



Memorandum

To: VA-AREA Members
From: Ken Hutcheson
Re: 2011 General Assembly Final Report
Date: March 9, 2011

The 2011 Virginia General Assembly Session adjourned yesterday and I am happy to report to you that it has been a very productive and successful session for renewable energy legislation, policy development and issue awareness. The three pieces of legislation initiated by VA-AREA passed with overwhelming majorities in both the House and Senate. Additionally, many other meaningful initiatives related to renewable energy that we supported and worked on were successful. All of the measures highlighted below are now on their way to the Governor for his review and hopefully his signature.

You may view the text and vote history of each piece of legislation by clicking on the links below.

1. [HB 1912](#) Patroned by Delegate Jackson Miller

This legislation will give the Virginia State Corporation Commission additional latitude to approve renewable energy projects built by utilities and power purchase agreements between utilities and renewable energy developers. Special credit goes to VA-AREA's developers, utility partners and VA-AREA Board Member, John Daniel for crafting this proposal and being on hand to testify in the House and Senate Commerce and Labor Committees.

2. [HB 1983](#) Patroned by Delegate Terry Kilgore

This legislation will double the residential net-metering limits from 10 to 20kw effective January 1, 2012. Thanks to all of the VA-AREA solar stakeholders who worked on this issue and to our utility partners for achieving a solid compromise on this issue.

3. [SB 862](#) Patroned by Senator Frank Wagner

This legislation creates a more level playing field and additional certainty for wind and solar project developers when negotiating with local governments the necessary ordinances required to bring a project online. It is the product of significant negotiations and compromise between our industry and local government partners. We appreciate the assistance from representatives of VACO and VML in achieving this compromise as well as the developers within VA-AREA who participated. Also, thanks once again to VA-AREA member John Daniel for his expertise on this issue. In addition to the bills VA-AREA initiated above, there were several significant measures that passed that I wish to highlight:

1. [HB 1686](#) Patroned by Delegate David Toscano

This legislation authorizes the State Corporation Commission (SCC) to approve demonstration programs for utility-owned distributed solar generation. A utility may include in such a program special tariffs to facilitate customer-owned solar generation that are designed as alternatives to net energy metering. This represents a very positive signal from our utility partners that there is high value in solar projects in high density areas where transmission lines are constrained.

2. [HB 2191](#) and [SB 975](#) Patroned by Delegate Adam Ebbin and Senator Mary Margaret Whipple

Thanks to the efforts of VA-AREA Board member Kent Baake, this legislation requires electric utilities to provide customers with the option to make voluntary contributions to the Voluntary Solar Resource Development Fund, which is established by this measure. Moneys in the fund will be allocated by the Department of Mines, Minerals

and Energy as loans for projects that involve the acquisition, installation, or operation of photovoltaic devices, solar water heating devices, or certain solar space heating devices at a residence, structure occupied by a nonprofit organization, or commercial establishment. The Department is authorized to expand the scope of the program to include making loans for renewable energy and energy efficiency projects. This measure failed last year, but represents a workable compromise with the utilities and the solar industry.

3. [HB 2282](#) Patroned by Delegate Danny Marshall

This legislation requires the Director of the Department of General Services, in conjunction with the Secretary of Administration and the Governor's Senior Advisor on Energy, to develop a plan providing for the replacement of vehicles in the centralized fleet that are rotated out of service with vehicles that operate using natural gas, electricity, or other alternative fuels, to the greatest extent practicable. This is a positive first step in the Commonwealth recognizing the benefits of maintaining a state fleet that is not dependent upon foreign oil and the value of alternative fuels. This was part of Governor McDonnell's legislative agenda.

4. [HB 2316](#) and [SB 1360](#) Patroned by Delegate Kathy Byron, Senator Creigh Deeds and Senator Walter Stosch

This legislation repeals both the Solar Photovoltaic Manufacturing Incentive Grant Program "SMIG" and the Bio-fuels Production Incentive Grant Program to create a program that provides financial incentives to companies that manufacture or assemble equipment, systems, or products used to produce renewable or nuclear energy, or products used for energy conservation, storage, or grid efficiency purposes. To be eligible for a grant, the manufacturer must make a capital investment greater than \$50 million and create at least 200 full-time jobs that pay at least the prevailing wage. A wind energy supplier must make a capital investment of greater than \$10 million and create at least 30 full-time jobs that pay at least the prevailing wage to be eligible for a grant. This is a great initiative that has failed in two previous sessions, but thanks to Governor McDonnell's desire to attract new clean energy manufacturing to Virginia, it passed. The final version of the legislation also includes a provision that grandfathers in an existing manufacturer of solar panels into the SMIG program.

5. [HB 2389](#) Patroned by Delegate Albert Pollard

This legislation adds additional renewable energy projects to those projects which the Virginia Resources Authority may finance. This will be a great financing tool for VA-AREA members to utilize when working with local governments in the Commonwealth of Virginia.

6. [HJ 605](#) Patroned by Delegate John Cosgrove

This resolution expresses the support of the General Assembly for the establishment of a National Offshore Wind Technology Center in Hampton Roads, Virginia. This resolution is one more valuable effort by Virginia to make offshore wind off the coast of Virginia a reality.

7. [SB 1236](#) Patroned by Senator Patsy Ticer and Senator Frank Wagner

This legislation extends the sunset date of the "clean fuel vehicle and advanced cellulosic biofuels job creation tax credit" from the 2011 taxable year to the 2014 taxable year. Many thanks to VA-AREA Board Member Bob Brown who has been working hard to advance this legislation.

In sum, the 2011 General Assembly Session was largely successful, but much remains on our agenda. It is worth noting that legislators are taking more interest in renewable energy issues and that is in large part due to the awareness VA-AREA is building with members of the General Assembly. We have worked well with these patrons and others and continue to forge meaningful working relationships with representatives of the utility industry, local government and environmental stakeholders. Thank you to all of the members of VA-AREA who engaged more than ever this session to achieve progress and our partners in the public sector who are so instrumental in supporting our efforts.

Sincerely,

Ken Hutcheson, President, VA-AREA

P.S. Stay tuned for some news on a few upcoming events you may be interested in.