

# **WEST VIRGINIA LEGISLATURE**

**2019 REGULAR SESSION**

**Introduced**

**Senate Bill 372**

BY SENATOR PLYMALE

[Introduced January 21, 2019; Referred  
to the Committee on Government Organization]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
 2 designated §8-12-5h, relating to authorizing municipalities to establish a low-cost  
 3 alternative energy revolving loan program; defining terms; setting certain requirements for  
 4 the program; requiring the adoption of an ordinance if the municipality decides to establish  
 5 the program; setting forth certain provisions that must be contained in the ordinance;  
 6 requiring interest rates to be below prevailing market rates; creating certain requirements  
 7 for seeding the fund; and requiring quarterly reports with certain information.

*Be it enacted by the Legislature of West Virginia:*

**ARTICLE 12. GENERAL AND SPECIFIC POWERS, DUTIES AND ALLIED  
 RELATIONS OF MUNICIPALITIES, GOVERNING BODIES AND MUNICIPAL  
 OFFICERS AND EMPLOYEES; SUITS AGAINST MUNICIPALITIES.**

**§8-12-5h. Low-cost alternative energy revolving loan program.**

1 (a) As used in this section:

2 (1) "Customer-generated energy project" means a wind, biomass, or gasification facility  
 3 for the generation of electricity that meets either of the following requirements:

4 (A) The facility is designed to have a generating capacity of 250 kilowatts of electricity or  
 5 less, or

6 (B) The facility is:

7 (i) Designed to have a generating capacity of more than 250 kilowatts of electricity;

8 (ii) Operated in parallel with electric transmission and distribution facilities serving the real  
 9 property at the site of the customer-generated energy project;

10 (iii) Intended primarily to offset part or all of the facility owner's requirements for electricity  
 11 at the site of the customer-generated energy project and is located on the facility owner's real  
 12 property; and

13 (iv) Not producing energy for direct sale by the facility owner to the public.

14 (2) "Electric distribution utility" means any public utility that is engaged in the delivery of  
15 electric energy to customers in this state;

16 (3) "Mercantile customer" means a commercial or industrial customer if the electricity  
17 consumed is for nonresidential use and the customer consumes more than 700,000 kilowatt hours  
18 per year or is part of a national account involving multiple facilities in one or more states.

19 (4) "Reduction in demand" means a change in customer behavior or a change in customer-  
20 owned or operated assets that reduces or has the capability to reduce the demand for electricity  
21 as a result of price signals or other incentives.

22 (b) Municipalities are authorized to establish a low-cost alternative energy revolving loan  
23 program to assist owners of real property within the municipality with installing and implementing  
24 either of the following on their real property:

25 (1) Alternative energy technologies limited to solar photovoltaic projects, solar thermal  
26 energy projects, geothermal energy projects, and customer-generated energy projects;

27 (2) Energy efficiency technologies, products, and activities that reduce or support the  
28 reduction of energy consumption, allow for the reduction in demand, or support the production of  
29 clean, renewable energy.

30 (c) If the municipality decides to establish such a program, the municipality shall adopt an  
31 ordinance that provides for the following:

32 (1) Creation in the municipal Treasury of an alternative energy revolving loan fund;

33 (2) A source of money, such as gifts, bond issues, real property assessments, or federal  
34 subsidies, to seed the alternative energy revolving loan fund;

35 (3) Facilities for making loans from the alternative energy revolving loan fund, including an  
36 explanation of how owners of real property within the municipal corporation may qualify for loans  
37 from the fund, a description of the alternative energy and energy efficiency technologies and  
38 related equipment for which a loan can be made from the fund, authorization of a municipal  
39 agency to process applications for loans and otherwise to administer the low-cost alternative

40 energy revolving loan program, a procedure whereby loans can be applied for, criteria for  
41 reviewing and accepting or denying applications for loans, criteria for determining the appropriate  
42 amount of a loan, the interest rate to be charged, the repayment schedule, and other terms and  
43 conditions of a loan, and procedures for collecting loans that are not repaid according to the  
44 repayment schedule:

45 (4) A specification that repayments of loans from the alternative energy revolving loan fund  
46 may be made in installments and, at the option of the real property owner repaying the loan, the  
47 installments may be paid and collected as if they were special assessments paid and collected in  
48 the manner specified in the ordinance;

49 (5) A specification that repayments of loans from the alternative energy revolving loan fund  
50 are to be credited to the fund, that the money in the fund is to be invested pending its being lent  
51 out, and that investment earnings on the money in the fund are to be credited to the fund; and

52 (6) Other matters necessary and proper for efficient operation of the low-cost alternative  
53 energy revolving loan program as a means of encouraging use of alternative energy and energy  
54 efficiency technologies.

55 (d) The interest rate charged on a loan from the alternative energy revolving loan fund  
56 shall be below prevailing market rates. The municipality may specify the interest rate in the  
57 ordinance or may, after establishing a standard in the ordinance whereby the interest rate can be  
58 specified, delegate authority to specify the interest rate to the administrator of loans from the  
59 alternative energy revolving loan fund.

60 (e) The alternative energy revolving loan fund shall be seeded with sufficient money to  
61 enable loans to be made until the fund accumulates sufficient reserves through investment and  
62 repayment of loans for revolving operation.

63 (f) The municipality shall submit a quarterly report to the electric distribution utility that  
64 includes, but is not limited to, both of the following:

65 (1) The number and a description of each new and ongoing project utilizing alternative

66 energy technologies or energy efficiency technologies, products, or activities located in the utility's  
67 certified territory that produces energy efficiency savings or reduction in demand and for which a  
68 loan has been made under this section;

69 (2) Any additional information that the electric distribution utility needs in order to obtain  
70 credit under any federal or state law for energy efficiency savings or reduction in demand from  
71 such projects, as specified by the electric distribution utility.

NOTE: The purpose of this bill is to authorize municipalities to establish a low-cost alternative energy revolving loan program to assist owners of real property with installing and implementing alternative energy and energy efficiency technologies.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.