

114TH CONGRESS
1ST SESSION

H. R. 3041

To require the Secretary of Energy to provide loans and grants for solar installations in low-income and underserved areas.

IN THE HOUSE OF REPRESENTATIVES

JULY 13, 2015

Mr. CÁRDENAS (for himself, Ms. LEE, and Mr. ELLISON) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To require the Secretary of Energy to provide loans and grants for solar installations in low-income and underserved areas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Low-Income Solar
5 Act”.

6 **SEC. 2. LOAN AND GRANT PROGRAM FOR SOLAR INSTALLA-**
7 **TIONS IN LOW-INCOME AND UNDERSERVED**
8 **AREAS.**

9 (a) DEFINITIONS.—In this section:

1 (1) ADMINISTRATIVE EXPENSES.—The term
2 “administrative expenses” has such meaning as may
3 be established by the Secretary.

4 (2) COMMUNITY SOLAR FACILITY.—The term
5 “community solar facility” means a community-
6 based distributed photovoltaic solar electricity gener-
7 ating facility that, as determined by the Secretary—

8 (A) is owned by a subscriber organization;

9 (B) has a nameplate rating of 2 megawatts
10 or less;

11 (C) is located in or near a community of
12 subscribers to whom the beneficial use of the
13 electricity generated by the facility belongs; and

14 (D) reserves not less than 25 percent of
15 the quantity of electricity generated by the fa-
16 cility for low-income households that are sub-
17 scribers to the facility.

18 (3) ELIGIBLE ENTITY.—The term “eligible enti-
19 ty” means—

20 (A) a low-income household;

21 (B) a unit of State, territorial, or local
22 government;

23 (C) an Indian tribe;

24 (D) a Native Hawaiian community-based
25 organization;

1 (E) a rural community (as defined in sec-
2 tion 343(a) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 1991(a)));

4 (F) any other national or regional entity
5 that—

6 (i) deploys a safe, high-quality photo-
7 voltaic solar electricity generating facility
8 for consumers under a model that maxi-
9 mizes energy savings to those consumers;
10 and

11 (ii) has experience, as determined by
12 the Secretary, installing solar systems
13 using a job training or community volun-
14 teer-based installation model; and

15 (G) for the loan program only, in addition
16 to entities described in subsections (A) through
17 (F), a private entity that—

18 (i) deploys a safe, high-quality photo-
19 voltaic solar electricity generating facility
20 for consumers under a model that maxi-
21 mizes energy savings to those consumers;
22 and

23 (ii) will install solar systems using a
24 job training installation model.

1 (4) GRANT-ELIGIBLE HOUSEHOLD.—The term
2 “grant-eligible household” means a household the
3 members of which—

4 (A) earn an income equal to 80 percent or
5 less of the applicable area median income, as
6 defined for the applicable year by the Secretary
7 of Housing and Urban Development; and

8 (B) reside in an owner-occupied home.

9 (5) INDIAN TRIBE.—The term “Indian tribe”
10 means any Indian tribe, band, nation, or other orga-
11 nized group or community, including any Alaskan
12 Native village or regional or village corporation (as
13 defined in, or established pursuant to, the Alaska
14 Native Claims Settlement Act (43 U.S.C. 1601 et
15 seq.)), that is recognized as eligible for the special
16 programs and services provided by the United States
17 to Indians because of their status as Indians.

18 (6) LOW-INCOME HOUSEHOLD.—The term
19 “low-income household” means a household with an
20 income equal to 80 percent or less of the applicable
21 area median income, as defined for the applicable
22 year by the Secretary of Housing and Urban Devel-
23 opment.

24 (7) MULTI-FAMILY AFFORDABLE HOUSING.—
25 The term “multi-family affordable housing” means

1 any federally subsidized affordable housing complex
2 in which at least 50 percent of the units are reserved
3 for low-income households.

4 (8) NATIVE HAWAIIAN COMMUNITY-BASED OR-
5 GANIZATION.—The term “Native Hawaiian commu-
6 nity-based organization” means any organization
7 that is composed primarily of Native Hawaiians
8 from a specific community and that assists in the
9 social, cultural, and educational development of Na-
10 tive Hawaiians in that community.

