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SENATE BILL NO. 634

Offered January 8, 2020

Prefiled January 7, 2020

A *BILL to amend the Code of Virginia by adding in Chapter 15.1 of Title 45.1 an article numbered 3, consisting of sections numbered 45.1-179.12, 45.1-179.13, and 45.1-179.14, and by adding in Chapter 15 of Title 46.2 an article numbered 10, consisting of a section numbered 46.2-1583, relating to alternative and efficient energies; subsidies and rebates.*

Patrons—Surovell; Delegate: Willett

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 Chapter 15.1 of Title 45.1 an article numbered 3, consisting of sections numbered 45.1-179.12, 45.1-179.13, and 45.1-179.14, and by adding in Chapter 15 of Title 46.2 an article numbered 10, consisting of a section numbered 46.2-1583, as follows:

*Article 3.**Energy Efficiency Subsidies.***§ 45.1-179.12. Definitions.**

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

"Energy audit" means an energy audit performed on a person's primary residence that assesses how much energy a building or operation consumes and evaluates what measures can be taken to make the residence more energy efficient. The audit must be performed by an analyst certified by the Building Performance Institute (BPI) or Residential Energy Services Network (RESNET) and documented with a dated copy of the auditor's report identifying the person's property and auditor's certification number.

"Energy efficiency property" means a solar photovoltaic system, a solar thermal system, or a geothermal system.

"Fund" means the Energy Efficiency Subsidy Fund established pursuant to § 45.1-179.13.

"Geothermal system" means energy-generating units, sometimes referred to as earth-coupled, ground-source, or water-source heat pumps, that use the constant temperature of the earth as the exchange medium, instead of the outside air temperature, by exchanging heat with the earth through a ground heat exchanger in order to heat, cool, and, if equipped, supply hot water to the building.

"Program" means the Energy Efficiency Subsidy Program established pursuant to § 45.1-179.14.

"Solar photovoltaic system" means an energy system or solar panel that collects or absorbs sunlight for conversion into electricity and that has been certified as meeting all applicable safety standards of Underwriters Laboratories. Systems that are interconnected with the utility grid shall comply with performance and safety standards established by the State Corporation Commission in accordance with § 56-594.

"Solar thermal system" means a solar energy system that collects or absorbs solar energy to generate hot water or air for water heating or space heating. Solar water heating systems shall meet the operational guidelines for an OG-300 certified solar water heating system as established by the Solar Rating and Certification Corporation. Solar space heating panels that heat air shall meet the operational guidelines for an OG-100 certified solar panel.

§ 45.1-179.13. Energy Efficiency Subsidy Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Energy Efficiency Subsidy Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for the purposes identified in this section and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of funding grants to subsidize residential energy efficiency measures as provided in § 45.1-179.14. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director.

§ 45.1-179.14. Energy Efficiency Subsidy Program.

A. There is hereby established the Energy Efficiency Subsidy Program. The Director shall administer the Program for the purposes of funding grants to subsidize residential energy efficiency measures, including constructing energy efficiency property and conducting energy audits. The Director shall

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59 develop an application process, including requiring documentation of the constructing of energy
60 efficiency property or conducting of an energy efficiency audit, by which a person may apply for a grant
61 from the Fund. Within 90 days of receiving an application, the Director shall make a determination as
62 to whether it meets the criteria for receiving a grant pursuant to this section.

63 B. A person may apply to the Department for a grant for placing into service energy efficiency
64 property. A person may apply for only one grant per five years pursuant to this subsection. In no case
65 shall more than one grant be issued for a single system of energy efficiency property. Except as
66 provided in subsection D, the amount of the grant shall be:

67 1. For a solar photovoltaic system, \$1.25 per watt for the first 2,000 watts, \$0.75 per watt for 2,001
68 through 8,000 watts, and \$0.25 per watt for 8,001 watts and above, not to exceed \$10,500 per system
69 or the total cost of the system, whichever is less;

70 2. For a geothermal system, 10 percent of the installed cost, not to exceed \$3,000 per system or the
71 total cost of the system, whichever is less; or

72 3. For a solar thermal system, \$2,000 per system or the total cost of the system, whichever is less.

