

Rural Solar Development Coalition

About the RSDC: Background and Purpose

The Rural Solar Development Coalition is a collective group of rural Virginia counties that, because of land availability and accessibility to existing electric grids, are being asked to host a significant percentage of the commercial solar photovoltaic (electric energy) capacity that is being required by the Virginia General Assembly. Additionally, these large solar facilities may impact generational farms and forestry operations, and potentially impact water resources in those jurisdictions.

The 2020 General Assembly passed the Clean Economy Act, sweeping legislation that will require the Commonwealth of Virginia to have carbon-free energy by 2045. It mandates targets for carbon-free solar facilities and offshore wind, and new energy projects. During discussions in the 2020 Session, the Senate and House of Delegates made it clear the importance, even the necessity, of renewable energy. The development and utilization of these energy sources are reliant on the acceptance of the of the facilities by host locality.

As pressure to develop solar facilities increases, rural counties and their local governments can expect to see additional pressure to rapidly and seamlessly develop solar facilities. It is essential that local governments are engaged and protective of its ability to develop these projects according to its local comprehensive plans and ordinances; and the laws associated with solar facilities approved during the 2020 General Assembly.

What happened in 2020:

The solar industry proposed modifications to the existing regulatory landscape to provide developers and utilities an easier and simpler pathway to develop solar facilities. Many of these legislative initiatives were introduced as a result of ongoing challenges with the development of solar facilities in several local counties and communities; or resulted from several months of stakeholder meetings on solar matters coordinated by VACo.

A number of solar provisions were approved by the General Assembly that will alter the mechanics of solar development in the Commonwealth of Virginia. Some of these provisions, if appropriately and reasonably implemented by local governments, have the potential to both provide necessary renewable energy to the Commonwealth's citizens while positively impacting rural counties for many years.

In the **Clean Economy Act (VCEA) (HB1526) (SB851)** that came out of conference committee the solar requirement was increased from 5,000 MW to 16,100 MW by the year 2045. To put that in perspective, assuming an average of 10 acres per MW capacity, then 16,100 MW would equate to about 161,000 acres (or 252 square miles).

Legislation Review:

HB 1675 (Hodges) Requires any applicant for a solar facility to give to the host locality written notice of the applicant's intent to locate a solar facility in an opportunity zone (defined in the bill) in such locality and request a meeting. The legislation requires the applicant to meet and attempt to negotiate a siting agreement with such locality, which could include specific terms and conditions associated with the proposed project including financial compensation and/or mitigation of any impacts. If the parties to the siting agreement agree upon the terms and conditions of a siting agreement, the host locality shall schedule a public hearing for the purpose of consideration of such siting agreement. The provisions of the bill shall not apply to any solar facility that has received zoning and site plan approval, preliminary or otherwise, from the host locality on or before January 1, 2020. *This bill was signed by the Governor.*

Other key solar provisions are provided below.

- HB1131 (Jones) and SB762 (Barker) authorize localities to assess a revenue share of up to \$1,400/mw on solar PV projects, in exchange for which an existing tax exemption is expanded to 100%. *The Governor has recommended amendments to HB 1131 that are clarifying in nature and do not alter the intent of the legislation.*
- HB1434 (Jones) Changes the local property tax exemption for solar energy projects from an 80 percent exemption for the life of the project to a step down scale of an 80 percent exemption in the first five years, 70 percent in the second five years, and 60 percent for all remaining years in service. The change applies to solar energy projects that are either (i) projects greater than 20 megawatts and less than 150 megawatts for which an initial interconnection request form has been filed with an electric utility or a regional transmission organization after January 1, 2015, and first in service on or after January 1, 2017, and (ii) projects equaling more than five megawatts and less than 150 megawatts for which an initial interconnection request form has been filed on or after January 1, 2019. The bill extends the sunset date after which new projects may not qualify for the exemption from January 1, 2024 to July 1, 2030. *This bill was signed by the Governor.*
- SB870 / HB 655 (Marsden) (Heretick) Authorizes a locality to include reasonable regulations and provisions in its zoning ordinance for a special exception for any solar photovoltaic (electric energy) project. The bill authorizes the governing body of such locality to grant a condition that includes (i) dedication of real property of substantial value or (ii) substantial cash payments for or construction of substantial public improvements, the need for which is not generated solely by the granting of a conditional use permit, so long as such proffered conditions are reasonably related to the project. *SB 870 & HB 655 was approved by the Governor.*
- HB656 / SB 875 (Heretick) (Marsden) Authorizes a locality to include in its zoning ordinance provisions to incorporate generally accepted national standards for the use of solar panels and battery technologies for solar photovoltaic (electric energy) projects. *HB 656 was approved by the Governor.*
- HB 657 (Heretick) Comprehensive plan; solar facilities review. HB657 was modified to accommodate a VACo proposal allowing the locality to waive the SIA review at its option, and was approved by Senate Local Government, 10-2. *This bill was approved by the Governor.*
- SB632 (Surovell) Provides that it is the objective of the General Assembly that 2,700 megawatts of aggregate energy storage capacity be placed into service on or before July 1, 2030. It also requires a public utility to file an annual report to the State Corporation Commission to assess and report on the