11 (9) PHOTOVOLTAIC SOLAR ELECTRICITY GEN-
12 ERATING FACILITY.—The term “photovoltaic solar
13 electricity generating facility” means—

14 (A) a generator that creates electricity
15 from light photons; and

16 (B) the accompanying hardware enabling
17 that electricity to flow—

18 (i) onto the electric grid; or

19 (ii) into an energy storage device.

20 (10) SECRETARY.—The term “Secretary”
21 means the Secretary of Energy.

22 (11) SUBSCRIBER.—The term “subscriber”
23 means an electricity consumer who—

1 (A) owns a subscription, or an equivalent
2 unit or share of the capacity or generation, of
3 a community solar facility;

4 (B) has identified one or more physical lo-
5 cations—

6 (i) to which the subscription will be
7 attributed;

8 (ii) within the same electric utility
9 service territory, or within the same geo-
10 graphical area, as the community solar fa-
11 cility, in accordance with applicable State
12 and local law; and

13 (iii) that may change from time to
14 time, subject to the condition that the
15 physical location shall be within the geo-
16 graphical limits allowed for a subscriber of
17 the applicable community solar facility;
18 and

19 (C) confirms the status of the consumer as
20 a low-income household for each applicable fis-
21 cal year.

22 (12) SUBSCRIPTION.—The term “subscription”
23 means a share in the capacity, or a proportional in-
24 terest in the solar electricity generation, of a com-
25 munity solar facility.

1 (13) UNDERSERVED AREA.—The term “under-
2 served area” means—

3 (A) a geographical area with low or no
4 photovoltaic solar deployment, as determined by
5 the Secretary; or

6 (B) trust land, as defined in section 3765
7 of title 38, United States Code.

8 (b) ESTABLISHMENT OF LOAN AND GRANT PRO-
9 GRAM.—

10 (1) IN GENERAL.—The Secretary shall establish
11 a program under which the Secretary shall provide
12 loans and grants to eligible entities for use in ac-
13 cordance with this section.

14 (2) FUNDING.—

15 (A) IN GENERAL.—Subject to the avail-
16 ability of appropriations, the Secretary shall
17 make grants and issue loans in accordance with
18 this subsection.

19 (B) LOANS.—Subject to subparagraph
20 (D), not more than 50 percent of funds made
21 available under subparagraph (A) for a fiscal
22 year shall be used to provide loans to eligible
23 entities for—

24 (i) community solar facilities; or

1 (ii) multi-family affordable housing
2 solar installations.

3 (C) GRANTS.—After allocating amounts to
4 carry out subparagraph (B), the Secretary shall
5 use the remaining funds made available under
6 subparagraph (A) for a fiscal year to provide
7 grants to eligible entities—

8 (i) to pay the upfront costs of photo-
9 voltaic solar electricity generating facilities
10 installed on properties of grant-eligible
11 households; or

12 (ii) for any other eligible use described
13 in subsection (e).

14 (D) INCREASE IN GRANT AMOUNT.—Not-
15 withstanding subparagraph (A), if the Secretary
16 determines that more than 50 percent of the
17 amounts described in that subparagraph are
18 necessary during any of fiscal years 2016
19 through 2030 to provide grants to encourage
20 innovative financing and installation models to
21 reach underserved markets, the Secretary may
22 use more than 50 percent of those amounts to
23 provide those grants.

