

Senate Bill 827

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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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Makes program give rebates for energy storage systems that will be paired with solar systems. (Flesch Readability Score: 61.8).

Expands the Oregon Solar and Storage Rebate Program to offer rebates for energy storage systems that will be paired at the time of installation with previously purchased and installed solar electric systems.

A BILL FOR AN ACT

1
2 Relating to the Oregon Solar and Storage Rebate Program; amending sections 1, 2, 3 and 4, chapter
3 655, Oregon Laws 2019.

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

5 **SECTION 1.** Section 1, chapter 655, Oregon Laws 2019, as amended by section 69, chapter 442,
6 Oregon Laws 2023, is amended to read:

7 **Sec. 1.** As used in sections 1 to 4, chapter 655, Oregon Laws 2019:

8 (1) "Contractor" means a person whose trade or business consists of offering for sale solar
9 electric systems or paired solar and storage systems or of providing construction, installation or
10 design services for solar electric systems or paired solar and storage systems.

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

12 (3) "Energy storage system" means commercially available technology that is capable of retain-
13 ing energy, storing the energy for a period of time and transmitting the energy after storage.

14 (4) "Low-income service provider" means a nonresidential customer that provides health, dental,
15 social, financial, energy conservation or other assistive services to low or moderate income persons
16 or low or moderate income households, as further defined by the State Department of Energy by
17 rule.

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

21 (6) "**Pair**" means **pairing an energy storage system with a solar electric system such that**
22 **the energy storage system provides storage capacity for electrical energy produced by the**
23 **solar electric system.**

24 [(6)] (7) "Paired solar and storage system" means a solar electric system and an energy storage
25 system purchased together, constructed and installed by the same contractor and paired such that
26 the energy storage system provides storage capacity for electrical energy produced by the solar
27 electric system.

28 [(7)] (8) "Solar electric system" means any system, mechanism or series of mechanisms, including

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 photovoltaic systems, that uses solar radiation to generate electrical energy.

2 **SECTION 2.** Section 2, chapter 655, Oregon Laws 2019, is amended to read:

3 **Sec. 2.** (1)(a) The State Department of Energy shall adopt by rule a program for providing re-
4 bates for the purchase, construction or installation of:

5 (A) Solar electric systems;

6 (B) **Energy storage systems that will be paired at the time of installation with previously**
7 **purchased and installed solar electric systems;** and

8 (C) Paired solar and storage systems.

9 (b) In adopting rules for and administering the program, the State Department of Energy may
10 coordinate or consult with:

11 (A) The Housing and Community Services Department and any other relevant state agencies;
12 and

13 (B) Entities including, but not limited to, nonprofit organizations and utilities.

14 [(b)] (c) The State Department of Energy shall make rebates available under the program to be
15 claimed by a contractor that constructs or installs a solar electric system, **an energy storage**
16 **system** or a paired solar and storage system, for a residential customer or a low-income service
17 provider, on real property in Oregon. A contractor that claims a rebate under this section must use
18 the full amount of the rebate to reduce the net cost to the residential customer or low-income ser-
19 vice provider of the purchase, construction or installation of the solar electric system, **energy**
20 **storage system** or paired solar and storage system for which the rebate is issued.

21 (2) Rebates under the program shall be made from moneys credited to the Rooftop Solar Incen-
22 tive Fund established under section 3, **chapter 655, Oregon Laws 2019** [of this 2019 Act]. A rebate
23 may not be made unless there are sufficient moneys available in the fund to make the rebate.

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

25 (a) Preferences for providing rebates that benefit low and moderate income residential customers
26 and nonresidential customers that are low-income service providers;

27 (b) Provisions for determining eligibility and verification of solar electric systems, **energy**
28 **storage systems** and paired solar and storage systems for purposes of the rebate program;

29 (c) Policies and procedures for the administration and enforcement of sections 1 to 4, **chapter**
30 **655, Oregon Laws 2019** [of this 2019 Act], which may include policies and procedures for audits and
31 inspections; and

32 (d) Policies and procedures for determining the rebate amounts available for solar electric sys-
33 tems, **energy storage systems** and paired solar and storage systems. In determining rebates
34 amounts, the department:

35 (A) Shall calculate the rebate amount per watt of installed capacity based on the projected en-
36 ergy production of the constructed and installed solar electric system or paired solar and storage
37 system over a 20-year period; and

38 (B) Shall take into consideration evolving market conditions.

