

B-Engrossed House Bill 2618

Ordered by the House June 21
Including House Amendments dated April 5 and June 21

Sponsored by Representatives HELM, SMITH DB, Senators ROBLAN, PROZANSKI; Representatives FAHEY, KENY-GUYER, 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 **certain** 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 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.

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:**

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

4
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, as further defined by the State De-**
15 **partment of Energy by rule.**

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

19 (6) **“Paired solar and storage system” means a solar electric system and an energy**
20 **storage system purchased, constructed and installed together by the same contractor and**

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 paired such that the energy storage system provides storage capacity for electrical energy
2 produced by the solar electric system.

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

5 **SECTION 2.** (1)(a) The State Department of Energy shall adopt by rule a program for
6 providing rebates for the purchase, construction or installation of solar electric systems and
7 paired solar and storage systems. In adopting rules for and administering the program, the
8 State Department of Energy may coordinate or consult with:

9 (A) The Housing and Community Services Department and any other relevant state
10 agencies; and

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

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

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

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

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

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

28 (c) Policies and procedures for the administration and enforcement of sections 1 to 4 of
29 this 2019 Act, which may include policies and procedures for audits and inspections; and

30 (d) Policies and procedures for determining the rebate amounts available for solar elec-
31 tric systems and paired solar and storage systems. In determining rebates amounts, the de-
32 partment:

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

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

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

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

40 (A) 60 percent of the net cost of the solar electric system or \$5,000, whichever is less;
41 and

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

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

1 (A) 40 percent of the net cost of the solar electric system or \$5,000, whichever is less;
2 and

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

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

7 (A) 50 percent of the net cost of the solar electric system or \$30,000, whichever is less;
8 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 60 percent of the net cost of the energy storage system or \$15,000,
11 whichever is less.

12 (5)(a) To be eligible to claim a rebate on behalf of a customer under this section, a con-
13 tractor that constructs or installs a solar electric system or a paired solar and storage sys-
14 tem must, at the time of the construction or installation:

15 (A) Hold any license, bond, insurance or permit required to sell and construct or install
16 the solar electric system or paired solar and storage system; and

17 (B) Meet any other certification requirements set forth in rules adopted by the depart-
18 ment.

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

22 (A) The contractor's eligibility was obtained by fraud or misrepresentation by the con-
23 tractor;

24 (B) The contractor's performance for installation of solar electric systems or paired solar
25 and storage systems does not meet industry standards; or

26 (C) The contractor has misrepresented to customers either the program established un-
27 der this section or the nature or quality of the solar electric systems or paired solar electric
28 systems for which rebates are available.

29 (6) 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.

33 (7) To claim a rebate reserved under subsection (6) of this section, the contractor that
34 reserved the rebate must submit to the department verification of the purchase, con-
35 struction or installation of the solar electric system or paired solar and storage system. The
36 verification required by this section shall be made on a form provided by the department and
37 shall contain:

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

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

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

44 (d) A statement signed by both the contractor and the customer for whom the solar
45 electric system or paired solar and storage system is installed that the customer has re-

1 ceived the full value of the rebate as a reduction in the net cost of the purchase, con-
2 struction or installation of the system and that the rebate was clearly reflected on an invoice
3 provided to the customer; and

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

5 (8)(a) Pursuant to the procedures for a contested case under ORS chapter 183, the di-
6 rector may order the revocation of a rebate or portion of a rebate made under this section
7 if the director finds that:

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

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

10 (b) As soon as the order of revocation under this subsection becomes final, the depart-
11 ment immediately shall proceed to recover the rebate or portion of the rebate that is the
12 subject of the order of revocation. All moneys provided to a contractor attributable to the
13 fraudulently or mistakenly obtained rebate or portion of the rebate shall be forfeited.

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

17 (a) Amounts donated to the fund;

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

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

21 (2) Moneys in the fund are continuously appropriated to the State Department of Energy
22 to be used to issue rebates pursuant to section 2 of this 2019 Act and to pay the costs and
23 expenses of the department related to the administration and implementation of sections 1
24 to 4 of this 2019 Act.

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

28 (4) In each calendar year, 25 percent of all moneys available for issuing rebates from the
29 fund must be reserved for rebates for solar electric systems or paired solar and storage
30 systems constructed or installed for low or moderate income residential customers and
31 low-income service providers. If the department was unable to obtain a sufficient number
32 of approvable applications to meet the requirements of this subsection in the previous cal-
33 endar year, the department may, in the current calendar year, issue rebates, in an amount
34 that does not exceed the 25 percent reserved for the prior calendar year less the amount of
35 rebates made to low or moderate income residential customers and low-income service pro-
36 viders, to residential customers that are not low or moderate income residential customers
37 or low-income service providers.

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

42 (2) The report shall detail:

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

45 (b) The number, size and location of solar electric systems installed for low-income ser-

1 vice providers for which a rebate was claimed;

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

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

6 (3) The report shall include a review by the department addressing whether the goals of
7 the rebate program are being met and recommendations on whether the rebate amount
8 limits set forth in section 2 of this 2019 Act or the percentages set forth in section 3 of this
9 2019 Act should be modified.

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

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

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

15 **SECTION 6.** (1) Sections 1 to 4 of this 2019 Act become operative on January 1, 2020.

16 (2) The State Department of Energy may adopt rules or take any actions before the op-
17 erative date specified in subsection (1) of this section that are necessary to enable the de-
18 partment, on and after the operative date specified in subsection (1) of this section, to carry
19 out the provisions of sections 1 to 4 of this 2019 Act.

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

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