# COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

04/16/2014-HELD IN COMMITTEE 04/04/2014-AMENDED AND REPORTED OUT TO THE COMMITTEE ON RULES AND JUDICIARY

## BILL NO. 30-0347

### Thirtieth Legislature of the Virgin Islands

An Act amending title 12 Virgin Islands Code, chapter 23 and title 29, Virgin Islands Code, chapter 5, section 294, subsections (a) and (b), and repealing 12 V.I.C. §123 and 1125 as they relate to renewable energy

PROPOSED BY: Senator Craig W. Barshinger

#### 1 Be it enacted by the Legislature of the Virgin Islands:

- SECTION 1. Title 12 Virgin Islands Code, chapter 23, subchapter II, section 1122,
- 3 subsection (a) is amended by inserting "or heat pump water heaters" after "solar systems".
- 4 SECTION 2. Title 12 Virgin Islands Code, chapter 23, subchapter IV is amended in the
- 5 following instances:
- 6 (a) Section 1143 is amended in-
- 7 (1) subsection (c), paragraph (3) by striking "or leased"; and
- 8 (2) subsection (d) by striking all of the language after "means" and inserting
- 9 new language that reads as follows: "exclusively a Virgin Islands Government building
- or area occupied by Virgin Islands Government operations or activities"; and

	<u> </u>
1	(b) Section 1144 is amended by designating the existing subsection (b) as subsection
2	(e) and inserting new subsections (b), (c), and (d) that read as follows:
3	"(b) Any residential or commercial Utility customer eligible for net metering
4	under subsection (a), but without sufficient roof or land space at the point of consumption
5	to permit full exploitation of net metering rights under this subchapter, may install a
6	system elsewhere on a stand-alone basis or with others. The electricity produced at a
7	remote location must be exported to the Grid on a separate Utility meter, and the value of
8	the exported energy must be credited to the meter account at the point of actual
9	consumption.
10	(c) One megawatt of capacity in each district must be reserved for residential
11	systems of 5 kilowatts or less.
12	(d) The aggregate capacity of systems occupying the same parcel of property
13	is limited to no more than 20 kilowatts for residential installations and 100 kilowatts for
14	commercial installations."
15	SECTION 3. Title 12 Virgin Islands Code, chapter 23, subchapter II, section 1123 and
16	section 1125 are repealed.
17	SECTION 4. Title 29 Virgin Islands Code, chapter 5, section 294 is amended in the
18	following instances:
19	(a) Subsection (a) is amended at the end of paragraph (5) by striking "or for the
20	installation of Solar Thermal Systems utilizing water storage tanks of 120 gallons or less":

SECTION 5. Act No. 7075 is amended in Section 3 (a) by striking all the language therein and inserting new language to read as follows:

21

22

(3).

(b)

Subsection (b) is amended by striking the second sentence at the end of paragraph

"Any person, firm, partnership or corporation that installs or causes to be installed or that constructs or causes to be constructed or owns and or operates in the Virgin Islands a renewable or alternative energy electric power production plant or device, for the purpose of selling electrical power to the Virgin Islands Water and Power Authority or any successor thereto, subject to the person, firm, partnership or corporation's being able to produce electrical power for its own power needs, is exempt from (i) the payment of excise taxes on any material for the construction or installation of the plant or device and (ii) the payment of gross receipts taxes imposed by the Government of the Virgin Islands on the revenues derived from such plant or device, including revenues received by the person, firm, partnership or corporation that installs or constructs such plant or device under a construction agreement. For purposes of this subsection, any person, firm, partnership or corporation that acquires all or a portion of such plant or device under a construction or installation contract is entitled to the same tax treatment as the person, firm, partnership or corporation that installs or causes to be installed or construct or causes to be constructed the renewable or alternative energy electric power or power production plant or device."

### **BILL SUMMARY**

Section 1 amends title 12 Virgin Islands Code, Chapter 23, section 1122(a) by inserting after the phrase "energy-efficient solar systems", the language, "or heat pump water heaters". This amends the requirement that in the construction of new or substantially modified developments the developer must use energy-efficient solar systems for providing not less than 70% of water heating, to allow the developer the alternative of using heat pump water heaters.

Section 2 (a) (1) amends the definition of "net metering" to eliminate the allowance of the net metering system to be on leased property". Section 2 (a) (2) clarifies the definition of "public facility".

Section 2 (b) amends title 12 Virgin Islands Code, chapter 23, section 1144 by adding a new provision on remote net metering wherein a Utility customer may install a net metering system at a location other than the customer's property. For example the net metering may be located with others, or on a warehouse roof or pasture.

1 2 3	. Section 2 also amends section 1144 by preventing a single property owner from seeking to connect multiple systems to separate accounts and occupy a disproportionate amount of the net metering capacity limit.
4 5 6 7 8	Section 3 repeals title 12 Virgin Islands Code, chapter 23, section 1123 and section 1125 to abolish the incentive programs, because ARRA funds are no longer available for renewable energy rebates and the Government of the Virgin Islands does not have the financial resources to directly fund a rebate program.
9 10 11 12	Section 4 amends the building code by eliminating exemptions from certain aspects of the building permit process for solar, thermal and other renewable energy systems authorized by Act No. 7168, Section 8.
13 14 15 16	Section 5 amends Act No. 7075, Section 3 (a) as it pertains to the exemption from excise and gross receipts taxes for persons, firms, partnerships or corporations that produce and sel power to WAPA.
17 18 19	BR-13-1062(a)amended/Correct Version /March 18, 2014/Revised by YLT
20	\\AMENDS\30th Legislature\30-888-Malone.docx
21 22	AIVIENDS Soul Legislatule So-886-Iviaiolie.uocx
23	
24	
25	
26	
27	
28	
29	
30	
31	
32	