

A-Engrossed
House Bill 2618

Ordered by the House April 5
Including House Amendments dated April 5

Sponsored by Representatives HELM, SMITH DB, Senators ROBLAN, PROZANSKI; Representatives LEIF, LIVELY, MARSH, MCKEOWN, NOSSE, POWER, REARDON, SALINAS, SCHOUTEN, SOLLMAN, WILDE, Senators BOQUIST, DEMBROW, FREDERICK, GOLDEN, MANNING JR (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires State Department of Energy to adopt by rule program for providing rebates for purchase, construction or installation of residential and *[commercial]* **nonresidential** solar electric systems and paired solar and storage systems. Sets forth rebate limits under program.

Establishes Rooftop Solar Incentive Fund. Continuously appropriates moneys in fund to department to issue rebates. Limits total amount of rebates issued annually for *[commercial]* **nonresidential** systems. **Requires certain amount of rebates issued annually to be for systems installed for low or moderate income residential customers and low-income service providers.**

Appropriates moneys from General Fund to department for deposit in Rooftop Solar Incentive Fund.

Requires department to submit annual report on program to Legislative Assembly.

Sunset January 2, 2024.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to solar incentives; and prescribing an effective date.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. As used in sections 1 to 4 of this 2019 Act:**

5 (1) **"Contractor" means a person whose trade or business consists of offering for sale**
6 **solar electric systems or paired solar and storage systems or of providing construction, in-**
7 **stallation or design services for solar electric systems or paired solar and storage systems.**

8 (2) **"Electric utility" has the meaning given that term in ORS 757.600.**

9 (3) **"Energy storage system" means commercially available technology that is capable of**
10 **retaining energy, storing the energy for a period of time and transmitting the energy after**
11 **storage.**

12 (4) **"Low-income service provider" means a nonresidential customer that provides health,**
13 **dental, social, financial, energy conservation or other assistive services to low or moderate**
14 **income persons or low or moderate income households.**

15 (5) **"Net cost" means the actual cost of the purchase, construction and installation of a**
16 **solar electric system or a paired solar and storage system, minus any incentive received for**
17 **the system from the electric utility serving the customer for which the system is installed.**

18 (6) **"Paired solar and storage system" means a solar electric system and an energy**
19 **storage system purchased, constructed and installed together by the same contractor and**
20 **paired such that the energy storage system provides storage capacity for electrical energy**
21 **produced by the solar electric system.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (7) "Placed in service" means the date that a solar electric system or a paired solar and
2 storage system is ready and available to produce usable electrical energy or save electrical
3 energy.

4 (8) "Solar electric system" means any system, mechanism or series of mechanisms, in-
5 cluding photovoltaic systems, that uses solar radiation to generate electrical energy.

6 **SECTION 2.** (1) The State Department of Energy shall adopt by rule a program for pro-
7 viding rebates for the purchase, construction or installation of solar electric systems and
8 paired solar and storage systems. The department shall make rebates available under this
9 section to be claimed by a contractor that constructs or installs a solar electric system or
10 a paired solar and storage system for a residential or a nonresidential customer. A con-
11 tractor that claims a rebate under this section must use the full amount of the rebate to
12 reduce the net cost to the residential or nonresidential customer of the purchase, con-
13 struction or installation of the solar electric system or paired solar and storage system for
14 which the rebate is issued.

15 (2) Rebates under the program shall be made from moneys credited to the Rooftop Solar
16 Incentive Fund established under section 3 of this 2019 Act. A rebate may not be made unless
17 there are sufficient moneys available in the fund to make the rebate.

18 (3) Rules adopted by the department under this section shall include but need not be
19 limited to:

20 (a) Preferences for providing rebates that benefit low and moderate income residential
21 customers and nonresidential customers that are low-income service providers.

22 (b) Provisions for determining eligibility and verification of solar electric systems and
23 paired solar and storage systems for purposes of the rebate program;

24 (c) Policies and procedures for the administration and enforcement of sections 1 to 4 of
25 this 2019 Act; and

26 (d) Provisions for determining the rebate amounts available for solar electric systems
27 and paired solar and storage systems. The department shall calculate the rebate amount per
28 watt of installed capacity based on the projected energy production of the constructed and
29 installed solar electric system or paired solar and storage system over a 20-year period.

30 (4) The amount that may be claimed as a rebate under this section may not exceed the
31 following limits:

32 (a) For a system installed for a low or moderate income residential customer:

33 (A) 60 percent of the net cost of the solar electric system or the applicable amount under
34 subsection (5)(a) of this section, whichever is less; and

35 (B) If the solar electric system is part of a paired solar and storage system, an additional
36 amount that is equal to 60 percent of the net cost of the energy storage system or \$2,500,
37 whichever is less.

38 (b) For a system installed for a residential customer that is not low or moderate income:

39 (A) 40 percent of the net cost of the solar electric system or the applicable amount under
40 subsection (5)(a) of this section, whichever is less; and

41 (B) If the solar electric system is part of a paired solar and storage system, an additional
42 amount that is equal to 40 percent of the net cost of the energy storage system or \$2,500,
43 whichever is less.

44 (c) For a system installed for a low-income service provider:

45 (A) 50 percent of the net cost of the solar electric system or the applicable amount under

1 subsection (5)(b) of this section, whichever is less; and

2 (B) If the solar electric system is part of a paired solar and storage system, an additional
3 amount that is equal to 60 percent of the net cost of the energy storage system or \$15,000,
4 whichever is less.

5 (d) For a system installed for nonresidential customer that is not a low-income service
6 provider:

7 (A) 30 percent of the net cost of the solar electric system or the applicable amount under
8 subsection (5)(b) of this section, whichever is less; and

9 (B) If the solar electric system is part of a paired solar and storage system, an additional
10 amount that is equal to 40 percent of the net cost of the energy storage system or \$15,000,
11 whichever is less.

