

SAMPLE SOLAR REBATE PROGRAM



Last Revised June 2007

Definitions:

For the purposes of this measure, the following terms shall have the meanings specified:

“Regulated Utility” shall mean [[the distribution utility as defined in a given jurisdiction; some jurisdictions add clarifying language to clarify that landlords, trailer park operators, and others are not utilities by the meaning of the statute.]]

“Watt” shall mean the DC rating of the PV modules in a solar system as multiplied by the efficiency rating of the system’s DC to AC inverter.

“Eligible Solar Energy Source” shall mean a customer sited photovoltaic generating system not larger than 2 Megawatts [[optionally, some standards specify that the source must be connected to the distribution system in the regulating jurisdiction, or use this definition to specify warranty or certification requirements.]]

Creation of a Solar Rebate Fund:

[[Many states or jurisdictions will already have a clean energy fund or trust or similar entity; if not one can be created by legislation. The method of creating funds like these varies substantially from state to state.]] The solar rebate fund is created as a trust fund in the state treasury and shall be administered by [[]] Interest earned on the solar rebate fund shall be credited to the fund.

Revenue Sources for the Fund:

[[Careful modeling is necessary to ensure adequate funding at minimal cost impact – the Solar Alliance can provide help as necessary. Tens of cents per megawatt-hour are usually sufficient to create a significant program.]] The solar rebate fund is financed by a nonbypassable fee set by the Commission at [[]] cents per megawatt hour.

Disbursement of the Fund:

The Commission shall Administer the Solar Energy Rebate Program for all ratepayers of the regulated utilities.

The Commission shall establish rules for the distribution of the funds, including

Each Transmission and Distribution Utility shall make available to eligible solar customers in their territory a standard rebate offer for solar systems at an initial rate as follows:

\$4.00 per Watt for residential customers;

\$3.50 per Watt for nonresidential systems of below 200 kW in capacity; and

\$3.00 per Watt for nonresidential systems of greater than 200 kW capacity.

With such standard rebate offer to be made available on a “first come, first served” basis from the Solar Rebate Fund.

Administration of the Fund:

The Commission shall institute mechanisms to ensure that solar incentives are set at the optimal level to ensure the program funds are used efficiently. The Commission shall establish a goal that the program funds are fully allocated each year.

The Commission shall hold a stakeholder workshop three times per year to determine if the incentive is set at the appropriate level to maintain an efficient and steady flow of incentives. The Commission shall have the right to increase or decrease the incentive levels based on market conditions, especially noting changes or expiration of the Federal Solar Investment Tax Credit, with the state incentive contribution adjusted to accommodate changes in available federal incentive levels.

In no case shall the Commission decrease incentive levels for a period beginning less than six months from the announcement of any such decrease.

If more than 50% of the annual funding is allocated in the first three months of a program year, the Commission shall order that rebate levels be reduced by at least 10%.,

Each utility may allocate no more than 5% of the annual funding for the Solar Rebate Program for administrative purposes. Any funding not used for administration shall be used for providing incentives.

All Renewable Energy Credits (RECs) from solar energy systems will be the sole property of the customer, unless the customer engages in a transaction to sell or trade those RECs with another party.

Each utility shall submit to the Commission an annual report that provides information relating to the actions taken to comply with this article. The report shall be within the time prescribed and in a format approved by the Commission, and include information including, but not limited to; total solar rebate funding available, number of solar rebates allocated, funding for solar rebates allocated and cumulative installed solar capacity. The Commission shall make such report available to the public.

Development of Regulations:

The Commission shall adopt such regulations as are necessary to implement the provisions of this Act within 180 days of the effective date of this Act.