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SENATE BILL NO. 1333

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Agriculture, Conservation and Natural Resources)

(Patron Prior to Substitute—Senator Hashmi)

Senate Amendments in [] - February 2, 2023

A BILL to amend and reenact §§ 45.2-1912, 45.2-1913, 45.2-1915, 45.2-1916, and 45.2-1917 of the Code of Virginia, relating to solar and energy efficiency projects for low-income and moderate-income Virginians.

Be it enacted by the General Assembly of Virginia:

1. That §§ 45.2-1912, 45.2-1913, 45.2-1915, 45.2-1916, and 45.2-1917 of the Code of Virginia are amended and reenacted as follows:

§ 45.2-1912. Definitions.

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

"Board" means the Clean Energy Advisory Board created pursuant to § 45.2-1913.

"Fund" means the Low-to-Moderate Income Solar ~~Loan and Rebate~~ Fund created pursuant to § 45.2-1916.

"Program" means the Low-to-Moderate Income Solar ~~Loan and Rebate~~ Pilot Program created pursuant to § 45.2-1917.

"Solar energy system" means equipment that directly converts and then transfers or stores solar energy into usable forms of thermal or electrical energy. "Solar energy system" includes "energy storage systems" as that term is defined in § 58.1-3660.

§ 45.2-1913. Clean Energy Advisory Board; purpose.

The Clean Energy Advisory Board is established as an advisory board in the executive branch of state government. The purpose of the Board is to establish a pilot program for disbursing grants, loans, or rebates for the installation of solar energy and storage infrastructure and energy efficiency improvements in low-income and moderate-income households.

§ 45.2-1915. Powers and duties of the Board; report.

The Board has the powers and duties to:

1. Advise the Director on the management and operation of the Fund and Program pursuant to the provisions of §§ 45.2-1916 and 45.2-1917;

2. ~~Develop, establish, and operate, with the approval of the Director, the Program pursuant to the provisions of § 45.2-1917;~~

3. Advise the Director on the possibility of working with a community development financial institution or other financial institutions to further the purposes of the Program;

4. ~~3. Advise the Director on the distribution of moneys in the Fund in the form of loans or rebates pursuant to the provisions of § 45.2-1917 [(i) to apply for federal loan guarantees or grant funds to facilitate the development of solar energy, storage, and energy efficiency projects and (ii)] to apply to the U.S. Environmental Protection Agency for federal loan guarantees or grant funds made available pursuant to the federal Inflation Reduction Act (P.L. 117-169) or other similar federal legislation to facilitate the development of solar energy, storage, and energy efficiency projects; and~~

5. ~~4. Submit to the Governor and the General Assembly an annual report for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports. The chairman shall submit to the Governor and the General Assembly an annual executive summary of the interim activity and work of the Board no later than the first day of each regular session of the General Assembly. The executive summary shall be submitted for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.~~

§ 45.2-1916. Low-to-Moderate Income Solar Fund.

There is hereby established in the state treasury a special nonreverting fund to be known as the Low-to-Moderate Income Solar ~~Loan and Rebate~~ Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose 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 extending grants and loans or paying rebates to electric customers who complete solar installations or energy efficiency improvements pursuant to the provisions of § 45.2-1917. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written

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60 request signed by the Director.

61 **§ 45.2-1917. Low-to-Moderate Income Solar Pilot Program.**

62 A. The Board, with the approval of the Director, shall develop and establish a Low-to-Moderate
63 Income Solar ~~Loan and Rebate~~ Pilot Program and rules for the *grant*, loan, or rebate application process.
64 The Program shall be open to any Virginia resident whose household income is at or below 80 percent
65 of the state median income or regional median income, whichever is greater. The Program shall allow
66 only one *grant or* loan per residence, irrespective of the ownership of the solar energy system that is
67 installed. Such *grant or* loan shall be available only for a solar installation or energy efficiency
68 improvements pursuant to the provisions of Chapter 1.2 (§ 36-55.24 et seq.) of Title 36.

69 B. The Board shall accept an application only from the installer of the solar ~~installation~~ energy
70 system or the agent of the customer.

