

AMENDMENT NO. _____ Calendar No. _____

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.

(no.) _____

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:

2 **PART V—SOLAR**

3 **SEC. 3018. LOAN AND GRANT PROGRAM FOR SOLAR IN-**

4 **STALLATIONS IN LOW-INCOME AND UNDER-**

5 **SERVED AREAS.**

6 (a) DEFINITIONS.—In this section:

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

10 (2) COMMUNITY SOLAR FACILITY.—The term

11 “community solar facility” means a community-

1 based distributed photovoltaic solar electricity gener-
2 ating facility that, as determined by the Secretary—

3 (A) is owned by a subscriber organization;

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

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

9 (D) reserves not less than 25 percent of
10 the quantity of electricity generated by the fa-
11 cility for low-income households that are sub-
12 scribers to the facility.

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

15 (A) a low-income household;

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

18 (C) an Indian tribe;

19 (D) a Native Hawaiian community-based
20 organization;

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

24 (F) any other national or regional entity
25 that—

1 (i) deploys a safe, high-quality photo-
2 voltaic solar electricity generating facility
3 for consumers under a model that maxi-
4 mizes energy savings to those consumers;
5 and

6 (ii) has experience, as determined by
7 the Secretary, installing solar systems
8 using a job training or community volun-
9 teer-based installation model; and

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

13 (i) deploys a safe, high-quality photo-
14 voltaic solar electricity generating facility
15 for consumers under a model that maxi-
16 mizes energy savings to those consumers;
17 and

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

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

23 (A) earn an income equal to 80 percent or
24 less of the applicable area median income, as

1 defined for the applicable year by the Secretary
2 of Housing and Urban Development; and

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

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

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

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

24 (8) NATIVE HAWAIIAN COMMUNITY-BASED OR-
25 GANIZATION.—The term “Native Hawaiian commu-

1 nity-based organization” means any organization
2 that is composed primarily of Native Hawaiians
3 from a specific community and that assists in the
4 social, cultural, and educational development of Na-
5 tive Hawaiians in that community.

6 (9) PHOTOVOLTAIC SOLAR ELECTRICITY GEN-
7 ERATING FACILITY.—The term “photovoltaic solar
8 electricity generating facility” means—

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

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

13 (i) onto the electric grid; or

14 (ii) into an energy storage device.

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

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

20 (B) has identified 1 or more physical loca-
21 tions—

22 (i) to which the subscription will be
23 attributed;

24 (ii) within the same electric utility
25 service territory, or within the same geo-

1 geographical area, as the community solar fa-
2 cility, in accordance with applicable State
3 and local law; and

4 (iii) that may change from time to
5 time, subject to the condition that the
6 physical location shall be within the geo-
7 graphical limits allowed for a subscriber of
8 the applicable community solar facility;
9 and

10 (C) confirms the status of the consumer as
11 a low-income household for each applicable fis-
12 cal year.

13 (11) SUBSCRIPTION.—The term “subscription”
14 means a share in the capacity, or a proportional in-
15 terest in the solar electricity generation, of a com-
16 munity solar facility.

17 (12) UNDERSERVED AREA.—The term “under-
18 served area” means—

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

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

24 (b) ESTABLISHMENT OF LOAN AND GRANT PRO-
25 GRAM.—

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

5 (2) FUNDING.—

6 (A) IN GENERAL.—Subject to the avail-
7 ability of appropriations, the Secretary shall
8 make grants and issue loans in accordance with
9 this subsection.

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

15 (i) community solar facilities; or

16 (ii) multi-family affordable housing
17 solar installations.

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

23 (i) to pay the upfront costs of photo-
24 voltaic solar electricity generating facilities

1 installed on properties of grant-eligible
2 households; or

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

5 (D) INCREASE IN GRANT AMOUNT.—Not-
6 withstanding subparagraph (A), if the Secretary
7 determines that more than 50 percent of the
8 amounts described in that subparagraph are
9 necessary during any of fiscal years 2016
10 through 2030 to provide grants to encourage
11 innovative financing and installation models to
12 reach underserved markets, the Secretary may
13 use more than 50 percent of those amounts to
14 provide those grants.

