

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2005

Legislative Document

No. 1586

H.P. 1122

House of Representatives, April 26, 2005

An Act To Encourage the Use of Solar Energy

Reference to the Committee on Utilities and Energy suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative BRAUTIGAM of Falmouth. (GOVERNOR'S BILL)
Cosponsored by Senator COURTNEY of York and
Representatives: ADAMS of Portland, BABBIDGE of Kennebunk, CURTIS of Madison,
FLETCHER of Winslow, MARLEY of Portland, WOODBURY of Yarmouth, Senators:
PERRY of Penobscot, WESTON of Waldo.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 35-A MRSA §3211-A, sub-§1, ¶F,** as enacted by PL 2001,
c. 624, §4, is amended to read:

6 F. "Program fund" means the conservation program and solar
7 incentive fund established by the commission pursuant to
8 subsection 5.

10 **Sec. 2. 35-A MRSA §3211-A, sub-§1, ¶I** is enacted to read:

12 I. "Qualified solar energy system" means:

14 (1) A solar photovoltaic system. For purposes of this
15 subparagraph, "solar photovoltaic system" means a solar
16 energy device with a peak generating capacity of 100
17 kilowatts or less used for generating electricity for
18 use in a residence or place of business; or

20 (2) A solar thermal system. For purposes of this
21 subparagraph, "solar thermal system" means a
22 configuration of solar collectors and a pump, heat
23 exchanger and storage tank or fans designed to heat
24 water or air. Solar thermal system types include
25 forced circulation, integral collector storage,
26 thermosyphon and self-pumping systems.

28 **Sec. 3. 35-A MRSA §3211-A, sub-§4,** as amended by PL 2003, c.
29 217, §1 and c. 275, §1, is further amended to read:

30 **4. Funding level.** The commission shall assess transmission
31 and distribution utilities to collect funds for conservation
32 programs, the solar energy rebate program established in
33 subsection 5-B and administrative costs in accordance with this
34 subsection. The amount of all assessments by the commission
35 under this subsection plus expenditures of a transmission and
36 distribution utility associated with prior conservation efforts
37 must result in total conservation expenditures by each
38 transmission and distribution utility that:

40 A. Are based on the relevant characteristics of the
41 transmission and distribution utility's service territory,
42 including the needs of customers;

44 B. Do not exceed .15 cent per kilowatt-hour;

46 C. Except as provided in subsection 7-A, are no less than
47 0.5% of the total transmission and distribution revenues of
48 the transmission and distribution utility; and

50

2 D. Are proportionally equivalent on a per-kilowatt-hour
4 basis to the total conservation expenditures of other
transmission and distribution utilities, unless the
commission finds that a different amount is justified.

6 **Sec. 4. 35-A MRSA §3211-A, sub-§5**, as enacted by PL 2001, c.
8 624, §4, is amended to read:

10 **5. Conservation program and solar incentive fund.** The
commission shall establish a ~~conservation-program~~ fund to be used
12 solely for conservation programs and the promotion and
installation of qualified solar energy systems in homes and
14 businesses.

16 A. The commission shall deposit all assessments collected
pursuant to this section, other than funds deposited in the
administration fund, into the program fund.

18 B. Any interest earned on funds in the program fund must be
20 credited to the program fund.

22 C. Funds not spent in any fiscal year remain in the program
fund to be used for conservation programs and the promotion
24 and installation of qualified solar energy systems in homes
and businesses.

26 D. The commission may apply for and receive grants from
28 state, federal and private sources for deposit in the
program fund and also may deposit in the program fund any
30 grants or other funds received by or from any entity with
which the commission has an agreement or contract pursuant
32 to this section if the commission determines that receipt of
those funds would be consistent with the purposes of this
34 section. If the commission receives any funds pursuant to
this paragraph, it shall establish a separate account within
36 the program fund to receive the funds and shall keep those
funds and any interest earned on those funds segregated from
38 other funds in the program fund.

