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SENATE BILL NO. 975

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on January 31, 2011)

(Patron Prior to Substitute—Senator Whipple)

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.

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.

"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 made in the United States 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 made in the United States 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 made in the United States 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. The Department shall provide the option to make voluntary contributions to the Fund in a manner that allows customers to choose to contribute \$1, \$5, \$10, or "other amount." Electric utilities shall provide a link in their internet site to relevant section of the Department's web site where donations to the fund may be made.

B. Utilities shall periodically promote the existence of the Fund and ability to donate via their paper newsletter, email correspondences, on the bill or via some other mechanism of choice.

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

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

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

C. The Department shall administer the Fund. The Fund shall be used solely to provide loans for solar energy projects as provided under this chapter, and other types of renewable energy projects if the Department opts to expand the scope of the programs as authorized under § 67-1304, and to reimburse the Department for its reasonable costs incurred in administering this program.

§ 67-1303. Use of moneys in Fund.

A. The Department shall establish the requirements for a revolving loan program under which moneys in the Fund may be loaned to persons to facilitate the construction and acquisition of eligible

60 solar energy projects. The Department shall develop criteria, guidelines, and requirements for loan
61 eligibility, loan amounts, loan terms, and interest to be charged thereon, the collateralization of loaned
62 moneys, the payment of fees and costs incurred by the Department in the making of loans, and such
63 other matters as the Department deems appropriate to ensure the sound conduct of a revolving loan
64 program.

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

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

77 D. In no case shall the Department make loans from the Fund for solar energy projects acquired,
78 installed, or operating prior to July 1, 2012. The Department may delay making loans beyond July 1,
79 2012, if, in the opinion of the Director, the monies available in the fund are not sufficient to defray the
80 administrative costs that would be incurred in managing the loan fund.

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

83 § 67-1304. Scope of program.

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

87 § 67-1305. Reports.

88 The Department shall provide annual reports to the Governor and Chairmen of the House and
89 Senate Committees on Commerce and Labor, on or before June 1 of each year, beginning in 2013,
90 describing the status of the revolving loan program, the number of loans provided, the amount of each
91 loan, the recipient of the loan, the loan's repayment status, and the nature of the project for which the
92 loan was provided. The Department shall make the reports available to any person upon request.

93 **2. That the provisions of this act shall expire on July 1, 2016.**