15 (3) GOALS AND ACCOUNTABILITY.—

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

20 (i) the assistance provided under this
21 subsection is used to facilitate and encour-
22 age innovative solar installation and fi-
23 nancing models, under which the recipients
24 develop and install photovoltaic solar elec-
25 tricity generating facilities that provide sig-

1 nificant savings to low-income households
2 while providing job training or community
3 engagement opportunities with respect to
4 each solar system installed;

5 (ii) loan and grant recipients shall—

6 (I) have installed not less than
7 600 kilowatts of photovoltaic solar en-
8 ergy during the 2-year period pre-
9 ceding the date on which the loan or
10 grant is provided to ensure consumer
11 protection; or

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

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

21 (bb) was primarily respon-
22 sible for the installation of at
23 least 2 megawatts of solar energy
24 during the 2-year period pre-

1 ceding the date on which the loan
2 or grant is provided;

3 (iii) the photovoltaic solar electricity
4 generating facilities installed using assist-
5 ance provided under this subsection are
6 safe, high-quality systems that comply with
7 local building and safety codes and stand-
8 ards;

9 (iv) the provision of assistance under
10 this subsection establishes and fosters a
11 partnership between the Federal Govern-
12 ment and eligible entities, resulting in effi-
13 cient development of solar installations
14 with—

15 (I) minimal governmental inter-
16 vention;

17 (II) limited governmental regula-
18 tion; and

19 (III) significant involvement by
20 nonprofit and private entities;

21 (v) solar projects installed using as-
22 sistance provided under this subsection—

23 (I) shall include job training; and

24 (II) may include community par-
25 ticipation in which job trainees and

1 volunteers assist in the development of
2 solar projects;

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

5 (I) areas with low photovoltaic
6 penetration;

7 (II) rural areas;

8 (III) Indian tribal areas; and

9 (IV) other underserved areas, in-
10 cluding Alaskan Native and Appa-
11 lachian communities;

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

16 (viii) to the maximum extent prac-
17 ticable, solar installation activities for
18 which assistance is provided under this
19 section leverage, or connect grant-eligible
20 households to, federally or locally sub-
21 sidized weatherization and energy effi-
22 ciency efforts that meet or exceed local en-
23 ergy efficiency standards.

24 (B) DETERMINATION.—If, at any time, the
25 Secretary determines that the goals described in

1 this paragraph cannot be met by providing as-
2 sistance in accordance with this subsection, the
3 Secretary shall immediately submit to the ap-
4 propriate committees of Congress a written no-
5 tice of that determination, including any pro-
6 posed changes necessary to achieve the goals
7 under this paragraph.

8 (4) COMMUNITY SOLAR FACILITIES.—

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

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

20 (i) any subscriber organization; or
21 (ii) any individual or entity who quali-
22 fies to be a subscriber to that community
23 solar facility.

24 (C) TREATMENT.—

1 (i) IN GENERAL.—No owner, oper-
2 ator, or subscriber of a community solar
3 facility that receives assistance under this
4 subsection shall be subject to regulation by
5 the Federal Energy Regulatory Commis-
6 sion solely as a result of an interest in the
7 community solar facility.

8 (ii) PRICE OF SUBSCRIPTION.—The
9 price paid for any subscription to a com-
10 munity solar facility shall not be subject to
11 the regulation of any Federal department,
12 agency, or commission.

13 (c) NATIONAL COMPETITION.—

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

18 (2) APPLICATIONS.—To be eligible to receive a
19 loan or grant under this section, an eligible entity
20 shall submit to the Secretary an application at such
21 time, in such manner, and containing such informa-
22 tion as the Secretary may require.

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

- 1 (A) require that the eligible entity—
- 2 (i) enter into a grant or loan agree-
- 3 ment, as applicable, under subsection (d);
- 4 and
- 5 (ii) has obtained financial commit-
- 6 ments (or has demonstrated the capacity
- 7 to obtain financial commitments) necessary
- 8 to comply with that agreement;
- 9 (B) ensure that loans and grants are pro-
- 10 vided, and amounts are used, in a manner that
- 11 results in geographical diversity throughout the
- 12 United States and within States, territories,
- 13 and Indian tribal land among photovoltaic solar
- 14 electricity generating facilities installed using
- 15 the assistance provided under this section;
- 16 (C) to the maximum extent practicable, ex-
- 17 pand photovoltaic solar energy availability to—
- 18 (i) geographical areas, throughout the
- 19 United States and within States, terri-
- 20 tories, and Indian tribal land, with—
- 21 (I) low photovoltaic solar pene-
- 22 tration; or
- 23 (II) areas with a higher cost bur-
- 24 den with respect to the deployment or

