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HOUSE BILL NO. 2090

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Commerce and Labor
on February 17, 2025)

(Patron Prior to Substitute—Delegate Shin)

A *BILL to amend and reenact § 56-585.1:12 of the Code of Virginia, relating to multi-family shared solar program; minimum bill.*

Be it enacted by the General Assembly of Virginia:

1. That § 56-585.1:12 of the Code of Virginia is amended and reenacted as follows:

§ 56-585.1:12. Multi-family shared solar program.

A. As used in this section:

"Administrative cost" means the reasonable incremental cost to the investor-owned utility to process subscribers' bills for the program.

"Applicable bill credit rate" means the dollar-per-kilowatt-hour rate as defined in subsection D used to calculate a subscriber's bill credit. The applicable bill credit rate shall be set such that the shared solar program results in robust project development and shared solar program access for all customer classes.

"Bill credit" means the monetary value of the electricity, in kilowatt-hours, generated by the shared solar facility allocated to a subscriber to offset that subscriber's electricity bill.

"Gross bill" means the amount that a customer would pay to the utility based on the customer's monthly energy consumption before any bill credits are applied.

"Investor-owned utility" means each investor-owned utility in the Commonwealth including, notwithstanding subsection G of § 56-580, any investor-owned utility whose service territory assigned to it by the Commission is located entirely within the Counties of Dickenson, Lee, Russell, Scott and Wise. "Investor-owned utility" does not include a Phase I Utility, as that term is defined in subdivision A 1 of § 56-585.1.

"Low-income customer" means any person or household whose income is no more than 80 percent of the median income of the locality in which the customer resides. The median income of the locality is determined by the U.S. Department of Housing and Urban Development.

"Minimum bill" means an amount determined by the Commission pursuant to subsection E that a subscriber is required to, at a minimum, pay on the subscriber's utility bill each month after accounting for any bill credits.

"Multi-family shared solar program" or "program" means the program created through the adoption of rules to allow for the development of shared solar facilities described in subsection C.

"Shared solar facility" means a facility that:

1. Generates electricity by means of a solar photovoltaic device with a nameplate capacity rating that does not exceed 3,000 kW alternating current at any single location or that does not exceed 5,000 kW alternating current at contiguous locations owned by the same entity or affiliated entities;

2. Is operated pursuant to a program whereby at least three subscribers receive a bill credit for the electricity generated from the facility in proportion to the size of their subscription;

3. Is located in the service territory of an investor-owned utility;

4. Is connected to the electric distribution grid serving the Commonwealth; and

5. Is located (i) on a parcel of land on the premises of the multi-family utility customer or adjacent thereto or (ii) on a rooftop of a commercial building that shares a common substation or adjacent substation of the investor-owned electric utility with the subscriber.

"Subscriber" means a multi-family customer of an investor-owned electric utility that owns one or more subscriptions of a shared solar facility that is interconnected with the utility.

"Subscriber organization" means any for-profit or nonprofit entity that owns or operates one or more shared solar facilities. A "subscriber organization" shall not be considered a utility solely as a result of its ownership or operation of a shared solar facility.

"Subscription" means a contract or other agreement between a subscriber and the owner of a shared solar facility. A subscription shall be sized such that the estimated bill credits do not exceed the subscriber's average annual bill for the customer account to which the subscription is attributed.

B. The Commission shall establish by regulation a program that affords eligible multi-family customers of investor-owned utilities the opportunity to participate in shared solar projects. The regulations shall be adopted by the Commission by January 1, 2021.

C. An investor-owned utility shall provide a bill credit to a subscriber's subsequent monthly electric bill for the proportional output of a shared solar facility attributable to that subscriber. The shared solar program shall be administered as follows:

1. The value of the bill credit for the subscriber shall be calculated by multiplying the subscriber's portion

60 of the kilowatt-hour electricity production from the shared solar facility by the applicable bill credit rate for
61 the subscriber. Any amount of the bill credit that exceeds the subscriber's monthly bill shall be carried over
62 and applied to the next month's bill in perpetuity;

63 2. The utility shall provide bill credits to a shared solar facility's subscribers for not less than 25 years
64 from the date the shared solar facility becomes commercially operational;

65 3. The subscriber organization shall, on a monthly basis and in a standardized electronic format, provide
66 to the investor-owned utility a subscriber list indicating the kilowatt-hours of generation attributable to each
67 of the retail customers participating in a shared solar facility in accordance with the subscriber's portion of the
68 output of the shared solar facility;

69 4. Lists may be updated monthly to reflect canceling subscribers and to add new subscribers. The
70 investor-owned utility shall apply bill credits to subscriber bills within one billing cycle following the cycle
71 during which the energy was generated by the shared solar facility;

