



SPONSOR: Sen. McDowell & Rep. Spence  
Sens. Henry, Copeland, Sokola, Cloutier, Marshall; Reps. DiPinto,  
McWilliams, Plant, Johnson, Keeley, Buckworth

DELAWARE STATE SENATE

143rd GENERAL ASSEMBLY

SENATE CONCURRENT RESOLUTION NO. 45

ESTABLISHING A BLUE RIBBON TASK FORCE TO INVESTIGATE AND MAKE RECOMMENDATIONS THERETO AS TO THE FEASIBILITY OF DEVELOPING A SUSTAINABLE ENERGY UTILITY WITHIN THE STATE OF DELAWARE.

- 1           WHEREAS, the cost of energy in the State of Delaware is stretching the budget of every Delawarean; and
- 2           WHEREAS, energy costs are soaring in part because of local reliance on volatile foreign commodities and fossil fuels; and
- 3           WHEREAS, our neighboring states are exploring the establishment of energy efficiency utilities which are significantly
- 4 less reliant on foreign commodities and fossil fuels; and
- 5           WHEREAS, the State of Delaware will be well served by identifying best practices for renewable energy and energy
- 6 efficiency programs; and
- 7           WHEREAS, motivating private sector investment in renewable energy and energy efficiency can lead to the development
- 8 of a sustainable energy market; and
- 9           WHEREAS, a sustainable energy utility could combine the experience of other states and the innovation and efficiency of
- 10 industry; and
- 11           WHEREAS, the use of a Tax Reduction Partnership to create a Solar Lifeline can foster investment in renewable energy
- 12 and provide benefits to moderate and low income families in Delaware, whose energy costs make up a larger portion of their budget
- 13 than the median household; and
- 14           WHEREAS, it is in the best interests of the State of Delaware and every Delawarean that this General Assembly explore
- 15 the possible establishment of a sustainable energy utility within the State;
- 16           NOW, THEREFORE:
- 17           BE IT RESOLVED by the Senate of the 143<sup>rd</sup> General Assembly of the State of Delaware, the House of Representatives
- 18 thereof concurring therein, that there is hereby created a Sustainable Energy Utility Task Force to be comprised of the following
- 19 members:

- 20 (1) Three (3) members of the Senate appointed by the Senate President Pro Tempore, one (1) to serve as  
21 Chairperson;
- 22 (2) Three (3) members of the House of Representatives appointed by the Speaker of the House;
- 23 (3) The State Energy Coordinator, or his or her designee;
- 24 (4) The Director of the University of Delaware's Center for Energy and Environmental Policy, who shall serve as  
25 Co-chairperson of the Task Force; and
- 26 (5) The Public Advocate, or his or her designee.
- 27 (6) Two (2) members of the public, one (1) appointed by the Senate President Pro Tempore and one (1) appointed by  
28 the Speaker of the House.

29 BE IT FURTHER RESOLVED that the Delaware State Senate shall provide administrative staffing for the Task Force.

30 BE IT FURTHER RESOLVED that the Task Force shall investigate the feasibility of developing a sustainable energy  
31 utility within the State of Delaware and shall report its findings and conclusions to both chambers of the General Assembly no later  
32 than December 15, 2006. The Task Force may present partial findings and conclusions prior to December 15, 2006, and is  
33 encouraged to do so, if feasible.

#### SYNOPSIS

This Resolution creates a Blue Ribbon Task Force to explore the feasibility of the development of a Sustainable Energy Utility in the State of Delaware. A short term goal of the Task Force is to study the possible establishment of Tax Reduction Partnership to Create a Solar Lifeline.

Author: Senator McDowell



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Sens. Sokola, Henry, Marshall, Copeland, Cloutier; Reps. Keeley,  
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DELAWARE STATE SENATE

143rd GENERAL ASSEMBLY

SENATE BILL NO. 406

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO STATE TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend Chapter 20, Title 30 of the Delaware Code, by adding a new section 2080 as follows:

2 "§ 2080. Credits for installation and funding of solar photovoltaic projects.

3 (a)(1) A taxpayers who makes a qualifying investment in this State, as that term is defined in this section, may claim as  
4 a credit against taxes or fees due pursuant to the following statutory provisions, an amount equal to one-fourth of  
5 that which is due in any given taxing period:

- 6 a. Chapter 11 of Title 5;  
7 b. Sections 702 and 703 of Title 18; or  
8 c. Section 2702(b) of this Title.

