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

IN THE SENATE OF THE UNITED STATES—114th Cong., 1st Sess.

To provide for the modernization of the energy policy of the United States, and for other purposes.

Referred to the Committee on ______________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. SANDERS

Viz:

1 At the end of subtitle A of title III, add the following:

   PART V—SOLAR

2 SEC. 3018. LOAN AND GRANT PROGRAM FOR SOLAR INSTALLATIONS IN LOW-INCOME AND UNDERSERVED AREAS.

3 (a) DEFINITIONS.—In this section:

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

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

(A) is owned by a subscriber organization;

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

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

(D) reserves not less than 25 percent of the quantity of electricity generated by the facility for low-income households that are subscribers to the facility.

(3) ELIGIBLE ENTITY.—The term “eligible entity” means—

(A) a low-income household;

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

(C) an Indian tribe;

(D) a Native Hawaiian community-based organization;

(E) a rural community (as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a));

(F) any other national or regional entity that—
(i) deploys a safe, high-quality photovoltaic solar electricity generating facility for consumers under a model that maximizes energy savings to those consumers; and

(ii) has experience, as determined by the Secretary, installing solar systems using a job training or community volunteer-based installation model; and

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

(i) deploys a safe, high-quality photovoltaic solar electricity generating facility for consumers under a model that maximizes energy savings to those consumers; and

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

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

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

(B) reside in an owner-occupied home.

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

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

(7) **MULTI-FAMILY AFFORDABLE HOUSING**.—The term “multi-family affordable housing” means any federally subsidized affordable housing complex in which at least 50 percent of the units are reserved for low-income households.

(8) **NATIVE HAWAIIAN COMMUNITY-BASED ORGANIZATION**.—The term “Native Hawaiian commu-
nity-based organization” means any organization that is composed primarily of Native Hawaiians from a specific community and that assists in the social, cultural, and educational development of Native Hawaiians in that community.

(9) PHOTOVOLTAIC SOLAR ELECTRICITY GENERATING FACILITY.—The term “photovoltaic solar electricity generating facility” means—

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

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

(i) onto the electric grid; or

(ii) into an energy storage device.

(10) SUBSCRIBER.—The term “subscriber” means an electricity consumer who—

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

(B) has identified 1 or more physical locations—

(i) to which the subscription will be attributed;

(ii) within the same electric utility service territory, or within the same geo-
graphical area, as the community solar facility, in accordance with applicable State and local law; and

(iii) that may change from time to time, subject to the condition that the physical location shall be within the geographical limits allowed for a subscriber of the applicable community solar facility; and

(C) confirms the status of the consumer as a low-income household for each applicable fiscal year.

(11) Subscription.—The term "subscription" means a share in the capacity, or a proportional interest in the solar electricity generation, of a community solar facility.

(12) Underserved Area.—The term "underserved area" means—

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

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

(b) Establishment of Loan and Grant Program.—
(1) IN GENERAL.—The Secretary shall establish a program under which the Secretary shall provide loans and grants to eligible entities for use in accordance with this section.

(2) FUNDING.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall make grants and issue loans in accordance with this subsection.

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

(i) community solar facilities; or

(ii) multi-family affordable housing solar installations.

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

(i) to pay the upfront costs of photovoltaic solar electricity generating facilities
installed on properties of grant-eligible households; or

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

(D) INCREASE IN GRANT AMOUNT.—Notwithstanding subparagraph (A), if the Secretary determines that more than 50 percent of the amounts described in that subparagraph are necessary during any of fiscal years 2016 through 2030 to provide grants to encourage innovative financing and installation models to reach underserved markets, the Secretary may use more than 50 percent of those amounts to provide those grants.

(3) GOALS AND ACCOUNTABILITY.—

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

(i) the assistance provided under this subsection is used to facilitate and encourage innovative solar installation and financing models, under which the recipients develop and install photovoltaic solar electricity generating facilities that provide sig-
significant savings to low-income households
while providing job training or community
engagement opportunities with respect to
each solar system installed;

(ii) loan and grant recipients shall—

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

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

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

(bb) was primarily respon-
sible for the installation of at
least 2 megawatts of solar energy
during the 2-year period pre-
ceding the date on which the loan or grant is provided;

(iii) the photovoltaic solar electricity generating facilities installed using assistance provided under this subsection are safe, high-quality systems that comply with local building and safety codes and standards;

(iv) the provision of assistance under this subsection establishes and fosters a partnership between the Federal Government and eligible entities, resulting in efficient development of solar installations with—

(I) minimal governmental intervention;

(II) limited governmental regulation; and

(III) significant involvement by nonprofit and private entities;

(v) solar projects installed using assistance provided under this subsection—

(I) shall include job training; and

(II) may include community participation in which job trainees and
11 volunteers assist in the development of solar projects;

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

(I) areas with low photovoltaic penetration;

(II) rural areas;

(III) Indian tribal areas; and

(IV) other underserved areas, including Alaskan Native and Appalachian communities;

(vii) solar systems are developed using assistance provided under this subsection on a geographically diverse basis among the eligible entities; and

(viii) to the maximum extent practicable, solar installation activities for which assistance is provided under this section leverage, or connect grant-eligible households to, federally or locally subsidized weatherization and energy efficiency efforts that meet or exceed local energy efficiency standards.

