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HOUSE BILL NO. 746

Offered January 9, 2002

Prefiled January 9, 2002

A *BILL to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.5, consisting of sections numbered 59.1-284.20, 59.1-284.21, and 59.1-284.22, relating to grants for purchasing solar energy equipment.*

Patrons—Plum, Almand, Jones, J.C. and Parrish; Senator: Saslaw

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 59.1 a chapter numbered 22.5, consisting of sections numbered 59.1-284.20, 59.1-284.21, and 59.1-284.22, as follows:

CHAPTER 22.5.**SOLAR ENERGY UTILIZATION GRANT PROGRAM.****§ 59.1-284.20. Definitions.**

A. As used in this chapter, unless the context clearly requires otherwise:

"Corporation" means an entity subject to the tax imposed by Article 10 (§ 58.1-400 *et seq.*) of Chapter 3 of Title 58.1.

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

"Fund" means the Solar Energy Utilization Grant Fund.

"Individual" means the same as that term is defined in § 58.1-302.

"Photovoltaic property" means solar energy property that uses a solar photovoltaic process to generate electricity and that meets applicable performance and quality standards and certification requirements in effect at the time of acquisition of the property, as specified by the Department.

"Solar energy property" means equipment that uses solar energy (i) to generate electricity, (ii) to heat or cool a structure or provide hot water for use associated with a structure, or (iii) to provide solar process heat. Solar energy property does not include a swimming pool, hot tub, or any other storage medium that has a function other than storage.

"Solar water heating property" means solar energy property that, when installed in connection with a structure, uses solar energy for the purpose of providing hot water for use associated with the structure and meets applicable performance and quality standards and certification requirements in effect at the time of acquisition of the property, as specified by the Department.

B. Subject to appropriation of sufficient moneys in the Fund, beginning with calendar year 2002, an eligible individual or corporation may receive a grant payable from the Fund for a portion of the cost of photovoltaic property or solar water heating property placed in service during the calendar year by such individual or corporation. The grant amount shall be fifteen percent of the total installed cost of photovoltaic property or solar water heating property but shall not exceed an aggregate total of:

1. \$2,000 for each system of photovoltaic property; and

2. \$1,000 for each system of solar water heating property.

Persons or entities placing eligible property in service for or on behalf of another person or entity shall not be eligible to receive a grant for such property.

§ 59.1-284.21. Requirements for grants generally.

A. The Department shall establish an application process by which eligible individuals and corporations shall apply for a grant under this chapter. The application shall be filed with the director of the Department no later than March 31 each year following the calendar year in which such property was placed in service. Failure to meet the filing deadline shall render the applicant ineligible to receive a grant for photovoltaic property or solar water heating property placed in service in the prior calendar year. For filings by mail, the postmark cancellation shall govern the date of the filing determination.

B. The application shall provide evidence, satisfactory to the Department, of the total installed cost of each system of photovoltaic property or solar water heating property placed in service by such individual or corporation in the prior calendar year.

C. As a condition of receipt of a grant, an eligible individual or corporation shall make available to the Department for inspection upon request all relevant and applicable documents to determine whether the requirements for the receipt of grants as set forth in this chapter have been satisfied.

D. An individual or corporation receiving a grant pursuant to this chapter for a system of photovoltaic property or solar water heating property may not use such system as the basis for claiming

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59 any other grant or credit against taxes, as provided under the Code of Virginia or in an appropriation
60 act.

61 § 59.1-284.22. Solar Energy Utilization Grant Fund.

62 A. There is hereby established in the state treasury a special nonreverting fund to be known as the
63 Solar Energy Utilization Grant Fund. The Fund shall consist of such moneys as may be appropriated by
64 the General Assembly from time to time. Any moneys deposited to or remaining in the Fund during or
65 at the end of each fiscal year or biennium, including interest thereon, shall not revert to the general
66 fund but shall remain in the Fund and be available for allocation under this chapter in ensuing fiscal
67 years. Interest on all moneys in the Fund shall remain in the Fund and be credited to it. The Fund shall
68 be used solely for the payment of the grants provided under this chapter. The Department shall
69 administer the Fund.

70 B. The Department shall allocate moneys from the Fund in the following order of priority: (i) first to
71 unpaid grant amounts carried forward from prior years because eligible individuals or corporations did
72 not receive the full amount of any grant to which they were eligible in a prior year pursuant to this
73 chapter and (ii) then to other approved applicants. If the moneys in the Fund are less than the amount
74 of grants to which approved applicants in any class of priority are eligible, the moneys in the Fund
75 shall be apportioned pro rata among eligible applicants in such class, based upon the amount of the
76 grant to which an approved applicant is eligible and the amount of money in the Fund available for
77 allocation to such class.

78 The Department may not allocate an amount in excess of the moneys available in the Fund for the
79 payment of grants.

80 C. Beginning in calendar year 2003, by June 30 of each year, the Department shall (i) determine the
81 amount of the grants to be allocated to eligible individuals and corporations, and (ii) certify to the
82 Comptroller and each eligible grant applicant the amount of the grant allocated to such applicant.
83 Payment of such grants shall be made by the State Treasurer on warrant of the Comptroller within sixty
84 days of such certification.

85 D. If a grant recipient is allocated less than the full amount of a grant to which it is eligible in any
86 year pursuant to this chapter, such individual or corporation shall not be eligible for the deficiency in
87 that year, but the unpaid portion of the grant to which it was eligible shall be carried forward by the
88 Department to the following year, during which it shall be in the first class of priority as provided in
89 clause (i) of subsection B.

90 E. In no case shall the Department certify grants from the Fund for photovoltaic property or solar
91 water heating property placed in service (i) prior to January 1, 2002, or (ii) after December 31, 2006.

92 F. Actions of the Department relating to the allocation and awarding of grants shall be exempt from
93 the provisions of the Administrative Process Act pursuant to subdivision B. 4. of § 2.2-4002.

94 2. That the provisions of this act shall become effective if the general appropriation act for the
95 2002-2004 biennium provides funding to the Department of Mines, Minerals and Energy in an
96 amount no less than \$_____ for the purpose of funding the administrative costs incurred by the
97 Department in its implementation of this act.