

House Bill 2618

Sponsored by Representatives HELM, SMITH DB, Senators ROBLAN, PROZANSKI; Representatives LIVELY, MARSH, NOSSE, POWER, REARDON, SALINAS, 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 **as introduced**.

Requires State Department of Energy to adopt by rule program for providing rebates for purchase, construction or installation of residential and commercial 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 systems.

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.

Sunsets 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) **“Cost” means the actual cost of the purchase, construction and installation of a solar**
9 **electric system or a paired solar and storage system.**

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

13 (4) **“Paired solar and storage system” means a solar electric system and an energy**
14 **storage system purchased, constructed and installed together by the same contractor and**
15 **paired such that the energy storage system provides storage capacity for electrical energy**
16 **produced by the solar electric system.**

17 (5) **“Placed in service” means the date that a solar electric system or a paired solar and**
18 **storage system is ready and available to produce usable electrical energy or save electrical**
19 **energy.**

20 (6) **“Solar electric system” means any system, mechanism or series of mechanisms, in-**
21 **cluding photovoltaic systems, that uses solar radiation to generate electrical energy.**

22 **SECTION 2. (1) The State Department of Energy shall adopt by rule a program for pro-**
23 **viding rebates for the purchase, construction or installation of solar electric systems and**
24 **paired solar and storage systems. The department shall make rebates available under this**
25 **section to be claimed by a contractor that constructs or installs a solar electric system or**

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 a paired solar and storage system for a residential or a commercial customer. A contractor
 2 that claims a rebate under this section must use the full amount of the rebate to reduce the
 3 cost to the residential or commercial customer of the purchase, construction or installation
 4 of the solar electric system or paired solar and storage system for which the rebate is issued.

5 (2) Rules adopted by the department under this section shall include but need not be
 6 limited to:

7 (a) Provisions for determining eligibility and verification of solar electric systems and
 8 paired solar and storage systems for purposes of the rebate program;

9 (b) Policies and procedures for the administration and enforcement of sections 1 to 4 of
 10 this 2019 Act; and

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

15 (3)(a) For a solar electric system constructed or installed for a residential customer, the
 16 amount that may be claimed as a rebate under this section may not exceed 40 percent of the
 17 cost of the solar electric system or the following applicable limit, whichever is less:

- 18 (A) \$6,000 if the solar electric system is placed in service during the year 2020.
- 19 (B) \$5,500 if the solar electric system is placed in service during the year 2021.
- 20 (C) \$5,000 if the solar electric system is placed in service during the year 2022 or 2023.

21 (b) For a paired solar and storage system constructed or installed for a residential cus-
 22 tomer, the amount that may be claimed as a rebate under this section may not exceed the
 23 total of:

24 (A) 40 percent of the cost of the solar electric system installed as part of the paired solar
 25 and storage system or the applicable limit under paragraph (a) of this subsection for the year
 26 the paired solar and storage system is placed in service, whichever is less; and

27 (B) 40 percent of the cost of the energy storage system installed as part of the paired
 28 solar and storage system or \$2,500, whichever is less.

29 (4)(a) For a solar electric system constructed or installed for a commercial customer, the
 30 amount that may be claimed as a rebate under this section may not exceed 30 percent of the
 31 cost of the solar electric system or the following applicable limit, whichever is less:

- 32 (A) \$40,000 if the solar electric system is placed in service during the year 2020.
- 33 (B) \$35,000 if the solar electric system is placed in service during the year 2021.
- 34 (C) \$30,000 if the solar electric system is placed in service during the year 2022 or 2023.

35 (b) For a paired solar and storage system constructed or installed for a commercial
 36 customer, the amount that may be claimed as a rebate under this section may not exceed
 37 the total of:

38 (A) 30 percent of the cost of the solar electric system installed as part of the paired solar
 39 and storage system or the applicable limit under paragraph (a) of this subsection for the year
 40 the paired solar and storage system is placed in service, whichever is less; and

41 (B) 40 percent of the cost of the energy storage system installed as part of the paired
 42 solar and storage system or \$15,000, whichever is less.

43 (5) To be eligible to claim a rebate on behalf of a customer under this section, a con-
 44 tractor who constructs or installs a solar electric system or a paired solar and storage sys-
 45 tem must, at the time of the construction or installation, hold any license, bond, insurance

1 or permit required to sell and construct or install the solar electric system or paired solar
2 and storage system.

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

8 (7) To claim a rebate reserved under subsection (6) of this section, the contractor that
9 reserved the rebate must submit to the department verification of the purchase, con-
10 struction or installation of the solar electric system or paired solar and storage system. The
11 verification required by this section shall be made in writing on a form provided by the de-
12 partment and shall contain:

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

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

15 (c) Evidence that the contractor that constructed or installed the solar electric system
16 or paired solar and storage system has any license, bond, insurance or permit required for
17 the sale and construction or installation of the solar electric system or paired solar and
18 storage system;

19 (d) A statement signed by both the contractor and the customer for whom the solar
20 electric system or paired solar and storage system is installed that the customer has re-
21 ceived the full value of the rebate as a reduction in the cost of the purchase, construction
22 or installation of the system and that the rebate was clearly reflected on an invoice provided
23 to the customer; and

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

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

28 (a) Amounts donated to the fund;

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

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

32 (2) Moneys in the fund are continuously appropriated to the State Department of Energy
33 to be used to issue rebates pursuant to section 2 of this 2019 Act. No more than 50 percent
34 of moneys available in the fund over the course of a calendar year may be used to issue re-
35 bates for solar electric systems or paired solar and storage systems constructed or installed
36 for commercial customers.

37 **SECTION 4.** No later than September 15 of each year, the State Department of Energy
38 shall provide a report to the Legislative Assembly, in the manner provided in ORS 192.245,
39 on the rebates claimed under section 2 of this 2019 Act for solar electric systems and paired
40 solar and storage systems during the previous calendar year. The report shall detail:

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

43 (2) The number, size and location of solar electric systems installed for commercial cus-
44 tomers for which a rebate was claimed; and

45 (3) The number and storage capacity of paired solar and storage systems installed for

1 which a rebate was claimed.

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

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

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

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

12