71 Each application shall include (i) ~~12 months of the customer's utility bills prior to installation of the~~
72 ~~solar energy system and an agreement to provide 12 months of utility bills to the Board following the~~
73 ~~installation~~ *evidence demonstrating that the household has been weatherized within the past five years*
74 *by an authorized weatherization assistance provider or other provider approved by the Department of*
75 *Housing and Community Development*; (ii) the customer's permission for the Director to (a) create a
76 customer profile for the customer if he becomes an eligible *grant*, loan, or rebate customer, (b)
77 aggregate the data provided by such eligible *grant*, loan, or rebate customers, and (c) use such aggregate
78 data for the purpose of lowering energy costs and implementing effective programs; (iii) evidence of the
79 completion of a home performance audit, conducted by a qualified local weatherization service
80 provider *or provider approved by the Department of Housing and Community Development*, before and
81 after installation of energy efficiency services such as lighting or insulation improvements, attic tents,
82 weatherization, air sealing of openings in the building envelope, sealing of ducts, or thermostat upgrades,
83 to demonstrate that such energy efficiency services were completed ~~and resulted in a reduction in~~
84 ~~consumption of at least 12 percent~~; and (iv) an affidavit attesting to the receipt of a public benefit at the
85 time the solar energy system is to be installed.

86 C. The ~~Board~~ Director shall review each application submitted to it on a first-come, first-served basis
87 and shall ~~recommend to the Director the approval or denial of~~ *approve or deny* each such application
88 within ~~30~~ 60 days of receipt of a *complete application*. If the Director approves an application, he shall
89 hold a reservation of funds for as long as 180 days for final *grant*, loan, or rebate claim and
90 disbursement.

91 D. A customer whose application is approved may install ~~an~~ a solar energy system that is
92 interconnected pursuant to the provisions of § 56-594 or any section in Title 56 that addresses net
93 energy metering provisions for electric cooperative service territories.

94 E. All of the work of installing the energy system shall be completed by a licensed contractor that (i)
95 possesses an Alternative Energy System (AES) Contracting specialty as defined by the Board for
96 Contractors pursuant to the provisions of Chapter 11 (§ 54.1-1100 et seq.) of Title 54.1; (ii) possesses
97 certification for solar installation from the North American Board of Certified Energy Practitioners, Solar
98 Energy International, Roof Integrated Solar Energy, or a similar installer certification program; (iii)
99 possesses a rating of "A" or higher from the local Better Business Bureau; and (iv) has installed a
100 minimum of 150 net-metered residential solar systems in the Commonwealth. If the work of installing
101 the solar energy system requires electrical work, such work shall be completed by an electrical
102 contractor licensed by the Department of Professional and Occupational Regulation. All photovoltaic
103 panels, inverters, and other electrical apparatus used in the solar energy system shall be tested and
104 certified by a federal Occupational Safety and Health Administration Nationally Recognized Testing
105 Laboratory such as UL LLC and installed in compliance with manufacturer specifications and all
106 applicable building and electrical codes.

107 F. The customer or the installer, acting on behalf of the customer, shall submit any *grant*, loan, or
108 rebate claim within 90 days of completion of the installation of the solar energy system, with
109 completion deemed to have occurred once the solar energy system's bi-directional meter or net meter, or
110 the respective utility's revenue grade meter, has been installed and the system has been electrified. Each
111 *grant, loan, or* rebate claim shall include, at a minimum, a date of system electrification and a
112 time-stamped and date-stamped verification of (i) bi-directional net meter delivery or (ii) the operation
113 of a compatible programmed smart meter capable of tracking net metering activity.

114 G. The Director shall review and approve or deny a *grant*, loan, or rebate claim within 60 days of
115 receipt and shall provide a written explanation of each denial to the respective claimant. The Director
116 shall disburse from the Fund created pursuant to § 45.2-1916 the *grant*, loan, or rebate for each
117 approved claim within 60 days of its receipt of the claim and according to the order in which its
118 respective application was approved. Any rebate or grant shall be in the amount of no more than \$2 \$3
119 per DC watt for up to six kilowatts of solar capacity installed. The customer may use a *grant or* rebate
120 in addition to any federal tax credits or state incentives or enhancements earned for the same solar
121 installation.