24 (3) GOALS AND ACCOUNTABILITY.—

1 (A) IN GENERAL.—In providing loans and
2 grants under this subsection, the Secretary
3 shall take such actions as may be necessary to
4 ensure that—

5 (i) the assistance provided under this
6 subsection is used to facilitate and encour-
7 age innovative solar installation and fi-
8 nancing models, under which the recipients
9 develop and install photovoltaic solar elec-
10 tricity generating facilities that provide sig-
11 nificant savings to low-income households
12 while providing job training or community
13 engagement opportunities with respect to
14 each solar system installed;

15 (ii) loan and grant recipients shall—

16 (I) have installed not less than
17 600 kilowatts of photovoltaic solar en-
18 ergy during the 2-year period pre-
19 ceding the date on which the loan or
20 grant is provided to ensure consumer
21 protection; or

22 (II) until the goal described in
23 subclause (I) is achieved, enter into
24 partnership with an entity that—

1 (aa) has not less than 2
2 years of experience deploying
3 solar photovoltaic systems for
4 low-income households in a man-
5 ner that maximizes the savings
6 benefits of solar access; and

7 (bb) was primarily respon-
8 sible for the installation of at
9 least 2 megawatts of solar energy
10 during the 2-year period pre-
11 ceeding the date on which the loan
12 or grant is provided;

13 (iii) the photovoltaic solar electricity
14 generating facilities installed using assist-
15 ance provided under this subsection are
16 safe, high-quality systems that comply with
17 local building and safety codes and stand-
18 ards;

19 (iv) the provision of assistance under
20 this subsection establishes and fosters a
21 partnership between the Federal Govern-
22 ment and eligible entities, resulting in effi-
23 cient development of solar installations
24 with—

1 (I) minimal governmental inter-
2 vention;

3 (II) limited governmental regula-
4 tion; and

5 (III) significant involvement by
6 nonprofit and private entities;

7 (v) solar projects installed using as-
8 sistance provided under this subsection—

9 (I) shall include job training; and

10 (II) may include community par-
11 ticipation in which job trainees and
12 volunteers assist in the development of
13 solar projects;

14 (vi) assistance provided under this
15 subsection prioritizes development in—

16 (I) areas with low photovoltaic
17 penetration;

18 (II) rural areas;

19 (III) Indian tribal areas; and

20 (IV) other underserved areas, in-
21 cluding Alaskan Native and Appa-
22 lachian communities;

23 (vii) solar systems are developed using
24 assistance provided under this subsection

1 on a geographically diverse basis among
2 the eligible entities; and

3 (viii) to the maximum extent prac-
4 ticable, solar installation activities for
5 which assistance is provided under this
6 section leverage, or connect grant-eligible
7 households to, federally or locally sub-
8 sidized weatherization and energy effi-
9 ciency efforts that meet or exceed local en-
10 ergy efficiency standards.

11 (B) DETERMINATION.—If, at any time, the
12 Secretary determines that the goals described in
13 this paragraph cannot be met by providing as-
14 sistance in accordance with this subsection, the
15 Secretary shall immediately submit to the ap-
16 propriate committees of Congress a written no-
17 tice of that determination, including any pro-
18 posed changes necessary to achieve the goals
19 under this paragraph.

20 (4) COMMUNITY SOLAR FACILITIES.—

21 (A) IN GENERAL.—A community solar fa-
22 cility may use a loan provided under this sub-
23 section only to offset the costs of generation
24 and provision of solar energy to low-income

1 households that are subscribers of the commu-
2 nity solar facility.

3 (B) TRANSFER AND ASSIGNMENT OF SUB-
4 SCRIPTIONS.—A subscription to a community
5 solar facility that receives assistance under this
6 subsection may be transferred or assigned by
7 the subscriber to—

8 (i) any subscriber organization; or

9 (ii) any individual or entity who quali-
10 fies to be a subscriber to that community
11 solar facility.

12 (C) TREATMENT.—

13 (i) IN GENERAL.—No owner, oper-
14 ator, or subscriber of a community solar
15 facility that receives assistance under this
16 subsection shall be subject to regulation by
17 the Federal Energy Regulatory Commis-
18 sion solely as a result of an interest in the
19 community solar facility.

20 (ii) PRICE OF SUBSCRIPTION.—The
21 price paid for any subscription to a com-
22 munity solar facility shall not be subject to
23 the regulation of any Federal department,
24 agency, or commission.