72 5. The investor-owned utility shall, on a monthly basis and in a standardized electronic format, provide to
73 the subscriber organization a report indicating the total value of bill credits generated by the shared solar
74 facility in the prior month as well as the amount of the bill credit applied to each subscriber;

75 6. A subscriber organization may accumulate bill credits in the event that all of the electricity generated
76 by a shared solar facility is not allocated to subscribers in a given month. On an annual basis, the subscriber
77 organization shall furnish to the utility allocation instructions for distributing excess bill credits to
78 subscribers; and

79 7. All environmental attributes associated with a shared solar facility, including renewable energy
80 certificates, shall be considered property of the subscriber organization. At the subscriber organization's
81 discretion, those attributes may be distributed to subscribers, sold to investor-owned utilities or other buyers,
82 accumulated, or retired.

83 D. The Commission shall annually calculate the applicable bill credit rate as the effective retail rate of the
84 customer's rate class, which shall be inclusive of all supply charges, delivery charges, demand charges, fixed
85 charges, and any applicable riders or other charges to the customer. *The applicable bill credit rate for each*
86 *class shall be calculated by dividing revenues to the class by sales, measured in kilowatt-hours, to that class.*
87 This rate shall be expressed in dollars or cents per kilowatt-hour.

88 E. *The Commission shall establish a minimum bill, which shall include the costs of all utility*
89 *infrastructure and services used to provide electric service and administrative costs of the multi-family*
90 *shared solar program. The Commission may modify the minimum bill over time. In establishing the minimum*
91 *bill, the Commission shall (i) consider further costs the Commission deems relevant to ensure subscribing*
92 *customers pay a fair share of the costs of providing electric services and generation sufficient to meet*
93 *customer needs at all times; (ii) minimize the costs shifted to customers not in a multi-family shared solar*
94 *program; and (iii) calculate the benefits of multi-family shared solar to the electric grid and to the*
95 *Commonwealth and deduct such benefits from other costs. The Commission shall explicitly set forth its*
96 *findings as to each cost and benefit or other value used to determine the minimum bill. Low-income*
97 *customers shall be exempt from the minimum bill. Except for low-income customers, each subscriber shall*
98 *pay the minimum bill and shall receive an applicable bill credit based on the customer's rate class of*
99 *residential, commercial, or industrial.*

100 F. The Commission shall establish by regulation a multi-family shared solar program by January 1, 2021,
101 and shall require each investor-owned utility to file any tariffs, agreements, or forms necessary for
102 implementation of the program. Any rule or utility implementation filings approved by the Commission shall:

103 1. Reasonably allow for the creation and financing of shared solar facilities;

104 2. Allow all customer classes to participate in the program, and ensure participation opportunities for all
105 customer classes;

106 3. Not remove a customer from its otherwise applicable customer class in order to participate in a shared
107 solar facility;

108 4. Reasonably allow for the transferability and portability of subscriptions, including allowing a
109 subscriber to retain a subscription in a shared solar facility if the subscriber moves within the same utility
110 territory;

111 5. Establish uniform standards, fees, and processes for the interconnection of shared solar facilities that
112 allow the utility to recover reasonable interconnection costs for each shared solar facility;

113 6. Adopt standardized consumer disclosure forms;

114 7. Allow the investor-owned utilities to recover reasonable costs of administering the program;

115 8. Ensure nondiscriminatory and efficient requirements and utility procedures for interconnecting projects;

116 9. Address the colocation of two or more shared solar facilities on a single parcel of land, and provide
117 guidelines for determining when two or more facilities are colocated; and

118 10. Include a program implementation schedule.

119 F. G. Within 180 days of finalization of the Commission's adoption of regulations for the shared solar
120 program, utilities shall begin crediting subscriber accounts of each shared solar facility interconnected in its
121 service territory.

122 2. That by December 31, 2025, the State Corporation Commission (the Commission) shall adopt
123 amendments to the regulations governing the multi-family shared solar program to reflect the
124 provisions of § 56-585.1:12 of the Code of Virginia, as amended by this act. Any such amendments
125 approved by the State Corporation Commission shall address the term "adjacent substation" as used
126 in such section for purposes of determining the qualification of a shared solar facility upon registration
127 with the utility. Once the State Corporation Commission has established a minimum bill pursuant to
128 subsection E of § 56-585.1:12 of the Code of Virginia, as amended by this act, the administrative cost,
129 as defined in § 56-585.1:12 of the Code of Virginia, as amended by this act, shall not be included in any
130 tariff for a multi-family shared solar program established pursuant to § 56-585.1:12 of the Code of
131 Virginia, as amended by this act.