12 (5)(a) A rebate claimed for a solar electric system described in subsection (4)(a) or (b)
13 of this section may not exceed:

14 (A) \$6,000 if the solar electric system is placed in service during the year 2020.

15 (B) \$5,500 if the solar electric system is placed in service during the year 2021.

16 (C) \$5,000 if the solar electric system is placed in service during the year 2022 or 2023.

17 (b) A rebate claimed for a solar electric system described in subsection (4)(c) or (d) of
18 this section may not exceed:

19 (A) \$40,000 if the solar electric system is placed in service during the year 2020.

20 (B) \$35,000 if the solar electric system is placed in service during the year 2021.

21 (C) \$30,000 if the solar electric system is placed in service during the year 2022 or 2023.

22 (6) To be eligible to claim a rebate on behalf of a customer under this section, a con-
23 tractor who constructs or installs a solar electric system or a paired solar and storage sys-
24 tem must, at the time of the construction or installation:

25 (a) Hold any license, bond, insurance or permit required to sell and construct or install
26 the solar electric system or paired solar and storage system; and

27 (b) Meet any other certification requirements set forth in rules adopted by the depart-
28 ment.

29 (7) Prior to commencing installation of a solar electric system or paired solar and storage
30 system, a contractor must apply to the department to reserve a rebate on behalf of the
31 customer for whom the solar electric system or paired solar and storage system will be in-
32 stalled. A contractor may reserve rebates for no more than 25 installations under this sub-
33 section in one application.

34 (8) To claim a rebate reserved under subsection (7) of this section, the contractor that
35 reserved the rebate must submit to the department verification of the purchase, con-
36 struction or installation of the solar electric system or paired solar and storage system. The
37 verification required by this section shall be made in writing on a form provided by the de-
38 partment and shall contain:

39 (a) The location of the solar electric system or paired solar and storage system;

40 (b) A description of the solar electric system or paired solar and storage system;

41 (c) Evidence that the contractor that constructed or installed the solar electric system
42 or paired solar and storage system has any license, bond, insurance or permit and meets any
43 other certification requirements required for the sale and construction or installation of the
44 solar electric system or paired solar and storage system;

45 (d) A statement signed by both the contractor and the customer for whom the solar

1 electric system or paired solar and storage system is installed that the customer has re-
2 ceived the full value of the rebate as a reduction in the net cost of the purchase, con-
3 struction or installation of the system and that the rebate was clearly reflected on an invoice
4 provided to the customer; and

5 (e) Any other information that the department determines is necessary.

6 (9) If the department determines that a contractor claiming a rebate under this section
7 has received any amount in excess of the amounts provided for in subsections (4) and (5) of
8 this section or that a rebate has been paid due to the submission of false or fraudulent in-
9 formation by the contractor, the department may recover the overpayment or payment made
10 on the false or fraudulent claim.

11 **SECTION 3.** (1) The Rooftop Solar Incentive Fund is established in the State Treasury,
12 separate and distinct from the General Fund. Moneys in the Rooftop Solar Incentive Fund
13 shall consist of:

14 (a) Amounts donated to the fund;

15 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative As-
16 sembly; and

17 (c) Other amounts deposited in the fund from any public or private source.

18 (2) Moneys in the fund are continuously appropriated to the State Department of Energy
19 to be used to issue rebates pursuant to section 2 of this 2019 Act.

20 (3) Over the course of a calendar year:

21 (a) No more than 50 percent of moneys available in the fund may be used to issue rebates
22 for solar electric systems or paired solar and storage systems constructed or installed for
23 nonresidential customers; and

24 (b) At least 15 percent of the moneys available in the fund must be reserved for rebates
25 for solar electric systems or paired solar and storage systems constructed or installed for
26 low or moderate income residential customers and low-income service providers.

27 **SECTION 4.** (1) No later than September 15 of each year, the State Department of Energy
28 shall provide a report to the Legislative Assembly, in the manner provided in ORS 192.245,
29 on the rebates claimed under section 2 of this 2019 Act for solar electric systems and paired
30 solar and storage systems during the previous calendar year.

31 (2) The report shall detail:

32 (a) The number, size and location of solar electric systems installed for residential cus-
33 tomers for which a rebate was claimed;

34 (b) The number, size and location of solar electric systems installed for nonresidential
35 customers for which a rebate was claimed;

36 (c) The number and storage capacity of paired solar and storage systems installed for
37 which a rebate was claimed; and

38 (d) The estimated amount of greenhouse gas emissions reduced or avoided due to the
39 installation of systems for which rebates were claimed.

40 (3) The report shall include a review by the department addressing whether the goals of
41 the rebate program are being met and recommendations on whether the rebate amount
42 limits set forth in section 2 of this 2019 Act or the percentages set forth in section 3 of this
43 2019 Act should be modified.

44 (4) The report may include recommendations for legislation.

45 **SECTION 5.** (1) Sections 1 to 4 of this 2019 Act are repealed on January 2, 2024.

1 **(2) Any moneys remaining in the Rooftop Solar Incentive Fund on the date of the repeal**
2 **specified in subsection (1) of this section that are unexpended, unobligated and not subject**
3 **to any conditions shall be transferred to the General Fund.**

4 **SECTION 6.** **In addition to and not in lieu of any other appropriation, there is appropri-**
5 **ated to the State Department of Energy, for the biennium beginning July 1, 2019, out of the**
6 **General Fund, the amount of \$30,000,000, for deposit in the Rooftop Solar Incentive Fund**
7 **established under section 3 of this 2019 Act for use as provided for in that section.**

8 **SECTION 7.** **This 2019 Act takes effect on the 91st day after the date on which the 2019**
9 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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