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HOUSE BILL NO. 2191

Offered January 12, 2011

Prefiled January 12, 2011

A *BILL to amend the Code of Virginia by adding in Title 67 a chapter numbered 13, consisting of sections numbered 67-1300 through 67-1305, relating to the establishment of a voluntary funding program for solar energy projects; Voluntary Solar Resource Development Fund.*

Patrons—Ebbin, Bulova, Herring, Kory, Scott, J.M., Sickles, Surovell and Toscano

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 13, consisting of sections numbered 67-1300 through 67-1305, as follows:

CHAPTER 13.**VOLUNTARY SOLAR RESOURCE DEVELOPMENT FUND.****§ 67-1300. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Customer" means any person receiving transmission and distribution service from an electric utility.

"Department" means the Department of Mines, Minerals and Energy.

"Electric utility" means any investor-owned electric utility or cooperative electric utility.

"Fund" means the Voluntary Solar Resource Development Fund established pursuant to § 67-1302.

"Passive solar heating system" means a system or device that collects or otherwise uses the sun's heat for space heating without pumps, fans, or other machines or moving parts.

"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, which device moves the sun's heat from one or more collectors to interior areas through the use of a pump and piping or fans and ductwork, and a heat exchanger. "Solar space heating device" does not include a passive solar device.

"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.

§ 67-1301. 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, including the amount required to round up their bill amount to the next highest dollar. Electric utilities may provide the option to make contributions through any of the following mechanisms:

1. A check-off option shall be provided on a response card separate from the customer bill that is mailed to a customer, either with or separate from the bill, including other utility publications, and can be mailed back to the electric utility;

2. Utilities shall offer a mechanism for donations online via their website and through email to their paperless customers; or

3. Any other mechanism approved by the Department that is employed by an electric utility to solicit voluntary contributions to the Fund.

C. 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.

D. Each electric utility shall notify its customers quarterly of the option to make voluntary contributions to the Fund pursuant to the provisions of this chapter.

E. Each electric utility shall prepare notification materials informing customers of the existence of, purpose of, 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 from loans made under this chapter. The notification materials shall be distributed to customers quarterly through a bill insert or a separate mailing. Response cards shall be included as part of the notification materials. The notification materials shall be prepared in consultation with the Department.

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59 F. Each electric utility shall transfer moneys collected pursuant to this chapter, including any
60 interest accrued thereon, to the Department each calendar quarter. The Department shall deposit such
61 moneys in the state treasury to the credit of the Fund, consistent with the provisions of this chapter.

62 G. Each calendar quarter, each electric utility shall submit a report to the Department stating the
63 number of customers, by customer class, that have contributed to the Fund, the amounts of the
64 contributions, and an accounting of its costs of administration.

65 § 67-1302. Voluntary Solar Resource Development Fund established; administration; permitted uses
66 of moneys in Fund.

67 A. There is hereby established in the state treasury a special nonreverting fund to be known as the
68 Voluntary Solar Resource Development Fund. The Fund shall consist of such moneys as may be
69 contributed by customers of electric utilities pursuant to § 67-1301 and moneys repaid to the Fund by
70 borrowers of loans made pursuant to this chapter.

71 B. Any moneys deposited to or remaining in the Fund during or at the end of each fiscal year or
72 biennium, including interest thereon, shall not revert to the general fund but shall remain in the Fund
73 and be available for lending or other permitted uses under this chapter in ensuing fiscal years. Interest
74 on all moneys in the Fund shall remain in the Fund and be credited to it.

75 C. The Department shall administer the Fund. The Fund shall be used solely to provide loans for
76 solar energy projects as provided under this chapter, and other types of renewable energy projects if the
77 Department opts to expand the scope of the programs as authorized under § 67-1304, and to reimburse
78 (i) the Department for its reasonable costs incurred in administering this program and (ii) the electric
79 utilities for their reasonable costs incurred in implementing the requirements of § 67-1301.

80 § 67-1303. Use of moneys in Fund.

81 A. The Department shall establish the requirements for a revolving loan program under which
82 moneys in the Fund may be loaned to persons to facilitate the construction and acquisition of eligible
83 solar energy projects. The Department shall develop criteria, guidelines, and requirements for loan
84 eligibility, loan amounts, loan terms, and interest to be charged thereon, the collateralization of loaned
85 moneys, the payment of fees and costs incurred by the Department in the making of loans, and such
86 other matters as the Department deems appropriate to ensure the sound conduct of a revolving loan
87 program.

88 B. The Department shall lend moneys from the Fund to applicants for loans in the order in which
89 their complete applications are received, until the portion of the moneys in the Fund that the
90 Department determines is appropriate for lending in that fiscal year are loaned. The Department shall
91 not lend an amount in excess of the moneys available in the Fund.

92 C. Beginning in calendar year 2012, by July 1 of each year, the Department shall (i) determine the
93 amount of the loans to be made for eligible solar energy projects that year and (ii) certify to the
94 Comptroller the amount of each loan to be made and the eligible applicants to whom the Department
95 has agreed to loan money. Moneys to fund the approved loans shall be made available to the
96 Department by the State Treasurer on warrant of the Comptroller within 60 days of such certification,
97 and the disbursement of loan proceeds by the Department to the borrower shall be made in accordance
98 with the Department's criteria, guidelines, and requirements established pursuant to subsection A and
99 the terms of any loan funding agreement between the Department and the borrower.

100 D. In no case shall the Department make loans from the Fund for solar energy projects acquired,
101 installed, or operating prior to July 1, 2012.

102 E. Actions of the Department relating to the making of loans shall be exempt from the provisions of
103 the Administrative Process Act pursuant to subdivision B 4 of § 2.2-4002.

104 § 67-1304. Scope of program.

105 A. Nothing in this chapter shall be deemed to authorize electric utilities to provide customers with
106 the option to make voluntary contributions in connection with billing for any purpose other than to
107 make contributions to the Fund for purposes specifically authorized under subsection C of § 67-1302.

108 B. Notwithstanding the limitation in subsection A, the Department shall have the authority, in its
109 discretion, by the adoption of appropriate regulations pursuant to the Administrative Process Act
110 (§ 2.2-4000 et seq.), to expand the purposes for which moneys in the Fund may be used to include
111 making loans for (i) wind power and other renewable energy projects and (ii) energy efficiency projects.

112 § 67-1305. Reports.

113 The Department shall provide annual reports to the Governor and Chairmen of the House and
114 Senate Committees on Commerce and Labor, on or before June 1 of each year, describing the status of
115 the revolving loan program, the number of loans provided, the amount of each loan, the recipient of the
116 loan, the loan's repayment status, and the nature of the project for which the loan was provided. The
117 Department shall make the reports available to any person upon request.