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HOUSE BILL NO. 935
Offered January 14, 2026

A BILL to amend the Code of Virginia by adding in Chapter 17 of Title 45.2 an article numbered 10, consisting of sections numbered 45.2-1735 through 45.2-1740, relating to Virginia Clean Energy and Battery Storage Promotion, Research, and Market Development Program, Board, and Fund established; tax assessment; report.

 Patron—Lopez

 Referred to Committee on Labor and Commerce

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 sections numbered 45.2-1735 through 45.2-1740, as follows:

Article 10.

Virginia Clean Energy and Battery Storage Promotion, Research, and Market Development Program.

§ 45.2-1735. Definitions.

As used in this article, unless the context requires a different meaning:

"Board" means the Virginia Clean Energy and Battery Storage Promotion Board established pursuant to § 45.2-1737.

"Fund" means Virginia Clean Energy and Battery Storage Promotion Fund established pursuant to § 45.2-1739.

"Program" means the Virginia Clean Energy and Battery Storage Promotion, Research, and Market Development Program established pursuant to § 45.2-1736.

§ 45.2-1736. Clean Energy and Battery Storage Promotion, Research, and Market Development Program.

A. The Director shall establish, in coordination with the Board, the Virginia Clean Energy and Battery Storage Promotion, Research, and Market Development Program. The purpose of the Program is to:

- 1. Promote adoption, deployment, and understanding of solar energy and battery storage technologies;*
- 2. Support market development, public information, and workforce development initiatives;*
- 3. Conduct research and technical studies on cost reduction, deployment barriers, and grid integration;*
- 4. Fund activities consistent with § 501(c)(6) of the Internal Revenue Code, provided such activities do not constitute political campaign intervention; and*

5. Coordinate activities with national and interstate clean energy checkoff organizations.

B. The Director shall implement the Program in coordination with the Virginia Clean Energy and Battery Storage Promotion Board.

§ 45.2-1737. Virginia Clean Energy and Battery Storage Promotion Board; purpose; membership; terms; quorum; meetings.

A. The Virginia Clean Energy and Battery Storage Promotion Board is established as a policy board in the executive branch of state government. The purpose of the Board is to coordinate with the Director to establish a program for the promotion, research, and market development of clean energy and battery storage.

B. The Board shall have a total membership of 13 members that shall consist of 12 nonlegislative citizen members and one ex officio member. Nonlegislative citizen members shall be appointed by the Governor and subject to confirmation by the General Assembly, of whom four shall be representatives of the solar industry, four shall be representative of the battery storage industry, one shall be a representative of a consumer or ratepayer advocacy organization, one shall be a representative of a Virginia-based academic or research institution with relevant expertise, and two shall have experience in clean energy economics, marketing, or deployment.

C. The Director or his designee shall serve ex officio with nonvoting privileges and shall assist in convening the meetings of the Board.

D. Nonlegislative citizen members of the Board shall be citizens of the Commonwealth. The ex officio member of the Board shall serve a term coincident with his term of office. Nonlegislative citizen members shall be appointed for a term of three years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed.

E. The Board shall elect a chair and vice-chair from among its membership. A majority of the members shall constitute a quorum. The meetings of the Board shall be held at the call of the chair or whenever the majority of the members so request.

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§ 45.2-1738. Powers and duties of the Board; report.

The Board has the following powers and duties:

1. Advise the Director on Program priorities;
2. Administer, manage, and make expenditures from the Fund;
3. Provide guidelines for grants, contracts, and research;
4. Review and approve all projects funded under the Program;
5. Engage and cooperate with national and interstate clean energy checkoff organizations;
6. Enter into contracts to accomplish the purposes of the Program;
7. Establish committees of the Board to address issues determined by the Board to be pertinent to the clean energy and storage industry; and
8. Submit to the Governor and the General Assembly an annual report for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports. The chair shall submit to the Governor and the General Assembly an annual executive summary of the interim activity and work of the Board no later than the first day of each regular session of the General Assembly. The executive summary shall be submitted for publication as a report document as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

§ 45.2-1739. Virginia Clean Energy and Battery Storage Promotion Fund.

There is hereby established in the state treasury a special nonreverting fund to be known as the Virginia Clean Energy and Battery Storage Promotion Fund. The Fund shall be established on the books of the Comptroller. All funds generated by fees on solar energy systems and battery storage systems pursuant to § 45.2-1740 and all funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of implementing and administering the Program. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director at the direction of the Board.

§ 45.2-1740. Fees on solar photovoltaic projects and energy storage systems.

A. As used in this section:

"Developer" means a private developer of a solar photovoltaic project or an energy storage system intended to be located in the Commonwealth.

B. There shall be imposed a fee of (i) \$0.02 per watt, as measured in the alternating current (AC) generation capacity of the nameplate capacity of the facility based on submissions by the facility owner to the interconnecting utility for a solar photovoltaic project and (ii) \$0.02 per watt, as measured in AC storage capacity, on any energy storage system, to be paid into the Virginia Clean Energy and Battery Storage Promotion Fund established pursuant to § 45.2-1739. The Department shall assess the fee imposed pursuant to this section.

C. The fee imposed pursuant to subsection B shall apply to the sale by a manufacturer, whether located within or outside the Commonwealth, to a developer intending to install or operate the solar photovoltaic project or energy storage system in the Commonwealth. The developer making the first purchase of the solar photovoltaic project or energy storage system for use in the Commonwealth shall be liable for the fee. The fee shall be imposed only once per solar photovoltaic project or energy storage system.

D. The Director, in consultation with the Board, may adopt regulations as necessary to interpret, administer, and enforce the provisions of this section.