73 C. A person may apply to the Department for a grant for an energy audit. The amount of the grant
74 shall be 50 percent of the cost of the energy audit, not to exceed \$250. A person may apply for only
75 one grant per five years pursuant to this subsection.

76 D. If applications for grants pursuant to subsections B and C in a given year exceed the amount of
77 funds available in the Fund, the Director shall reduce the value of all grants on a pro rata basis.

78 E. Determinations of the Director with respect to issuing or refusing to issue a grant pursuant to this
79 section shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.)
80 pursuant to subdivision B 4 of § 2.2-4002.

81 F. The Director shall report annually to the Chairmen of the House Committees on Appropriations
82 and Finance and the Senate Committee on Finance on grants issued pursuant to this article.

83 Article 10.

84 Electric Vehicle Rebate Program.

85 § 46.2-1583. Electric Vehicle Rebate Program.

86 A. As used in this section:

87 "Federal poverty guidelines" means the poverty guidelines for the 48 contiguous states and the
88 District of Columbia updated annually in the Federal Register by the U.S. Department of Health and
89 Human Services under the authority of § 773(2) of the Omnibus Budget Reconciliation Act of 1981.

90 "Qualified vehicle" means a new or used zero-emissions, battery electric, or plug-in hybrid electric
91 vehicle with a manufacturer suggested retail price that does not exceed \$50,000.

92 "Zero-emissions vehicle" means a vehicle that emits no exhaust gas from the onboard source of
93 power.

94 B. Any person who buys or leases for a period of at least 24 months a qualified vehicle from a
95 motor vehicle dealer in the Commonwealth and registers such vehicle in the Commonwealth shall be
96 eligible for a rebate pursuant to this section. The motor vehicle dealer that sells or leases such vehicle
97 shall submit to the Department any forms or information, in a manner prescribed by the Commissioner,
98 certifying the sale or lease of a qualified vehicle and information regarding the purchaser or lessee
99 within seven days of the sale or lease of the vehicle.

100 C. From such funds as may be appropriated, the Commissioner shall issue a rebate pursuant to the
101 provisions of this section as follows:

102 1. For a qualified vehicle with a fuel cell battery, \$5,000 for a new vehicle and \$2,500 for a used
103 vehicle;

104 2. For a qualified battery electric vehicle that obtains 200 miles or more per charge, \$3,000 for a
105 new vehicle and \$1,500 for a used vehicle;

106 3. For a qualified battery electric vehicle that obtains at least 120 miles but less than 200 miles per
107 charge, \$2,000 for a new vehicle and \$1,000 for a used vehicle;

108 4. For a plug-in hybrid electric vehicle that obtains 45 miles per gallon or more, \$800 for a new
109 vehicle and \$400 for a used vehicle;

110 5. For a qualified battery electric vehicle that obtains less than 120 miles per charge, \$400 for a
111 new vehicle and \$200 for a used vehicle; and

112 6. For a qualified plug-in hybrid electric vehicle that obtains less than 45 miles per gallon, \$400 for
113 a new vehicle and \$200 for a used vehicle.

114 7. For individuals who do not have a household income in excess of 300 percent of the current
115 federal poverty guidelines, the rebates set forth in subdivisions 1 through 6 shall be increased by
116 \$2,000. In order to qualify for an enhanced rebate, the individual shall provide documentation of
117 household income to the Department upon request.

118 D. A motor vehicle dealer shall be liable to a purchaser or lessee for twice the amount of a rebate
119 for which a purchaser or lessee would be eligible under this section if such dealer fails to submit rebate
120 information to the Department pursuant to subsection B.

121 *E. The Department shall develop guidelines regarding the administration of this program. Such*
122 *guidelines shall include a list of qualified vehicles, and the amount of the rebate available for each such*
123 *vehicle.*
124 *F. The Department shall report to the General Assembly by December 1 of each year, beginning on*
125 *December 1, 2021, regarding the program, including the number of rebates issued in the immediately*
126 *preceding fiscal year.*