aggregate annual new construction and purchase of energy storage facilities. *This bill was approved by the Governor.*

The 2020 Session:

Due to a high interest in the various solar provisions introduced during the General Assembly, the RSDC was established. Halifax, Charlotte and Appomattox took the lead and engaged Susan Seward and Robert Crockett of Advantus Strategies. Their work focused specifically on those bills that were unsettled, including HB1675 (Hodges) and HB657 (Heretick); and supported VACo on the remaining suite of solar bills.

This work, and the good work of a team of local government representatives, resulted in important gains to advantage rural counties in their future discussions and negotiations with potential solar developers. During this Session we have established a solid working relationship with the Delegates who sponsored solar legislation, representatives of the solar development community; Dominion; interested representatives of other geographic areas of Virginia, including Northern Virginia; and most importantly we worked very closely with VACo and its representatives.

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Rural Solar Development Coalition: Scope of work

During discussions with several local government and solar representatives, knowing that the landscape of solar development will be dynamic as Virginia's alternative energy goals are now mandated, we would propose the following scope of work over the remaining calendar year (2020).

April 2020

- Meet with VACo to review the significant solar legislation approved in the 2020 session and coordinate development of informational session on the solar regulatory and development landscape, with a focused attention on their aggregate impact to rural Virginia localities. (accomplished)
- Partner with VACo and conduct a webinar (in May) to review the solar legislation approved during the 2020 legislation; discuss proactive action items for rural localities.

May 2020

- Form a small workgroup representing rural Virginia localities to develop a framework to discuss large-scale solar projects, based on 2020 legislation.
- Develop, in collaborative manner, off-season action priorities; to include a) support development of E&S regulatory framework for solar operations within working group; b) development of draft model host agreement ordinance (HB1675); c) development of model implementation plan for local governments to use with solar developments; d) development of energy tax model ordinance, and/or set of guidance principles for use in development of ordinance.

June-July 2020

- Conduct small informational sessions with counties participating in the RSDC on solar developments (CV19 may require this to be done through technology).
- Establish work group that includes solar development representatives and Dominion.

July-August-September 2020

- Meetings with solar representatives to complete dedicated action items on behalf of RSDC.

October - November 2020

- Review work products in small meetings with members of RSDC

Goal:

The objective of the RSDC is to support rural counties as solar projects are introduced and developed, and ensure that participating counties are knowledgeable about the legislation approved during the 2020 Session. With information and tools, the solar legislation approved in 2020 can provide rural counties with significant opportunities and benefits for many years.



About Advantus Strategies

Advantus Strategies is a business-to-government and government affairs consulting firm providing a full range of services to clients in the areas of business-to-government consulting (B2G) and lobbying and advocacy. It was established in 1998 as a wholly owned subsidiary of the law firm LeClair Ryan.

Today, Advantus Strategies is a comprehensive firm that has a robust client list. With more than a century of results-based experience, Advantus offers its clients a powerful advantage. Our strength is derived from a combination of extensive experience and personal relationships built on integrity and trust.

The way we work is unique. Our approach to service is centered on the concept of the client service team. We designate a lead executive who is then supported on a daily or regular basis by Advantus team members with the appropriate set of complementary backgrounds, skills and relationships. This provides our clients with the full range of knowledge, expertise and relationships the firm has to offer.

This translates into complete focus on service.

