

MAINE STATE LEGISLATURE

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2005 Annual Report on the Solar Energy Rebate Program

Report by the Public Utilities Commission To the Utilities and Energy Committee On Actions Taken by the Commission Pursuant to 35-A M.R.S.A. §3211-C

I. BACKGROUND

During its 2005 session, Maine's 122nd Legislature enacted An Act to Encourage the Use of Solar Energy, P.L. 2005, ch. 459 (codified at 35-A M.R.S.A. §3211-C) ("Act"). The Act directs the Maine Public Utilities Commission ("Commission") to implement a solar energy equipment rebate program and to report by December 1st of each year to the Joint Standing Committee of the Legislature having jurisdiction over utilities and energy matters on actions taken by the Commission with regard to the Act during the prior 12 months. This report is intended to fulfill the Commission's statutory reporting requirement.

II. COMMISSION ACTIVITY

Consistent with the requirements of the Act, on July 12, 2005, the Commission issued a notice of rulemaking and draft Solar Energy Rebate rule (Chapter 930). On August 11, 2005, the Commission held a public hearing to receive comment on the draft rule, and on October 3, 2005, the Commission adopted its final rule. The rule was reviewed and approved by the Maine Attorney General's office and became effective on October 19, 2005. A copy of Chapter 930 is attached to this report.

During the rulemaking proceeding, the Commission worked with Maine's transmission and distribution utilities to develop an assessment mechanism to fund the rebate program at the level required by the Act and established an account for solar energy rebate funds that is separate from conservation program funds. On October 1, 2005, the Commission issued its first assessment to utilities to fund the rebate program. The assessment was based on actual utility sales data covering the period from July 1, 2005 to September 30, 2005 and raised \$143,029 to cover program expenses. The Commission conducted a competitive solicitation for a contractor to process solar energy system rebate applications. The Commission's State Energy Program website has a section that contains the Act and the Solar Energy Rebate rule and includes a list of frequently asked questions. The Commission is compiling the names of individuals who have installed systems that will qualify for rebates, and when the final application forms are available, those individuals will be sent the forms. We will also post the forms on the Commission's website.

Under the Act, the Commission is the agency responsible for certifying solar thermal system installers. To that end, the Commission offered one training

and certification program for system installers in September 2005 and has scheduled a second training and certification program for March 2006. The Commission is coordinating with the Maine chapter of the International Brotherhood of Electrical Workers to certify individuals who have received training on the installation of solar electric systems through their organization. The Commission is also coordinating with the North American Board of Certified Energy Professionals to offer a Commission-sponsored training event that will qualify individuals to install solar electric systems.

The Commission will continue to implement the Act and will provide the Utilities and Energy Committee with a second annual report on or before December 1, 2006.

Attachment

65 - INDEPENDENT AGENCIES - REGULATORY

407 - PUBLIC UTILITIES COMMISSION

CHAPTER 930 – SOLAR ENERGY REBATE PROGRAM

SUMMARY: This Chapter establishes the standards and procedures necessary to implement the solar energy rebate program.

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§ 1 PURPOSE

The purpose of this Chapter is to implement the solar energy rebate program, including procedures and standards for demonstrating qualifications for a solar energy system rebate.

§ 2 DEFINITIONS

A. Qualified Solar Energy System. “Qualified Solar Energy System” means a solar photovoltaic system or a solar thermal system.

B. Qualified Solar Photovoltaic System Installer. “Qualified Solar Photovoltaic System Installer,” until January 1, 2007, is a master electrician who has completed a training course to prepare for certification by the North American Board of Certified Energy Practitioners, or is a master electrician working with someone who has completed the training course, or is a master electrician working with someone who is certified by the North American Board of Certified Energy Practitioners. After January 1, 2007, a “Qualified Photovoltaic System Installer” is a master electrician who is certified by the North American Board of Certified Energy Practitioners or is working in conjunction with a person who is certified by the North American Board of Certified Energy Practitioners.

C. Qualified Solar Thermal Water System Installer. “Qualified Solar Thermal Water System Installer” is a licensed plumber who has been certified by the Commission to install solar thermal systems designed to heat water, or is a licensed plumber working in conjunction with someone who has been certified by the Commission to install such solar thermal systems designed to heat water.

D. Solar Photovoltaic System. “Solar Photovoltaic System” means a solar energy device with a peak generating capacity of 100 kilowatts or less used for generating electricity for use in a residence or place of business.