9 (2) Credits claimed pursuant to this subsection shall be issued only for qualifying investments made during the fiscal  
10 year for which the credit is taken. No taxpayer may receive a credit pursuant to this subsection more than 5 times  
11 during any 15-year period.

12 (b)(1) A taxpayer who makes a qualifying investment in this State, as that term is defined in this section, may claim as a  
13 credit against taxes or fees due pursuant to the following statutory provisions, an amount equal to one-half of that  
14 which is due in any given taxing period:

- 15 a. Chapter 19 of this title;  
16 b. Chapter 33 of this title;  
17 c. Section 2301(d) of this title;  
18 d. Section 2902(c) of this title;  
19 e. Section 2903(c) of this title;  
20 f. Section 2904(c) of this title;

- 21 g. Section 2905(b)(1) of this title;
- 22 h. Section 2906(c) of this title; or
- 23 i. Section 2907(c) of this title.
- 24 (2) Credits claimed pursuant to this subsection shall be issued only for qualifying investments made during the fiscal
- 25 year for which the credit is taken. No taxpayer may receive a credit pursuant to this subsection more than 5 times
- 26 during any 15-year period.
- 27 (c) A taxpayer who receives a credit pursuant to subsections (a) or (b) of this section for 5 consecutive tax years may
- 28 claim as a credit an amount equal to the average credit claimed over those 5 years for each of the 10 tax years
- 29 immediately following the fifth year in which a credit was issued pursuant to subsection (a) or (b) of this section,
- 30 provided, however, that:
- 31 (1) The equipment in which the qualifying investment was made is operational for at least 10 months of the tax
- 32 year for which a credit is received pursuant to this subsection;
- 33 (2) The taxpayer does not receive a credit pursuant to this subsection in the same tax year that the taxpayer
- 34 receives a credit pursuant to subsection (a) or (b) of this section;
- 35 (3) The taxpayer has an operation and maintenance program in place that meets or exceeds the standards
- 36 established for such program by the State Energy Office;
- 37 (4) The qualifying investment made by the taxpayer in each year a credit is received pursuant to subsection (a)
- 38 or (b) of this section is equal to twice the value of the credit issued to the taxpayer pursuant to either of said
- 39 subsections; and
- 40 (5) The taxpayer demonstrates that all energy generated from equipment installed using moneys claimed as a
- 41 qualifying investment has been sold to an electricity provider in this State who participates in the Low Income
- 42 Home Energy Assistance Program at a rate of \$0.045/kwh and that the provider has or has agreed to resell the
- 43 energy to participants in the Low Income Home Energy Program at a rate not more than \$0.05/kwh; provided,
- 44 however, that no energy provider may purchase more energy at the discounted rate than permitted under the
- 45 standards established by the State Energy Office.
- 46 (d) For the purposes of this section, “qualifying investment” is an investment by a taxpayer in solar photovoltaic
- 47 equipment that is situated in and connected to the electric grid within this State on real property owned or leased by
- 48 the taxpayer, this State, a county or municipal government of this State, or an agency or instrumentality this State or

49 one of its counties or municipalities. Qualifying investments need not be associated with the operations for which the  
50 taxpayer is assessed and may be made for the benefit of a person other than the taxpayer.

51 (e) The Secretary shall prescribe such rules and regulations, in consultation with the State Energy Office, as may be  
52 necessary to coordinate, implement, and monitor the provisions of this section. Rules and regulations promulgated  
53 pursuant to this subsection shall address, at a minimum, the following:

54 (1) Whether and what documentation is needed in order for a taxpayer to demonstrate that an investment for which  
55 the taxpayer seeks a credit pursuant to this section is a qualifying investment;

56 (2) The extent to which operation and maintenance costs shall qualify for a credit, including a clear prohibition  
57 against claiming operation and maintenance costs incurred by the taxpayer before the first fiscal year in which a  
58 credit is issued pursuant to this section; and

59 (3) A clear prohibition against issuing or receiving a credit pursuant to this section for investments made using  
60 financing secured from the Green Energy Fund.

61 (f) Nothing in this section shall be interpreted to restrict in any way a taxpayer's ability to transfer Renewable Energy  
62 Credits pursuant to other provisions of the law which are earned as the result of the taxpayer's qualifying investment  
63 for which it received a credit pursuant to this section."

64 Section 2. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity  
65 shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and  
66 to that end the provisions of this act are declared to be severable.

#### SYNOPSIS

This Act provides an incentive in the form of tax credits to qualifying taxpayers who invest in solar photovoltaic technology.

Author: Senator McDowell