39 (4) **Rules adopted by the department may include provisions for consumer protection.**

40 [(4)] (5) The amount that may be claimed as a rebate under this section may not exceed the
41 following limits:

42 (a) For a system installed for a low or moderate income residential customer **that is:**

43 (A) **A solar electric system**, 60 percent of the net cost of the solar electric system or \$5,000,
44 whichever is less; [and]

45 (B) **An energy storage system**, 60 percent of the net cost of the energy storage system

1 **or \$2,500, whichever is less; and**

2 (C) *[If the solar electric system is part of]* A paired solar and storage system, **60 percent of the**
 3 **net cost of the solar electric system or \$5,000, whichever is less, and** an additional amount that
 4 is equal to 60 percent of the net cost of the energy storage system or \$2,500, whichever is less.

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

7 (A) **A solar electric system**, 40 percent of the net cost of the solar electric system or \$5,000,
 8 whichever is less; *[and]*

9 (B) **An energy storage system, 40 percent of the net cost of the energy storage system**
 10 **or \$2,500, whichever is less; and**

11 (C) *[If the solar electric system is part of]* A paired solar and storage system, **40 percent of the**
 12 **net cost of the solar electric system or \$5,000, whichever is less, and** an additional amount that
 13 is equal to 40 percent of the net cost of the energy storage system or \$2,500, whichever is less.

14 (c) For a system installed for a low-income service provider **that is:**

15 (A) **A solar electric system**, 50 percent of the net cost of the solar electric system or \$30,000,
 16 whichever is less; *[and]*

17 (B) **An energy storage system, 60 percent of the net cost of the energy storage system**
 18 **or \$15,000, whichever is less; and**

19 (C) *[If the solar electric system is part of]* A paired solar and storage system, **60 percent of the**
 20 **net cost of the solar electric system or \$30,000, whichever is less, and** an additional amount
 21 that is equal to 60 percent of the net cost of the energy storage system or \$15,000, whichever is less.

22 [(5)(a)] (6)(a) To be eligible to claim a rebate on behalf of a customer under this section, a
 23 contractor that constructs or installs a solar electric system, **energy storage system** or a paired
 24 solar and storage system 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 the
 26 solar electric system, **energy storage system** or paired solar and storage system; and

27 (B) Meet any other certification requirements set forth in rules adopted by the department.

28 (b) Pursuant to the procedures for a contested case under ORS chapter 183, the Director of the
 29 State Department of Energy may deny or revoke a contractor's eligibility to claim a rebate on behalf
 30 of a customer under this section if the director finds that:

31 (A) The contractor's eligibility was obtained by fraud or misrepresentation by the contractor;

32 (B) The contractor's performance for installation of solar electric systems, **energy storage**
 33 **systems** or paired solar and storage systems does not meet industry standards; or

34 (C) The contractor has misrepresented to customers either the program established under this
 35 section or the nature or quality of the solar electric systems, **energy storage systems** or paired
 36 solar *[electric]* **and storage** systems for which rebates are available.

37 [(6)] (7) Prior to commencing installation of a solar electric system, **energy storage system** or
 38 paired solar and storage system, a contractor must apply to the department to reserve a rebate on
 39 behalf of the customer for whom the solar electric system, **energy storage system** or paired solar
 40 and storage system will be installed.

41 [(7)] (8) To claim a rebate reserved under subsection [(6)] (7) of this section, the contractor that
 42 reserved the rebate must submit to the department verification of the purchase, construction or in-
 43 stallation of the solar electric system, **energy storage system** or paired solar and storage system.
 44 The verification required by this section shall be made on a form provided by the department and
 45 shall contain:

1 (a) The location of the solar electric system, **energy storage system** or paired solar and stor-
2 age system;

3 (b) A description of the solar electric system, **energy storage system** or paired solar and
4 storage system;

5 (c) Evidence that the contractor that constructed or installed the solar electric system, **energy**
6 **storage system** or paired solar and storage system has any license, bond, insurance or permit and
7 meets any other certification requirements required for the sale and construction or installation of
8 the solar electric system, **energy storage system** or paired solar and storage system;

