration.

64 A. There is hereby established in the state treasury a special nonreverting fund to be known as the  
65 Voluntary Solar Resource Development Fund. The Fund shall consist of such moneys as may be  
66 contributed by customers of electric utilities pursuant to § 67-1201. Any moneys deposited to or  
67 remaining in the Fund during or at the end of each fiscal year or biennium, including interest thereon,  
68 shall not revert to the general fund but shall remain in the Fund and be available for allocation under  
69 this chapter in ensuing fiscal years. Interest on all moneys in the Fund shall remain in the Fund and be  
70 credited to it.

71 B. The Commission shall administer the Fund. The Fund shall be used solely to provide grants for  
72 solar energy projects as provided under this chapter.

73 § 67-1203. Use of moneys in Fund.

74 A. The Commission shall distribute moneys in the Fund for solar power projects through a grant  
75 proposal system developed and administered by the Commission. The Commission shall adopt  
76 regulations establishing a sliding scale that ties the size of grants from the Fund to the energy capacity  
77 of the solar energy project. The maximum amount of moneys in the Fund that the Commission may  
78 allocate for any solar energy project shall be \$33,000, and the maximum capacity of any solar energy  
79 project eligible to receive moneys in the Fund shall be 20 kilowatts or equivalent.

80 B. The Commission shall allocate moneys from the Fund to applicants in the order in which their  
81 applications are received, until all funds allocated for that fiscal year are expended. The Commission  
82 shall not allocate an amount in excess of the moneys available in the Fund for the payment of grants.

83 C. Beginning in calendar year 2011, by June 30 of each year, the Commission shall (i) determine  
84 the amount of the grants to be allocated for eligible solar energy projects and (ii) certify to the  
85 Comptroller and each eligible grant applicant the amount of the grant allocated to such applicant.  
86 Payment of such grants shall be made by the State Treasurer on warrant of the Comptroller within 60  
87 days of such certification.

88 D. In no case shall the Commission certify grants from the Fund for solar energy projects acquired,  
89 installed, or operating prior to July 1, 2010.

90 E. Actions of the Commission relating to the allocation and awarding of grants shall be exempt from  
91 the provisions of the Administrative Process Act pursuant to subdivision B 4 of § 2.2-4002.

92 § 67-1204. Reports.

93 The Commission shall provide annual reports to the Governor and chairmen of the House and  
94 Senate Committees on Commerce and Labor, on or before June 1 of each year, describing the status of  
95 the grant program, the number of grants provided, the amount of each grant, the recipient of the grant,  
96 and the nature of the project for which the grant was provided. The Commission shall make the reports  
97 available to any person upon request.

98 § 67-1205. Waivers.

99 Upon the request of any person or upon its own motion, the Commission may, for good cause, waive  
100 any requirement of the grant program established pursuant to § 67-1203 that is not required by a  
101 provision of this chapter. A waiver shall not be inconsistent with the purposes of this chapter.