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HOUSE BILL NO. 590
AMENDMENT IN THE NATURE OF A SUBSTITUTE
 (Proposed by the House Committee on Appropriations
 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. In either case, the Department shall use the most cost-effective method to implement 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

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

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

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

2. That the provisions of the first enactment of this act shall not become effective unless reenacted by the 2027 Session of the General Assembly.

3. That, should the provisions of the first enactment of this act be reenacted by the 2027 Session of the General Assembly, the Department of Energy shall establish, launch, and administer the Smart Solar Permitting Platform pursuant to § 45.2-1735 of the Code of Virginia, as created by this act, by July 1, 2028.

4. That the Director of the of the Department of Energy (the Department) shall convene a work group to develop an implementation plan for the provisions of this act in collaboration with representatives from the Virginia Association of Counties, the Virginia Municipal League, local government permitting offices, contractors, and other stakeholder groups deemed appropriate by the Director of the Department. The plan shall include (i) cost estimates for (a) development of a state solar permitting platform and (b) ongoing operation by the Department of the state solar permitting platform; (ii) estimates of the costs incurred by local governments for use of either the state solar permitting platform or such local government's own solar permitting platform; (iii) an estimate of the necessary adjustments to local government permitting fees to offset the costs for state development, maintenance, and operation of a centralized solar permitting platform and a method for collecting any such adjustments to local government permitting fees; (iv) timelines for the implementation of the platform; and (v) any other information deemed relevant by the work group. The Department shall report its findings to the General Assembly on or before November 1, 2026.