House Bill 300 (AS PASSED HOUSE AND SENATE)

By: Representatives Kelley of the 16<sup>th</sup>, Williamson of the 112<sup>th</sup>, Stephens of the 164<sup>th</sup>, and Blackmon of the 146<sup>th</sup>

## A BILL TO BE ENTITLED AN ACT

- 1 To amend Article 1 of Chapter 3 of Title 46 of the Official Code of Georgia Annotated,
- 2 relating to generation and distribution of electricity generally, so as to provide for required
- 3 provisions in solar power facility agreements relative to responsibilities of grantees to
- 4 decommission certain solar power equipment; to provide for definitions; to provide for
- 5 remedies; to provide for financial assurance for required decommissioning activities; to
- 6 provide for related matters; to provide an effective date; to repeal conflicting laws; and for
- 7 other purposes.

## 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

- 10 Article 1 of Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to
- 11 generation and distribution of electricity generally, is amended by adding a new part to read
- 12 as follows:

13 "<u>Part 5</u>

- 14 46-3-67.
- 15 As used in this part, the term:
- 16 (1) 'Commercial operations date' means the date on which a solar power facility
- 17 generates electrical energy for sale to an electric supplier. Such term does not include the
- generation of electrical energy or other operations conducted before that date for purposes
- of maintenance or testing.
- 20 (2) 'Electric supplier' has the same meaning as provided in Code Section 46-3-3.
- 21 (3) 'Financial assurance' means a surety or performance bond that:
- 22 (A) Renews automatically; and
- 23 (B) Is issued by a company that is listed on the United States Department of the
- 24 Treasury's List of Certified Companies and that has a financial strength rating of at least
- an 'A' as rated by A.M. Best Company, Inc.; Moody's Investors Service, Inc.; Standard
- and Poor's Corporation; or a similar rating agency.
- 27 (4) 'Grantee' means a person who leases property from a landowner and who operates a
- solar power facility on said property.
- 29 (5) 'Solar energy device' means a solar energy collector or solar energy system that
- 30 provides for the collection of solar energy or the subsequent use of such energy as
- 31 thermal, mechanical, or electrical energy.
- 32 (6) 'Solar power facility' means a solar energy device that does not meet the definition
- of solar technology pursuant to Code Section 46-3-62, or the integrated collection of such
- 34 <u>devices, together with any equipment or other personal property and improvements under</u>
- 35 common ownership that are used to support the operation of such a solar energy device
- or solar energy devices, including, but not limited to, underground or aboveground
- 37 <u>electrical transmission or communications lines, electric transformers, battery storage</u>

facilities, telecommunications equipment, roads, meteorological towers, and maintenance

- 39 <u>yards.</u>
- 40 (7) 'Solar power facility agreement' means any lease agreement for real property in this
- 41 <u>state between a grantee and a landowner that authorizes the grantee to operate a solar</u>
- 42 power facility on the leased property.
- 43 46-3-68.
- 44 (a) The provisions of this part shall only apply to solar power facility agreements that are
- executed or renewed on or after July 1, 2024.
- 46 (b) Any provision in a solar power facility agreement that purports to waive a right or
- exempt a grantee from a liability or duty established by this part shall be void.
- 48 (c) Any person who is harmed by a violation of this part shall be entitled to appropriate
- 49 <u>injunctive relief to prevent further violation of this part.</u>
- 50 (d) The provisions of this Code section are not exclusive. The remedies provided in this
- 51 Code section are in addition to any other procedures or remedies provided by law.
- 52 <u>46-3-69.</u>
- 53 (a) A solar power facility agreement shall provide that the grantee shall be responsible for
- removing the grantee's solar power facilities from the landowner's property upon the
- 55 termination of the lease and that the grantee shall, in accordance with any other applicable
- laws or regulations, safely:
- 57 (1) Clear, clean, and remove from the property all grantee owned solar energy devices
- and all grantee owned equipment, personal property, and improvements used to support
- such devices;
- 60 (2) For each foundation of a solar energy device, transformer, or substation installed on
- the property by the grantee:

