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K&L Gates reports on the latest renewable energy policies and activities in the southeastern United States.

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K&L Gates' ReNEWS Southeast is a periodic bulletin that will track key developments in renewable energy policy, activities, and technologies that are driving the industry forward. To subscribe to ReNEWS Southeast *newsletter, please click here.*

Three New Solar Projects to be Installed on Virginia State Facilities

- On August 7, 2019, Virginia Governor Ralph Northam announced the installation of three new solar energy projects on state facilities. Several other solar projects have been installed on state buildings, or will be installed on them in the coming months.
- The three new solar projects include solar installations on the Virginia Department of Mines, Minerals and Energy office in Big Stone Gap, the Virginia Public Safety Training Center in Hanover, and the Haynesville Correctional Center on Virginia's Northern Neck.
- The solar installations are intended to offset the energy needs of Virginia state agencies. According to the announcement, the Big Stone Gap installation will offset 50 percent of the facility's needs, while the Hanover and Haynesville installations will offset 26 percent and 16 percent of the facilities' needs, respectively.

Dominion Energy Reviewing Bids for New Solar Projects in Virginia

- Dominion Energy recently sought bids for 500MW of solar generation in Virginia in 2021 and 2022. The bids are intended to help further Dominion Energy's commitment to having 3,000 MW of solar and wind in operation or development within the state by 2022. As we previously reported, Dominion Energy began construction on Virginia's first offshore wind installation on July 1, 2019.
- According to the announcement, the proposals can be for power purchase agreements and/or the purchase of development projects, but the facilities must be located in Virginia and must be at least 5 MW in size in order to be considered.
- Developers had until August 15, 2019, to submit notices of intent to bid. The final asset purchase proposals will be due in October 2019, and the power purchase proposals will be due in January 2020.

Florida Utilities Petition Public Service Commission for Lower Customer Energy-Efficiency Goals

- On August 12 and 13, 2019, the Florida Public Service Commission ("PSC") conducted hearings in which the state's utilities petitioned the PSC to release them from prior pledges to promote energy conservation among their customers. The Florida Energy Efficiency and Conservation Act ("FEECA") requires the PSC to set 10-year goals every five years for publicly owned utilities and some municipal utilities for energy savings incurred from encouraging their customers to cut down on electricity usage and upgrade their homes and businesses. Programs include discounts or rebates for using efficient home appliances or LED light bulbs or for upgrading the weather protection on homes. The smaller the utilities' pledges, the fewer programs will be available to customers.

- Representatives from the utilities testified that providing programs to help customers save energy is not cost effective as customers already undertake cost-saving measures on their own due to increasingly stringent building codes and standards. They further argued that conservation programs cost ratepayers more. Four of the utilities subject to FEECA proposed goals of zero for the 2020–2029 period. The efficiency targets for 2020-2029 are lower than those set in 2014.
- If the PSC sheds its conservation goals, Florida will be in the minority among states, 27 of which set long-term energy savings targets. Florida already ranks near the bottom in energy efficiency goals compared to the rest of the United States in part because it is the only state that still uses a formula that considers the revenues utilities could lose from energy efficiency as a "cost."

Tax Group Seeks Declaratory Order Reviewing N.C. Department of Revenue Issue with Solar Tax Breaks

- On August 1, 2019, representatives of Monarch Tax Credits, LLC ("Monarch"), a Georgia tax-credit broker, submitted a letter to the North Carolina Department of Revenue ("NCDOR") requesting declaratory rulings to repudiate the department's recent notice and subsequent audits concerning issues with tax breaks initially awarded for investments in solar farms. Trade press reports that the NCDOR representatives are unable to discuss ongoing tax audits.
- In an effort to promote renewable energy, North Carolina offered a 35 percent tax credit to those who invest in renewable energy projects, which ended in 2015. On September 10, 2018, the NCDOR issued a notice regarding recent law concerning such tax credits and investors involved. The notice cited to both federal and state law involving types of partnerships that seek these credits. In their letter to NCDOR, Monarch stated that, "Beginning in January 2018, investors in Monarch-sponsored partnerships for certain projects began receiving audit notices from NCDOR for tax years 2014 to 2016." The letter goes on to detail meetings with NCDOR that did not resolve the underlying issues. The impact of the NCDOR's actions on North Carolina's renewable energy industry is yet to be determined.
- Trade press recently reported that NCDOR records show that the state issued more than $1 billion in investor tax credits for renewable energy projects since 2010. Debates regarding the benefits of such an amount of credits are ongoing. In May 2019, the N.C. Sustainable Energy Association issued its Economic Impact Analysis of Clean Energy Development of North Carolina, which found that "[f]or 2007 through 2018, the total economic activity associated with renewable energy projects and energy efficiency initiatives [included] $1.4 billion in state and local tax revenues."

North Carolina EV Charging Stations Can Now Sell by the KWh

- On July 17, 2019, North Carolina Governor Roy Cooper signed into law House Bill 329, which exempts electric vehicle charging stations from regulation as a public utility. This exemption means that charging outlet operators can now both buy electricity from their utility and resell it by the kilowatt-hour. Previously, charging stations had to sell the electricity in time increments, regardless of how quickly a vehicle battery charged.
- By exempting plug-in stations from regulation as public utilities, North Carolina became the 30th State to permit such sales. The measure will allow charging station to recoup operating costs and, in turn, encourage deploying more chargers to help the state reach the goal of 80,000 electric vehicles by 2025, put forth by Roy Cooper in Executive Order 80.
- We previously reported on House Bill 329's mandate to the state's Environmental Management Commission to develop decommissioning regulations for utility-scale renewable projects in ReNEWS Southeast Volume 6.