SUPPORT SB 1333

Topic: Department of Energy; Division of Renewable Energy and Energy Efficiency; Commonwealth Solar.

Bill Patron: Sen. Hashmi

Overview:

- Empowers the Clean Energy Advisory Board to apply to the Environmental Protection Agency (EPA) for funds made available pursuant to the Inflation Reduction Act (IRA).
  - The specific grant fund created by the IRA is the Greenhouse Gas Reduction Fund, which the EPA will administer.
- Expands the purpose of the Clean Energy Advisory Board from disbursing loans and rebates to disbursing grants as well.
- Defines solar energy system to include battery storage.
- Increases the cap on rebates and grants from $2 per DC watt to $3 per DC watt for up to six kilowatts of solar capacity installed.
  - This increases the cap from $12,000 to $18,000.

Reasons to support:

- There is no reason for Virginia to leave these federal funds on the table. The Greenhouse Gas Reduction Fund provides $27 billion to the EPA for expenditure by September 30, 2024. If Virginia doesn’t utilize these federal funds, other states will be at an advantage in terms of incentivizing distributed solar.
- Low-to-moderate income Virginians who participate in this program and receive these grants will be able to offset all or a majority of the costs of a solar energy system.
  - The Solar Energy Industries Association (SEIA) estimates that the average-sized residential system has dropped from a pre-incentive price of $40,000 in 2010 to roughly $20,000 today.\(^1\)
    - With the 30% Investment Tax Credit, the post-incentive price drops to $14,000. With an $18,000 cap in place, this leaves room for customers to add storage to their system.
- Incentivizing more residential systems will bring more economic growth to Virginia\(^2\):