9 (d) A statement signed by both the contractor and the customer for whom the solar electric
10 system, **energy storage system** or paired solar and storage system is installed that the customer
11 has received the full value of the rebate as a reduction in the net cost of the purchase, construction
12 or installation of the system and that the rebate was clearly reflected on an invoice provided to the
13 customer; and

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

15 [(8)(a)] **(9)(a)** Pursuant to the procedures for a contested case under ORS chapter 183, the di-
16 rector may order the revocation of a rebate or portion of a rebate made under this section if the
17 director finds that:

18 (A) The rebate was obtained by fraud or misrepresentation; or

19 (B) The rebate was obtained by mistake or miscalculation.

20 (b) As soon as the order of revocation under this subsection becomes final, the department im-
21 mediately shall proceed to recover the rebate or portion of the rebate that is the subject of the or-
22 der of revocation. All moneys provided to a contractor attributable to the fraudulently or mistakenly
23 obtained rebate or portion of the rebate shall be forfeited.

24 **SECTION 3.** Section 3, chapter 655, Oregon Laws 2019, is amended to read:

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

27 (a) Amounts donated to the fund;

28 (b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

29 (c) Other amounts deposited into the fund from any public or private source.

30 (2) Moneys in the fund are continuously appropriated to the State Department of Energy to be
31 used to issue rebates pursuant to section 2, **chapter 655, Oregon Laws 2019**, [of this 2019 Act] and
32 to pay the costs and expenses of the department related to the administration and implementation
33 of sections 1 to 4, **chapter 655, Oregon Laws 2019** [of this 2019 Act].

34 (3) Over the course of a calendar year, no more than 50 percent of moneys available for issuing
35 rebates from the fund may be used to issue rebates for solar electric systems, **energy storage**
36 **systems** or paired solar and storage systems constructed or installed for nonresidential customers.

37 **(4) Over the course of a calendar year, no more than 25 percent of moneys available for**
38 **issuing rebates from the fund may be used to issue rebates for energy storage systems paired**
39 **with previously purchased and installed solar electric systems.**

40 [(4)] **(5)** In each calendar year, 25 percent of all moneys available for issuing rebates from the
41 fund must be reserved for rebates for solar electric systems, **energy storage systems** or paired
42 solar and storage systems constructed or installed for low or moderate income residential customers
43 and low-income service providers. If the department was unable to obtain a sufficient number of
44 approvable applications to meet the requirements of this subsection in the previous calendar year,
45 the department may, in the current calendar year, issue rebates, in an amount that does not exceed

1 the 25 percent reserved for the prior calendar year less the amount of rebates made to low or
2 moderate income residential customers and low-income service providers, to residential customers
3 that are not low or moderate income residential customers or low-income service providers.

4 **SECTION 4.** Section 4, chapter 655, Oregon Laws 2019, is amended to read:

5 **Sec. 4.** (1) No later than September 15 of each year, the State Department of Energy shall pro-
6 vide a report to the Legislative Assembly, in the manner provided in ORS 192.245, on the rebates
7 claimed under section 2, **chapter 655, Oregon Laws 2019**, [of this 2019 Act] for solar electric sys-
8 tems, **energy storage systems** and paired solar and storage systems during the previous
9 [calendar] **fiscal** year.

10 (2) The report shall detail:

11 (a) The number, size and location of solar electric systems installed for residential customers for
12 which a rebate was claimed;

13 (b) The number, size and location of solar electric systems installed for low-income service pro-
14 viders for which a rebate was claimed;

15 (c) The number and storage capacity of **energy storage systems and** paired solar and storage
16 systems installed for which a rebate was claimed; and

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

19 (3) The report shall include a review by the department addressing whether the goals of the
20 rebate program are being met and recommendations on whether the rebate amount limits set forth
21 in section 2, **chapter 655, Oregon Laws 2019**, [of this 2019 Act] or the percentages set forth in
22 section 3, **chapter 655, Oregon Laws 2019**, [of this 2019 Act] should be modified.

23 (4) The report may include recommendations for legislation.
24
