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HOUSE BILL NO. 590

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on _____)

(Patron Prior to Substitute—Delegate Hernandez)

A *BILL to amend the Code of Virginia by adding in Chapter 17 of Title 45.2 an article numbered 10, consisting of a section numbered 45.2-1735, relating to Smart Solar Permitting Platform established; residential solar energy systems.*

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 17 of Title 45.2 an article numbered 10, consisting of a section numbered 45.2-1735, as follows:

*Article 10.**Smart Solar Permitting Platform.***§ 45.2-1735. Smart Solar Permitting Platform; residential solar energy systems.***A. For the purposes of this section:**"Alternative platform" means an alternative automated solar permitting platform.**"Platform" means the Smart Solar Permitting Platform.**"Residence" means a detached single-family or two-family home.*

"Residential solar energy system" means a system of components that is located at a residence and produces electricity from sunlight. "Residential solar energy system" includes solar photovoltaic equipment and construction projects, such as batteries, main panel upgrades, and main breaker derates.

B. The Smart Solar Permitting Platform is hereby established to serve as a tool for (i) contractors to obtain permits for the construction of streamline-eligible residential solar energy systems and (ii) localities to process applications for such permits. The Department shall, in consultation with the Department of Housing and Community Development, the building industry, and other relevant stakeholders, establish, launch, and administer an internet-based platform that automates plan review and instantly issues a permit or a permit revision to construct a residential solar energy system that complies with the Uniform Statewide Building Code (§ 36-97 et seq.) and any applicable state laws. The Platform shall, at a minimum:

1. Automate plan review and automatically approve applications for residential solar energy systems that comply with applicable state laws and building codes;

2. Instantly issue a permit or permit revision once a code-compliant system is approved by the Platform;

3. Perform robust code compliance checks using algorithms to evaluate characteristics of the proposed residential solar energy system in order to determine whether such system aligns with applicable state laws and building codes;

4. Produce construction documents that can be used for the inspection of a residential solar energy system;

5. Have the capability to process applications for streamline-eligible residential solar energy systems with panels, racking, mounting, and associated rooftop hardware that weigh less than or equal to four pounds per square foot that are installed on a permitted roof on a property with a main service disconnect of up to or equal to 200 amps, have other characteristics as determined by the Department in consultation with industry and building safety stakeholders, and constitute a substantial majority of residential rooftop energy systems in the Commonwealth that provide electrical power to a residence;

6. Be available seven days a week, 24 hours a day, for users to submit an application to construct a residential solar energy system, except when the Platform is down for an upgrade or maintenance;

7. Allow the use of electronic signatures on all applications and submitted materials for issuance of a permit; and

8. Process permit applications for residential solar energy systems and associated equipment, including photovoltaic panels, energy storage systems, main electrical panel upgrades that are related to the residential solar energy system, and main breaker derates that are related to the residential solar energy system.

C. The Department may request a third party to provide the Platform in accordance with the criteria required in subdivisions B 1 through 8 at no cost or at a low cost to the Department in lieu of the Department establishing such Platform.

D. On or before July 1, 2028, a locality shall allow for the submission of an application to construct a residential solar energy system either through the Platform or through an alternative automated solar permitting platform that is equivalent to the Department's Platform, preserving the permitting authority of localities. The alternative platform may interface with the locality's existing permitting platform to satisfy the requirements of subdivisions B 1 through 8, such as the requirement for permit issuance. The Department may grant, upon the locality's request, an extension of time for the locality to implement its alternative

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60 platform for a period not to exceed six months. Any locality that implements an alternative platform shall
61 submit an annual compliance report no later than March 1 of each year to the Department containing
62 sufficient information for the Department to determine whether the locality's alternative platform is
63 equivalent to the Department's Platform. Such report shall be submitted by the locality in accordance with
64 any guidelines and forms developed by the Department. The Department shall make such report publicly
65 available on its website.

66 If the Department finds that a locality does not have an alternative platform or determines that a locality's
67 alternative platform is not equivalent to the Department's Platform, the Department shall notify the chief
68 administrative officer of the locality of such failure. The Department shall publish on its website a list
69 identifying localities that have been issued a notification. A contractor may use the Department's Platform in
70 a locality that allows for the submission of residential solar energy system applications through an
71 alternative platform if the locality is on such list, or if the locality does not have an alternative platform.

72 E. To defray the cost of developing and administering the Platform, the Department may place a
73 surcharge on residential solar permitting fees collected by a locality.

74 F. Nothing in this section shall be construed to (i) limit the authority of localities to issue permits for
75 residential solar energy systems or (ii) limit or otherwise affect the interconnection requirements and
76 approval process established by the State Corporation Commission for an electrical utility pursuant to
77 §§ 56-578 and 56-594.

78 **2. That the Department of Energy shall establish, launch, and administer the Commonwealth Smart**
79 **Solar Permitting Platform pursuant to § 45.2-1735 of the Code of Virginia, as created by this act, by**
80 **July 1, 2027.**