Advantus has represented local governments before the General Assembly for more than 15 years. The collective strength of our team has enabled Advantus to represent a diverse client portfolio that includes the city of Richmond; city of Roanoke; city of Portsmouth; Middle Peninsula Planning District Commission; county of Prince William; city of Loudon public schools; city of Norfolk public schools; Transportation District of Hampton Roads; the Virginia Court Clerks Association; and a variety of large municipal utilities, among others. Our Business Services group represents some of the largest and most successful global technology companies.

The RSDC Team

Robert G. Crockett.

Robert currently serves as President and Managing Director of Advantus Strategies. As a senior member of the Advantus team he provides business consulting services to private and public corporations and municipalities at all levels of government. His background in natural resources and the environment, business and manufacturing and economic development allow Advantus clients to benefit from his broad knowledge and experience. He worked for almost two decades for Westvaco, now WestRock, a paper and packaging company. There his focus was on the development and operational success of the company's global manufacturing operations. During his tenure he served as both Director of Westvaco's government affairs for its U.S. operations and as Director of the company's global communications network. Robert represents a variety of clients that include municipal governments; natural resource-based businesses and industry; and, natural resource and recreational associations and organizations.

He is a graduate of the University of South Carolina and has provided leadership to a number of charitable organizations, including the United Way, March of Dimes, and Special Olympics.

Susan Seward

President of Seward Consulting. Susan has been representing clients at the General Assembly for over 20 years. Her areas of expertise include forestry, economic development, animal welfare, veterinary



medicine and pharmacy issues, She is a graduate of Hollins College, where she received her B.A. in Political Science. Susan was elected to the Sussex County Board of Supervisors in 2015, and has served as Chair since 2016. She is active within VACo, and served as Chair of its Agriculture and Environment Policy Committee. Susan was instrumental in VACo on bringing attention to solar development and it's impacts on rural Virginia.

Advantus will utilize other resources and talent as needed to support the objectives of the RSDC.

Pre-Veto Session Update – Solar Legislation 2020

Bills	Last action	Date
HB 206 - Ware - Electric utility regulation; retail customer choice.	(H) Incorporated by Labor and Commerce (HB1677-Keam)	02/04/20
HB 413 - Delaney - Subdivision ordinance; energy efficiency and renewable energy provisions.	(H) Left in Counties, Cities and Towns	02/11/20
HB 414 - Delaney - Virginia Energy Plan; covenants regarding solar power, reasonable restrictions.	(G) Approved by Governor-Chapter 795 (effective 7/1/20)	04/07/20
HB 572 - Keam - Distributed solar & other renewable energy; sales of electricity under third-party agreements.	(G) Approved by Governor-Chapter 1188 (effective 7/1/20)	04/11/20
HB 573 - Keam - Community solar development pilot program; low-income communities.	(G) Approved by Governor-Chapter 663 (effective 7/1/20)	04/06/20
HB 655 - Heretick - Solar photovoltaic projects; special exceptions for any project.	(G) Approved by Governor-Chapter 385 (effective 7/1/20)	03/18/20
HB 656 - Heretick - Solar energy projects; national standards.	(G) Approved by Governor-Chapter 312 (effective 7/1/20)	03/12/20
HB 657 - Heretick - Comprehensive plan; solar facilities review.	(G) Approved by Governor-Chapter 665 (effective 7/1/20)	04/06/20
HB 912 - Simon - Distributed renewable energy; promotes establishment of solar and other renewable energy.	(H) Incorporated by Labor and Commerce (HB572-Keam)	02/04/20
HB 1131 - Jones - Solar energy projects; revenue share assessment. See attached recommendations	(H) Governor's recommendation received by House	03/12/20
HB 1133 - Jones - Solar and wind energy; projects on previously developed project sites. See attached recommendations	(H) Governor's recommendation received by House	04/11/20
HB 1171 - Poindexter - Solar farms; annual report of acreage, report.	(H) Continued to 2021 in Agriculture, Chesapeake and Natural Resources	02/05/20
HB 1450 - Sullivan - Electric utility regulation; energy efficiency standard.	(H) Failed to pass in House	03/12/20
HB 1526 - Sullivan - Electric utility regulation; environmental goals.	(G) Approved by Governor-Chapter 1193 (effective 7/1/20)	04/11/20
HB 1675 - Hodges - Solar energy facilities; definitions, siting agreement with host locality.	(G) Approved by Governor-Chapter 802 (effective 7/1/20)	04/07/20

