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HOUSE BILL NO. 1686

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Commerce and Labor
on February 1, 2011)

(Patron Prior to Substitute—Delegate Toscano)

A BILL to authorize the State Corporation Commission to approve demonstration programs for distributed solar generation; special tariffs for alternatives to net energy metering.

Be it enacted by the General Assembly of Virginia:

1. § 1. That in order to promote solar energy through distributed generation, the State Corporation Commission shall exercise its existing authority to approve, after notice to all affected parties and opportunity for hearing, demonstration programs that may be proposed by utilities for utility-owned distributed solar generation during the period July 1, 2011, through July 1, 2015, with an aggregate amount of rated generating capacity of up to 0.20 percent of each electric utility's adjusted Virginia peak load for the calendar year 2010. The Commission, on its own motion, may extend this period an additional year for good cause. As part of these demonstration programs, in addition to utility-owned solar generation, a utility may include special tariffs to facilitate customer-owned solar generation that are designed as alternatives to net energy metering. Subject to review by the Commission, such demonstration programs shall be prioritized in areas identified by the utility as areas where localized solar generation would provide benefits to the utility's distribution system, including constrained or high-growth areas. The Commission shall approve such programs if it determines that the programs, including those targeting constrained or high load growth areas, are reasonably designed to be in furtherance of the public interest.

§ 2. A utility participating in demonstration programs pursuant to this section shall use reasonable efforts to ensure that at least four of the distributed solar installation sites included in the demonstration projects shall be in a community setting, which shall include, but not be limited to, to the extent permitted by law, participation by local governments, schools, community associations, neighborhood associations, or nonprofit organizations. The capacity of each such community installation shall not exceed 500 kilowatts.

§ 3. Pursuant to §§ 10.1-1197.5 and 10.1-1197.8 of the Code of Virginia, when a utility proposes solar distributed generation resources as permitted in § 1 of this act comprised of multiple installations combined collectively, the Commission shall consider such projects as one small non-combustible renewable power generation resource for purposes of project approval. A "small non-combustible renewable power generation resource" is a small renewable energy project with a rated capacity not exceeding five megawatts that generates electricity from sunlight and may consist of one or more installations distributed on separate structures or facilities, whether such installations are treated each as a stand-alone small renewable energy project or are combined and treated collectively as one small renewable energy project.

§ 4. The Commission shall provide annual reports on any demonstration programs approved pursuant to this act to the Governor and the chairmen of the House and Senate Committees on Commerce and Labor.