1 installation of photovoltaic solar elec-
2 tricity generating facilities;
3 (ii) rural communities;
4 (iii) Indian tribes; and
5 (iv) other underserved areas, including
6 Appalachian and Alaska Native commu-
7 nities;

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

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

16 (d) LOAN AND GRANT AGREEMENTS.—

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

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

23 (A) require the eligible entity—

1 (i) to use the assistance provided
2 under this section only in accordance with
3 this section;

4 (ii) to install such number of solar
5 systems with such defined capacity target
6 (expressed in megawatts) as may be estab-
7 lished by the Secretary, taking into consid-
8 eration the costs associated with carrying
9 out loan or grant obligations in the areas
10 in which the solar systems will be devel-
11 oped;

12 (iii) to use the assistance in a manner
13 that leverages other sources of funding
14 (other than loans or grants under this sec-
15 tion), including private or public funds, in
16 developing the solar projects; and

17 (iv) to establish loan terms, if applica-
18 ble, that maximize the benefit to the low-
19 income households receiving solar energy
20 from the eligible entity;

21 (B) require the Secretary to rescind any
22 amounts provided to the eligible entity that are
23 not used during the 2-year period beginning on
24 the date on which the amounts are initially dis-
25 tributed to the eligible entity, except in any case

1 in which the eligible entity has demonstrated to
2 the satisfaction of the Secretary that a longer
3 period, not to exceed 3 years after the date of
4 initial distribution, is necessary to deliver pro-
5 posed services;

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

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

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

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

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

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

1 (A) solar equipment, including only photo-
2 voltaic solar equipment and storage and all
3 hardware or software components relating to
4 safely producing, monitoring, and connecting
5 the system to the electric grid or onsite storage;
6 and

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

10 (2) JOB TRAINING.—To fund onsite job train-
11 ing and community or volunteer engagement, includ-
12 ing—

13 (A) only job training costs directly associ-
14 ated with the solar projects funded under this
15 section; and

16 (B) job training opportunities that may
17 cover the full range of the solar value chain,
18 such as marketing and outreach, customer ac-
19 quisition, system design, and installation posi-
20 tions.

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

24 (A) to advise State and local entities re-
25 garding low-income solar policy, regulatory, and

1 program design to continue and expand the
2 work of the entities;

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

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

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

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

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

23 (f) COMPLIANCE.—

24 (1) RECORDS AND AUDITS.—During the period
25 beginning on the date of initial distribution to an eli-

1 gible entity of a loan or grant under this section and
2 ending on the termination date of the loan or grant
3 under subsection (g), the eligible entity shall main-
4 tain such records and adopt such administrative
5 practices as the Secretary may require to ensure
6 compliance with the requirements of this section and
7 the applicable loan or grant agreement.

8 (2) DETERMINATION BY SECRETARY.—If the
9 Secretary determines that an eligible entity that re-
10 ceives a grant or loan under this section has not,
11 during the 2-year period beginning on the date of
12 initial distribution to the eligible entity of the assist-
13 ance (or such longer period as is established under
14 subsection (d)(2)(B)), substantially fulfilled the obli-
15 gations of the eligible entity under the applicable
16 loan or grant agreement, the Secretary shall—

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

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

22 (g) TERMINATION.—The Secretary shall terminate a
23 loan or grant provided under this section on a determina-
24 tion that the total amount of the loan or grant (excluding

1 any interest, fees, and other earnings of the loan or grant)

2 has been—

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

4 (2) returned to the Secretary.

5 (h) REGULATIONS.—Not later than 90 days after the
6 date of enactment of this Act, the Secretary shall promul-
7 gate such regulations as the Secretary determines to be
8 necessary to carry out this section, to take effect on the
9 date of promulgation.

10 (i) FUNDING.—There is authorized to be appro-
11 priated to the Secretary to carry out this section
12 \$200,000,000 for each of fiscal years 2016 through 2030,
13 to remain available until expended.