

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.

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## 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

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## 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.

○