25 (c) NATIONAL COMPETITION.—

1 (1) IN GENERAL.—The Secretary shall select el-
2 igible entities to receive loans or grants under this
3 section through a nationwide competitive process, to
4 be established by the Secretary.

5 (2) APPLICATIONS.—To be eligible to receive a
6 loan or grant under this section, an eligible entity
7 shall submit to the Secretary an application at such
8 time, in such manner, and containing such informa-
9 tion as the Secretary may require.

10 (3) REQUIREMENTS.—In selecting eligible enti-
11 ties to receive loans or grants under this section, the
12 Secretary shall, at a minimum—

13 (A) require that the eligible entity—

14 (i) enter into a grant or loan agree-
15 ment, as applicable, under subsection (d);
16 and

17 (ii) has obtained financial commit-
18 ments (or has demonstrated the capacity
19 to obtain financial commitments) necessary
20 to comply with that agreement;

21 (B) ensure that loans and grants are pro-
22 vided, and amounts are used, in a manner that
23 results in geographical diversity throughout the
24 United States and within States, territories,
25 and Indian tribal land among photovoltaic solar

1 electricity generating facilities installed using
2 the assistance provided under this section;

3 (C) to the maximum extent practicable, ex-
4 pand photovoltaic solar energy availability to—

5 (i) geographical areas, throughout the
6 United States and within States, terri-
7 tories, and Indian tribal land, with—

8 (I) low photovoltaic solar pene-
9 tration; or

10 (II) areas with a higher cost bur-
11 den with respect to the deployment or
12 installation of photovoltaic solar elec-
13 tricity generating facilities;

14 (ii) rural communities;

15 (iii) Indian tribes; and

16 (iv) other underserved areas, including
17 Appalachian and Alaska Native commu-
18 nities;

19 (D) take into account the warranty period
20 and quality of the applicable photovoltaic solar
21 electricity generating facility equipment and any
22 necessary interconnecting equipment; and

23 (E) ensure all calculations for estimated
24 household energy savings are based solely on

1 electricity offsets from the photovoltaic solar
2 electricity generating facilities.

3 (d) LOAN AND GRANT AGREEMENTS.—

4 (1) IN GENERAL.—As a condition of receiving a
5 loan or grant under this section, an eligible entity
6 shall enter into a loan or grant agreement, as appli-
7 cable, with the Secretary.

8 (2) REQUIREMENTS.—A loan or grant agree-
9 ment under this subsection shall—

10 (A) require the eligible entity—

11 (i) to use the assistance provided
12 under this section only in accordance with
13 this section;

14 (ii) to install such number of solar
15 systems with such defined capacity target
16 (expressed in megawatts) as may be estab-
17 lished by the Secretary, taking into consid-
18 eration the costs associated with carrying
19 out loan or grant obligations in the areas
20 in which the solar systems will be devel-
21 oped;

22 (iii) to use the assistance in a manner
23 that leverages other sources of funding
24 (other than loans or grants under this sec-

1 tion), including private or public funds, in
2 developing the solar projects; and

3 (iv) to establish loan terms, if applica-
4 ble, that maximize the benefit to the low-
5 income households receiving solar energy
6 from the eligible entity;

7 (B) require the Secretary to rescind any
8 amounts provided to the eligible entity that are
9 not used during the 2-year period beginning on
10 the date on which the amounts are initially dis-
11 tributed to the eligible entity, except in any case
12 in which the eligible entity has demonstrated to
13 the satisfaction of the Secretary that a longer
14 period, not to exceed 3 years after the date of
15 initial distribution, is necessary to deliver pro-
16 posed services;

17 (C) for a loan provided under this section,
18 establish—

19 (i) an interest rate equal to the then-
20 current cost of funds to the Department of
21 the Treasury for obligations of comparable
22 maturity to the loan; and

23 (ii) a payout time that maximizes the
24 savings to customers during the effective
25 period of the agreement; and

1 (D) contain such other terms as the Sec-
2 retary may require to ensure compliance with
3 the requirements of this section.

