

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 – 0 – 1
Yeas:	Bailey, Bentz, Frederick, Garrett, Gilliam, Holvey, Richardson, Witt, Read
Nays:	0
Exc.:	Thatcher
Prepared By:	Beth Herzog, Administrator
Meeting Dates:	2/4, 2/9

WHAT THE MEASURE DOES: Removes requirement that solar photovoltaic energy system have primary purpose of meeting electric company’s customer load service obligation in order to be qualifying system. Defines “residential qualifying system” as having nameplate capacity of 10 kilowatts or less. Defines “small commercial qualifying system” as having nameplate capacity greater than 10 kilowatts and less than or equal to 100 kilowatts. Changes definition of resource value to exclude renewable energy certificates. Authorizes Public Utility Commission (PUC) to demonstrate use and effectiveness of non-energy attributes of electricity. Authorizes PUC to adjust percentage goal for capacity deployed by residential and small commercial qualifying systems. Establishes that qualifying systems participating in pilot program are not eligible for Residential Energy Tax Credit or Business Energy Tax Credit. Establishes that pilot program closes to new participants on earlier of March 31, 2015, or when pilot programs equal 25 megawatts of alternating current. Changes reporting requirement to require PUC to evaluate effectiveness of pilot programs compared to effectiveness of expenditures under public purchase charge, Residential Energy Tax Credit or Business Energy Tax Credit. Requires pilot program be established no later than July 1, 2010. Requires PUC to submit first report to Legislature no later than January 1, 2011. Declares an emergency; effective upon passage.

ISSUES DISCUSSED:

- Issues that arose during rulemaking process for House Bill 3039 (2009)
- Potential solutions to possible conflicts with federal law

EFFECT OF COMMITTEE AMENDMENT: Removes authorization that allows PUC to increase capacity limit if 25 megawatt cumulative nameplate capacity is equaled before pilot program is completed. Revises language in section 2 (4) by deleting “the” before electricity. Reinstates language so that systems participating in pilot program are not eligible for public purpose expenditures.

BACKGROUND: The 2009 Legislative Assembly passed House Bill 3039 which directed the PUC to develop a pilot solar feed-in tariff program. The PUC started the rulemaking process in September, 2009. By statute, the pilot program must be established by April 1, 2010.