62 (A) Clear, clean, and remove the foundation from the ground to a depth of at least three 63 feet below the surface grade of the land in which the foundation is installed; and 64 (B) Ensure that each hole or cavity created in the ground by such removal is filled with 65 soil of the same type or a similar type as the predominant soil found on the property; (3) For each cable, including power, fiber-optic, and communications cables, installed 66 67 underground by the grantee: 68 (A) Clear, clean, and remove the cable from the ground to a depth of at least three feet 69 below the surface grade of the land in which the cable is installed; and 70 (B) Ensure that each hole or cavity created in the ground by such removal is filled with soil of the same type or a similar type as the predominant soil found on the property; 71 72 and (4) Clear, clean, and remove from the property each overhead power or communications 73 74 line installed on the property by the grantee. (b) A solar power facility agreement shall provide that, at the request of the landowner, the 75 76 grantee shall: 77 (1) Clear, clean, and remove each road constructed on the property by the grantee; and 78 (2) Ensure that each hole or cavity created in the ground by such removal is filled with 79 soil of the same type or a similar type as the predominant soil found on the property. 80 (c) A solar power facility agreement shall provide that, at the request of the landowner, the 81 grantee shall: 82 (1) Remove from the property all rocks more than 12 inches in diameter excavated during the decommissioning or removal of the grantee's solar power facilities; and 83 84 (2) Ensure that: (A) Each hole or cavity created in the ground by such decommissioning or removal is 85 86 filled with soil of the same type or a similar type as the predominant soil found on the 87 property; and

88 (B) The surface is returned, as near as reasonably possible, to the same condition as
89 before the grantee dug holes or cavities, including, but not limited to, by reseeding
90 pastureland with native, naturalized, and introduced grasses and legumes prescribed by
91 an appropriate governmental agency, if any.

- 92 (d) A landowner shall make any request provided by a solar power facility agreement 93 pursuant to subsection (b) or (c) of this Code section no later than 12 months after the later 94 of:
- 95 (1) The date on which the solar power facility is no longer capable of generating electricity in commercial quantities, except when such inability to generate electricity is the result of an event of force majeure or when the grantee is in the process of repairing the solar power facility, provided that, in either case, the solar power facility resumes generating electricity in commercial quantities within 180 days;
- 100 (2) The date the landowner receives written notice of intent to decommission the solar power facility from the grantee; or
- 102 (3) The date the solar power facility agreement is terminated.
- 103 (e) The requirements of this Code section applicable to a solar power facility agreement
  104 may be waived or modified through a written, notarized agreement between the grantee and
  105 landowner. Any such agreement shall be recorded with the clerk of the superior court of
  106 the county where the solar power facility is located.
- 107 <u>46-3-69.1.</u>
- (a) A solar power facility agreement shall provide that:
- (1) The grantee shall obtain and deliver to the landowner and record with the clerk of the
   superior court of the county where the solar power facility is located evidence of financial
   assurance that conforms to the requirements of this subsection to secure the performance
   of the grantee's obligation to remove the grantee's solar power facilities located on the
   landowner's property pursuant to Code Section 46-3-69;

114 (2) The amount of the financial assurance shall be: 115 (A) At least equal to the estimated cost of removing the solar power facilities from the landowner's property and restoring the property to the conditions described in Code 116 Section 46-3-69: 117 (i) Minus the salvage value of the solar power facilities; and 118 (ii) Plus any portion of the value of the solar power facilities pledged to secure 119 120 outstanding debt; and 121 (B) Determined by an independent, third-party professional engineer licensed in this 122 state; (3) The grantee shall deliver to the landowner an updated estimate, prepared by an 123 independent, third-party professional engineer licensed in this state, of the removal costs 124 and the salvage value of the solar power facilities: 125 (A) No later than 20 years after the commercial operations date of the solar power 126 facilities; and 127 128 (B) At least once every five years after the commercial operations date of the solar power facilities for the remainder of the term of the agreement; 129 130 (4) The grantee shall be responsible for ensuring that the amount of the financial 131 assurance remains sufficient to cover the amount required by paragraph (2) of this 132 subsection, consistent with the estimates required by paragraph (3) of this subsection; 133 (5) The grantee shall be responsible for the costs of obtaining financial assurance and 134 costs of determining the estimated removal costs and salvage value; and 135 (6) The grantee shall deliver the financial assurance not later than the commercial 136 operations date of the solar power facilities. (b) No county or municipal corporation shall impose on a grantee who has entered into a 137

solar power facility agreement that conforms to the requirements of this Code section

financial assurance requirements relating to the removal or decommissioning of solar

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power facilities.

(c) No grantee shall cancel the financial assurance delivered to the landowner pursuant to this Code section before the date the grantee has completed the grantee's obligation to remove the grantee's solar power facilities located on the landowner's property in the manner provided by this part, unless the grantee provides the landowner with replacement financial assurance at the time of or before such cancellation. In the event of a transfer of ownership of the grantee's solar power facilities, the financial assurance provided by the grantee shall remain in place until the date on which evidence of substitute financial assurance meeting the requirements of this part is provided to the landowner."

**SECTION 2.** 

150 This Act shall become effective on July 1, 2024.

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SECTION 3.

152 All laws and parts of laws in conflict with this Act are repealed.