40 **Sec. 5. 35-A MRSA §3211-A, sub-§5-B** is enacted to read:

42 **5-B. Solar energy rebate program.** An owner or tenant of
residential or commercial property located in the State who
44 installs a qualified solar energy system that will be connected
to the electrical grid is entitled to a rebate, to the extent
46 that funds are available. Funding for the solar energy rebate is
from the program fund in an amount up to \$500,000 per year.

48 A. A solar photovoltaic system, as defined in subsection 1,
50 paragraph I, subparagraph (1), that is installed by a master

2 electrician who has been certified by the North American
3 Board of Certified Energy Practitioners qualifies for a
4 rebate of \$3 per watt on the first 2,000 watts of installed
5 capacity and \$1 per watt for the next 1,000 watts.

6 B. A solar thermal system designed to heat water, as
7 defined in subsection 1, paragraph I, subparagraph (2), that
8 is installed by a licensed plumber who has been certified by
9 the commission qualifies for a rebate of 25% of the cost of
10 the system, including installation, or \$500, whichever is
11 less.

12 C. A solar thermal system designed to heat air, as defined
13 in subsection 1, paragraph I, subparagraph (2), qualifies
14 for a rebate of 25% of the cost of the system, including
15 installation, or \$500, whichever is less.

16 In the case of a newly constructed residence, the rebate must be
17 available to the original owner or occupant.

18 **Sec. 6. 35-A MRSA §3211-A, sub-§11, ¶A, as enacted by PL 2001,**
19 **c. 624, §4, is amended to read:**

20 **A. A description of actions taken by the commission**
21 **pursuant to this section, including descriptions of all**
22 **conservation and solar energy rebate programs implemented**
23 **during the prior 12 months and all conservation and solar**
24 **energy rebate programs that the commission plans to**
25 **implement during the next 12 months, a description of how**
26 **the commission determines the cost effectiveness of each**
27 **conservation and solar energy rebate program and its**
28 **assessment of the cost effectiveness of programs implemented**
29 **during the prior 12 months;**

30 **Sec. 7. 36 MRSA §1760, sub-§88 is enacted to read:**

31 **88. Solar energy equipment. Beginning October 1, 2005,**
32 **sales of solar energy equipment directly related to the**
33 **installation of a qualified solar energy system, as defined in**
34 **Title 35-A, section 3211-A, subsection 1, paragraph I, that is**
35 **being used as a primary or auxiliary power system for the purpose**
36 **of heating or otherwise supplying the energy needs of an**
37 **individual's principal residence or commercial building located**
38 **in the State.**

39 **Sec. 8. 36 MRSA §5219-Y is enacted to read:**

40 **§5219-Y. Income tax credit for installation of solar thermal**
41 **system**

42

2 An owner or tenant of residential or commercial property
3 located in the State who installs a new solar thermal system as
4 defined in Title 35-A, section 3211-A, subsection 1, paragraph I,
5 subparagraph (2) is entitled to a credit against the taxes
6 imposed by this Part equal to 25% of the cost of the system,
7 including installation, or \$500, whichever is less.

8 In the case of a newly constructed residence, the credit
9 must be available to the original owner or occupant. A taxpayer
10 entitled to a credit that exceeds the taxpayer's total tax due
11 for the tax year in which the credit is earned may carry over the
12 excess amount and apply it to the taxpayer's tax liability for
13 any of the next succeeding 3 taxable years. The credit allowed,
14 including carry-overs, may not reduce the tax otherwise due under
15 this Part to less than zero.

16

18

SUMMARY

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21 This bill provides for rebates, sales tax exemptions and
22 income tax credits for the purchase and installation of solar
23 water heating and solar air heating systems and for rebates and
24 sales tax exemptions for the purchase and installation of solar
 electric, or "photovoltaic," systems for residential or
 commercial property owners.