(B) DETERMINATION.—If, at any time, the Secretary determines that the goals described in
this paragraph cannot be met by providing assis-
tance in accordance with this subsection, the
Secretary shall immediately submit to the ap-
propriate committees of Congress a written no-
tice of that determination, including any pro-
posed changes necessary to achieve the goals
under this paragraph.

(4) COMMUNITY SOLAR FACILITIES.—

(A) IN GENERAL.—A community solar fa-
cility may use a loan provided under this sub-
section only to offset the costs of generation
and provision of solar energy to low-income
households that are subscribers of the commu-
nity solar facility.

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

(i) any subscriber organization; or

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

(C) TREATMENT.—
(i) In general.—No owner, operator, or subscriber of a community solar facility that receives assistance under this subsection shall be subject to regulation by the Federal Energy Regulatory Commission solely as a result of an interest in the community solar facility.

(ii) Price of subscription.—The price paid for any subscription to a community solar facility shall not be subject to the regulation of any Federal department, agency, or commission.

(c) National Competition.—

(1) In general.—The Secretary shall select eligible entities to receive loans or grants under this section through a nationwide competitive process, to be established by the Secretary.

(2) Applications.—To be eligible to receive a loan or grant under this section, an eligible entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(3) Requirements.—In selecting eligible entities to receive loans or grants under this section, the Secretary shall, at a minimum—
(A) require that the eligible entity—

(i) enter into a grant or loan agreement, as applicable, under subsection (d); and

(ii) has obtained financial commitments (or has demonstrated the capacity to obtain financial commitments) necessary to comply with that agreement;

(B) ensure that loans and grants are provided, and amounts are used, in a manner that results in geographical diversity throughout the United States and within States, territories, and Indian tribal land among photovoltaic solar electricity generating facilities installed using the assistance provided under this section;

(C) to the maximum extent practicable, expand photovoltaic solar energy availability to—

(i) geographical areas, throughout the United States and within States, territories, and Indian tribal land, with—

   (I) low photovoltaic solar penetration; or

   (II) areas with a higher cost burden with respect to the deployment or
installation of photovoltaic solar electricity generating facilities;

(ii) rural communities;

(iii) Indian tribes; and

(iv) other underserved areas, including Appalachian and Alaska Native communities;

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

(E) ensure all calculations for estimated household energy savings are based solely on electricity offsets from the photovoltaic solar electricity generating facilities.

(d) **LOAN AND GRANT AGREEMENTS.—**

(1) **IN GENERAL.**—As a condition of receiving a loan or grant under this section, an eligible entity shall enter into a loan or grant agreement, as applicable, with the Secretary.

(2) **REQUIREMENTS.**—A loan or grant agreement under this subsection shall—

(A) require the eligible entity—
(i) to use the assistance provided under this section only in accordance with this section;

(ii) to install such number of solar systems with such defined capacity target (expressed in megawatts) as may be established by the Secretary, taking into consideration the costs associated with carrying out loan or grant obligations in the areas in which the solar systems will be developed;

(iii) to use the assistance in a manner that leverages other sources of funding (other than loans or grants under this section), including private or public funds, in developing the solar projects; and

(iv) to establish loan terms, if applicable, that maximize the benefit to the low-income households receiving solar energy from the eligible entity;

(B) require the Secretary to rescind any amounts provided to the eligible entity that are not used during the 2-year period beginning on the date on which the amounts are initially distributed to the eligible entity, except in any case
in which the eligible entity has demonstrated to
the satisfaction of the Secretary that a longer
period, not to exceed 3 years after the date of
initial distribution, is necessary to deliver pro-
posed services;

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

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

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

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

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

(1) PHOTOVOLTAIC SOLAR EQUIPMENT AND IN-
STALLATION.—To pay the costs of—
(A) solar equipment, including only photovoltaic solar equipment and storage and all hardware or software components relating to safely producing, monitoring, and connecting the system to the electric grid or onsite storage; and

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

(2) JOB TRAINING.—To fund onsite job training and community or volunteer engagement, including—

(A) only job training costs directly associated with the solar projects funded under this section; and

(B) job training opportunities that may cover the full range of the solar value chain, such as marketing and outreach, customer acquisition, system design, and installation positions.

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

(A) to advise State and local entities regarding low-income solar policy, regulatory, and
program design to continue and expand the
work of the entities;

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

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

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

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

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

(f) COMPLIANCE.—

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

(2) Determination by Secretary.—If the Secretary determines that an eligible entity that receives a grant or loan under this section has not, during the 2-year period beginning on the date of initial distribution to the eligible entity of the assistance (or such longer period as is established under subsection (d)(2)(B)), substantially fulfilled the obligations of the eligible entity under the applicable loan or grant agreement, the Secretary shall—

(A) rescind the balance of any funds distributed to, but not used by, the eligible entity under this section; and

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

(g) Termination.—The Secretary shall terminate a loan or grant provided under this section on a determination that the total amount of the loan or grant (excluding
any interest, fees, and other earnings of the loan or grant) has been—

(1) fully expended by the eligible entity; or

(2) returned to the Secretary.

(h) REGULATIONS.—Not later than 90 days after the date of enactment of this Act, the Secretary shall promulgate such regulations as the Secretary determines to be necessary to carry out this section, to take effect on the date of promulgation.

(i) FUNDING.—There is authorized to be appropriated to the Secretary to carry out this section $200,000,000 for each of fiscal years 2016 through 2030, to remain available until expended.