E. Solar Thermal System. “Solar Thermal System” means a configuration of solar collectors and a pump, heat exchanger and storage tank or fans designed to heat water or air. Solar thermal systems types include forced circulation, integral collector storage, thermosyphon and self-pumping systems.

§3 SOLAR REBATES

A. Eligibility

To the extent that funds are available in the solar energy rebate program fund established pursuant to section 4 of this Chapter, owners and tenants of residential or commercial properties located within Maine who are Maine residents are entitled to rebates for qualified solar energy systems installed on those properties. To qualify for a rebate, solar energy systems must be connected to the electrical grid and installed after

July 1, 2005 in accordance with 35-A M.R.S.A. § 3211-B and this Chapter. For purposes of this section, a person may demonstrate the date a system was installed by the date of a net metering arrangement with a transmission and distribution utility or by the date on a bill of sale for the system.

B. Rebate Amounts

1. Solar Photovoltaic Systems. Solar photovoltaic systems installed by Qualified Photovoltaic System Installers will qualify for rebates of \$3 per watt for the first 2,000 watts of installed capacity and \$1 per watt for the next 1,000 watts.

2. Solar Thermal Water Systems. Solar thermal systems designed to heat water and installed by a Qualified Solar Thermal Water System Installer will qualify for a rebate of 25% of the installed system cost or \$1,250, whichever is less.

3. Solar Thermal Air Systems. Solar thermal systems designed to heat air will qualify for a rebate of 25% of the system cost or \$1,250, whichever is less.

§4 FUNDING LEVEL; FUND

A. Assessment

The Commission shall assess transmission and distribution utilities to collect funds for the solar energy rebate program. The assessment on transmission and distribution utilities shall not exceed .005 cents per kilowatt-hour and may differ among transmission and distribution utilities. The Commission will not assess a transmission and distribution utility under this section for amounts that would lower the conservation fund assessment under 35-A M.R.S.A. § 1311-A below its statutory floor. The Commission may decline to assess a transmission and distribution utility if the assessment amount would be *de minimis* or would otherwise be an administrative burden. The Commission may lower the overall assessment if it determines a lower amount of funding will be needed to provide rebates to qualified solar energy systems pursuant to this Chapter.

B. Fund

The Commission shall establish a solar energy rebate program fund to be used for the purposes of the solar energy rebate program.

1. The Commission shall deposit all assessments collected pursuant to this Chapter into the solar energy rebate program fund.

2. Interest earned on funds in the solar energy rebate program fund shall be credited back to the solar energy program fund.

3. Funds not spent in any fiscal year will remain in the solar energy rebate program fund to be used for the solar energy rebate program.

C. Assessment Procedures

The Commission shall periodically assess transmission and distribution utilities based on actual sales or revenues.

D. Allocation

In each fiscal year, 25% of amounts contained in the solar energy rebate program fund will be allotted to solar photovoltaic systems and 75% will be allotted to solar thermal systems.

E. Available Funds

The Commission shall post on the State Energy Program webpage the amount of funds that are available for solar photovoltaic systems and solar thermal systems and the time periods for which the funds will be available for rebates. The Commission shall also post that solar energy system rebates are no longer available in the event that the statutory repeal date of the solar energy rebate program results in the lack of available funds.

§5 REBATE DISTRIBUTION

The Commission shall distribute rebates for qualifying solar energy systems pursuant to this Chapter as long as funds are available in the solar energy rebate program fund. To the extent that there are insufficient funds in the solar energy rebate program, the Commission shall distribute available funds as specified in this section.

A. Installations Prior to Chapter's Effective Date

For installations after July 1, 2005 and prior to the effective date of this Chapter, the Commission shall distribute rebates based on the date of installation.

B. Installation After Chapter's Effective Date

For installations after the effective date of this Chapter, the Commission shall distribute rebates based on the date the Commission approves the application for a solar energy rebate system pursuant to section 6 of this Chapter.

C. Insufficient Funds

In the event that there are insufficient funds in the solar energy rebate program fund at the time that the Commission determines that a qualified solar energy system is eligible for a rebate, the Commission shall distribute the rebate after

subsequent assessments pursuant to section 4 of this Chapter result in sufficient funds. The Commission shall inform applicants that the availability of future rebates could be altered by changes in law. The Commission shall inform applicants that no rebates are available when amounts projected from assessments through the statutory repeal date of the solar energy rebate program have been committed to previous applicants.