SB 354 - Bell - Electric utility regulation; energy efficiency standard.	(S) Stricken at request of Patron in Commerce and Labor (15-Y 0-N)	02/09/20
SB 504 - Petersen - Virginia Energy Plan; covenants regarding solar power, reasonable restrictions.	(G) Approved by Governor-Chapter 272 (effective 7/1/20)	03/11/20
SB 629 - Surovell - Shared solar programs; electric utility regulation, etc. See attached recommendations	(S) Governor's recommendation received by Senate	04/11/20
SB 632 - Surovell - Public utilities; aggregate energy storage capacity in the Commonwealth.	(G) Approved by Governor-Chapter 1190 (effective 7/1/20)	04/11/20
SB 710 - McClellan - Distributed solar & other renewable energy; sales of electricity under third-party agreements.	(G) Approved by Governor-Chapter 1187 (effective 7/1/20)	04/11/20
SB 762 - Barker - Solar energy projects; revenue share assessment. See attached recommendations	(S) Governor's recommendation received by Senate	04/11/20
SB 870 - Marsden - Solar photovoltaic projects; special exceptions for any project.	(G) Approved by Governor-Chapter 414 (effective 7/1/20)	03/23/20
SB 875 - Marsden - Solar energy projects; national standards.	(G) Approved by Governor-Chapter 402 (effective 7/1/20)	03/23/20
SB 876 - Marsden - Electric utility regulation; mandatory clean energy standard program.	(S) Incorporated by Commerce and Labor (SB851-McClellan) (13-Y 0-N)	02/03/20
SB 893 - Marsden - Comprehensive plan; solar facilities review.	(S) Passed by indefinitely in Local Government (15-Y 0-N)	02/03/20

Governor's Recommendations

HB 1131 Jones

1. Line 60, enrolled, after *D.* **insert** *The exemption for solar photovoltaic (electric energy) projects greater than five megawatts, as measured in alternating current (AC) generation capacity, shall not apply to any such project unless an application has been filed with the locality for the project before July 1, 2030, regardless of whether a locality assesses a revenue share on such project pursuant to the provisions of § 58.1-2636.*
2. Line 63, enrolled, after *percent* **insert** *of the assessed value*
3. Line 63, enrolled, after *locality* **strike** the remainder of line 63 and through *section* on line 64 **and insert** *does not adopt an energy revenue share ordinance under § 58.1-2636*
4. Line 66, enrolled, after *percent* **insert** *of the assessed value*

HB 1133 Jones

1. Line 137, enrolled, after *mining* **strike** or **insert** , which is any lands affected by coal mining that took place before August 3, 1977, or any lands upon which extraction activities have been permitted by the Department of Mines, Minerals and Energy under Title 45.1; (v) for
2. Line 137, enrolled, after *quarrying; or* **strike** (v) **insert** (vi)

SB 629 Surovell

1. Line 14, enrolled, after *means* **strike** the remainder of line 14, all of line 15, and through *greater* on line 16 **insert** any person or household whose income is no more than 80 percent of the median income of the locality in which the customer resides. The median income of the locality is determined by the U.S. Department of Housing and Urban Development
2. Line 52, enrolled, after *minus the* **strike** monthly **insert** minimum

HB 762 Barker

1. Line 60, enrolled, after *D.* **insert** The exemption for solar photovoltaic (electric energy) projects greater than five megawatts, as measured in alternating current (AC) generation capacity, shall not apply to any such project unless an application has been filed with the locality for the project before July 1, 2030, regardless of whether a locality assesses a revenue share on such project pursuant to the provisions of § 58.1-2636.
2. Line 63, enrolled, after *percent* **insert** of the assessed value
3. Line 63, enrolled, after *locality* **strike** the remainder of line 63 and through *section* on line 64 **insert** does not adopt an energy revenue share ordinance under § 58.1-2636
4. Line 66, enrolled, after *percent* **insert** of the assessed value



April 20, 2020

Mr. Percy Ashcraft
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Rural Solar Development Coalition

Scope of Work pursuant to rural county solar legislation introduced during 2020 General Assembly. Work included specifically negotiating for positive outcomes on legislation of beneficial interest to RSDC counties; and includes action items post-Session on information and education of RSDC counties on approved solar legislation.

Per Scope of Work for 2020 \$5,000.00

Term: April 1, 2020 – Dec. 31, 2020

Total Due \$5,000.00

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Terms: Payable Upon Receipt