

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** SB234

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Hashmi

3. **Committee:** Commerce and Labor

4. **Title:** Parking Lot Solar Development Program and Fund; report.

5. **Summary:** Directs the Department of Energy, in consultation with the Department of Environmental Quality, to establish by January 1, 2025, a Parking Lot Solar Development Program for the purpose of encouraging development of distributed parking lot solar projects up to one megawatt in size in the Commonwealth. The bill also creates the Parking Lot Solar Development Fund for the purposes of (i) funding solar renewable energy credit values at an updated 10-year levelized incentive level through the renewable energy certificate market using a solar financing model as described in the bill, (ii) implementing and administering the Parking Lot Solar Development Program, and (iii) implementing and administering an alternative auction site that sets a fixed price for solar renewable energy credits not sold in the Commonwealth. The bill requires the Department, in consultation with the Department of Environmental Quality, to engage in a stakeholder consultation to evaluate the current costs of solar installations and incentive levels across market segments and study benefits to grid security and reliability, ratepayers, and environmental goals of the Commonwealth by December 1, 2024, and every five years thereafter. The bill also directs the Commission to consult with agencies and stakeholders to develop an online mapping database of potential parking lot solar sites for development in the Commonwealth by December 1, 2024. Finally, the bill requires the Department, in consultation with the Department of Environmental Quality, to submit an annual report to the General Assembly regarding the implementation of the Parking Lot Solar Development Program for the preceding fiscal year by November 1, 2025.

6. **Budget Amendment Necessary:** Yes, to capitalize the Fund and implement the program (Item 109 of HB30/SB30 as introduced).

7. **Fiscal Impact Estimates:** Preliminary. See Item 8.

8. **Fiscal Implications:** To capitalize and operationalize the Fund, a budget amendment will be necessary. In addition to funding solar renewable energy credit values, the bill provides that up to 10 percent of the amount available in the Fund may be used for implementation and administration of the program and an alternative auction site.

The Department of Energy (DOE) anticipates that the workload required to manage the program and Fund will be equal to approximately 0.5 full time employees, or \$50,400 annually.

The bill also directs DOE to “engage in a consultant-driven analysis to evaluate current costs of solar installations and incentive levels across market segments, perform an analysis of economic costs and benefits of the Parking Lot Solar Development Pilot Program, consider comparative regional economic impacts of solar ownership, and study benefits to grid security and reliability, ratepayers, and environmental goals of the Commonwealth” no later than December 1, 2024, and every five years thereafter. DOE anticipates this will cost approximately \$50,000 in the first year and every five years thereafter.

Finally, the bill requires DOE to develop an online mapping database of potential parking lot solar development sites. The Department estimates that this will cost \$150,000 in the first year, with indeterminate ongoing maintenance requirements.

9. Specific Agency or Political Subdivisions Affected: Department of Labor, State Corporation Commission, Department of Environmental Quality, institutions of higher education, localities

10. Technical Amendment Necessary: No

11. Other Comments: This bill is the companion to HB367.