§6 APPLICATION

A. Review Process

Applications for solar energy system rebates pursuant to this Chapter shall include the information and documentation specified in this section. The Commission shall review applications and notify applicants whether the solar energy system qualifies for a rebate and whether funds are available for the rebate. Applications for solar energy rebates may be filed prior to the installation of the system. Information and documentation that is not practical to provide prior to the installation of the system must be submitted after installation. Applicants who have received approval prior to installation of the system must demonstrate that the system was installed consistent with the application before a rebate is provided. The Commission may establish a date by which applicants who have received approval prior to installation must install the system to remain eligible for a rebate. To the extent funds are currently available in the solar energy rebate program fund, the Commission shall set aside funds to ensure that funds remain available for applications that have received approval prior to system installation. To the extent that funds are not currently available in the solar energy rebate program fund, the Commission will set aside funds as they become available. The Commission will inform the applicant that the rebate will be provided when funds become available and the time frame in which available funds are expected.

B. Requirements

1. Applicant. Applications shall include the address of the applicant's legal residence as demonstration of Maine residency and shall indicate whether the applicant is an owner or tenant of the premises in which the system has been installed. If system is located or will be located on premises different from the legal place of residence, the location of the system must be clearly stated. Applications shall include an affirmation by the applicant that the system location is connected to the electrical grid.

2. System Type. Applications shall indicate whether the system is solar photovoltaic, solar thermal–water, or solar thermal–air.

3. System Description. Applications shall provide data on system components including manufacturer and model number for collectors and all peripheral equipment. Nameplate in capacity (watts) shall be provided for solar electrical systems and estimated annual energy production based on Maine specific weather data shall be

provided for both solar electric and solar thermal systems. Applications shall include copies of invoices indicating total system installed costs.

4. Installer Qualifications. Applications for solar photovoltaic and solar thermal water systems shall include proof of installer qualifications as set forth below.

a. Applications for solar photovoltaic systems that are installed or will be installed between July 1, 2005 and January 1, 2007 shall include a copy of the installer's master electricians license or license number along with a copy of a North American Board of Certified Energy Practitioners certificate issued to the installer or a person working in conjunction with the installer. As an alternative to the certificate, the application may include proof of completion by the installer or a person working in conjunction with the installer of a training course to prepare for certification by the North American Board of Certified Energy Practitioners.

b. Applications for solar photovoltaic systems that are installed or will be installed after January 1, 2007 shall include a copy of the installer's master electricians license or license number along with a copy of a North American Board of Certified Energy Practitioners certificate issued to the installer or a person working in conjunction with the installer.

c. Applications for solar thermal water systems that are installed or will be installed after July 1, 2005 must include a copy of the installer's plumbing license or license number, and a copy of a certificate of competency issued by the Commission to the installer or a person working in conjunction with the installer. For the purpose of this requirement, individuals who have completed and have maintained their certifications as licensed solar installers by the Maine Department of Economic Development shall be considered certified by the Commission for purposes of this Chapter.

5. Installation Date. Applications shall include the date on which the system will be or was installed and documentation supporting the installation date.

6. Rebate. Applications shall provide a clear statement of the rebate requested and a calculation of the rebate.

7. Other. Applications shall include other information or documentation that the Commission deems necessary or useful in determining whether a solar energy system qualifies for a rebate pursuant to this Chapter.

§7 REPORT

The Commission shall report by December 1st of each year to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters a description of actions taken pursuant to 35-A M.R.S.A. § 3211-B.

§8 PROGRAM TERMINATION

The solar energy rebate program shall terminate on December 31, 2008.

§9 WAIVER OR EXEMPTION

Upon the request of any person subject to this Chapter or upon its own motion, the Commission may, for good cause, waive any requirement of this Chapter that is not required by statute and is not inconsistent with the purposes of this Chapter. The Commission, the Director of Energy Programs, or the presiding officer assigned to a proceeding related to this Chapter may grant the waiver.

BASIS STATEMENT: The factual and policy basis for this rule is set forth in the Commission's Order Adopting Rule, Docket No. 2005-400, issued on October 3, 2005. Copies of this Statement and Order have been filed with this rule at the Office of the Secretary of State. Copies may also be obtained from the Administrative Director, Public Utilities Commission, 242 State Street, 18 State House Station, Augusta, Maine 04333-0018.

AUTHORITY: 35-A M.R.S.A. §§ 104, 111, 1301, 3211-B

EFFECTIVE DATE: This rule was approved as to form and legality by the Attorney General on 10-13-05. It was filed with the Secretary of State on 10-14-05 and will be effective on 10-19-05.