4 (e) USE.—An eligible entity shall use a loan or grant
5 provided under this section only for the following activi-
6 ties, for the purpose of developing new photovoltaic solar
7 projects in the United States for low-income households
8 and individuals who otherwise would likely be unable to
9 afford or purchase photovoltaic solar systems:

10 (1) PHOTOVOLTAIC SOLAR EQUIPMENT AND IN-
11 STALLATION.—To pay the costs of—

12 (A) solar equipment, including only photo-
13 voltaic solar equipment and storage and all
14 hardware or software components relating to
15 safely producing, monitoring, and connecting
16 the system to the electric grid or onsite storage;
17 and

18 (B) installation, including all direct labor
19 associated with installing the photovoltaic solar
20 equipment.

21 (2) JOB TRAINING.—To fund onsite job train-
22 ing and community or volunteer engagement, includ-
23 ing—

1 (A) only job training costs directly associ-
2 ated with the solar projects funded under this
3 section; and

4 (B) job training opportunities that may
5 cover the full range of the solar value chain,
6 such as marketing and outreach, customer ac-
7 quisition, system design, and installation posi-
8 tions.

9 (3) DEPLOYMENT SUPPORT.—To fund entities
10 that have a demonstrated ability, as determined by
11 the Secretary—

12 (A) to advise State and local entities re-
13 garding low-income solar policy, regulatory, and
14 program design to continue and expand the
15 work of the entities;

16 (B) to foster community outreach and edu-
17 cation regarding the benefits of photovoltaic
18 solar energy for low-income and disadvantaged
19 communities; or

20 (C) to provide apprenticeship program op-
21 portunities registered and approved by—

22 (i) the Office of Apprenticeship of the
23 Department of Labor pursuant to part 29
24 of title 29, Code of Federal Regulations (or
25 successor regulations); or

1 (ii) a State Apprenticeship Agency
2 recognized by that Office.

3 (4) ADMINISTRATION.—To pay the administra-
4 tive expenses of the eligible entity, including
5 preproject feasibility efforts, in carrying out the du-
6 ties of the Secretary associated with delivering pro-
7 posed services, subject to the requirement that not
8 more than 15 percent of the total amount of the as-
9 sistance provided to the eligible entity under this
10 section may be used for administrative expenses.

11 (f) COMPLIANCE.—

12 (1) RECORDS AND AUDITS.—During the period
13 beginning on the date of initial distribution to an eli-
14 gible entity of a loan or grant under this section and
15 ending on the termination date of the loan or grant
16 under subsection (g), the eligible entity shall main-
17 tain such records and adopt such administrative
18 practices as the Secretary may require to ensure
19 compliance with the requirements of this section and
20 the applicable loan or grant agreement.

21 (2) DETERMINATION BY SECRETARY.—If the
22 Secretary determines that an eligible entity that re-
23 ceives a grant or loan under this section has not,
24 during the 2-year period beginning on the date of
25 initial distribution to the eligible entity of the assist-

1 ance (or such longer period as is established under
2 subsection (d)(2)(B)), substantially fulfilled the obli-
3 gations of the eligible entity under the applicable
4 loan or grant agreement, the Secretary shall—

5 (A) rescind the balance of any funds dis-
6 tributed to, but not used by, the eligible entity
7 under this section; and

8 (B) use those amounts to provide other
9 loans or grants in accordance with this section.

10 (g) TERMINATION.—The Secretary shall terminate a
11 loan or grant provided under this section on a determina-
12 tion that the total amount of the loan or grant (excluding
13 any interest, fees, and other earnings of the loan or grant)
14 has been—

15 (1) fully expended by the eligible entity; or

16 (2) returned to the Secretary.

17 (h) REGULATIONS.—Not later than 90 days after the
18 date of enactment of this Act, the Secretary shall promul-
19 gate such regulations as the Secretary determines to be
20 necessary to carry out this section, to take effect on the
21 date of promulgation.

22 (i) FUNDING.—There is authorized to be appro-
23 priated to the Secretary to carry out this section

- 1 \$200,000,000 for each of fiscal years 2016 through 2030,
- 2 to remain available until expended.

○