

March 5, 2009

**H 462. SOLAR MANUFACTURING INCENTIVE GRANT PROGRAM.** Filed 3/5/09. *TO ESTABLISH THE SOLAR ENERGY INCENTIVE GRANT PROGRAM WITHIN THE DEPARTMENT OF COMMERCE.*

Creates a Solar Manufacturing Incentive Grant program (SMIG) similar to one in place in the State of Virginia. Adds a new Part 2C to Article 10 of GS Chapter 143B, establishing the SMIG to be administered by a newly-created Solar Investment Committee. The Committee would award grants of up to 75 cents per watt to existing and new manufacturers of solar panels in North Carolina, with a cap at nine million watts per calendar year. Grant amounts for new or expanded manufacturers vary by size of investment and length of time in which the entity has received grants. Grantees enter a community economic development agreement with seventeen specified terms, to be reviewed by the Attorney General. Failure to comply with the agreement leads to reduction or termination of future grants. Eligibility for grants is restricted to firms for which the Committee finds that four general public-interest conditions are met, including that the total benefits of a proposed manufacturing project to the state outweigh its costs. Further, eligibility requires that grantees provide health insurance for all its full-time employees making less than \$150,000 or three and one-half times the annualized average state wage, have no final orders from citations under the Occupational Safety and Health Act for serious violations, and have no overdue tax debt. The Committee is established as a five member board including the Secretary of Commerce, Director of the State Energy Office, Director of the Office of State Budget and Management, and two persons appointed by the legislature. The bill sets out conflict of interest and notice requirements for the Committee and authorizes the posting of criteria for grants by publication on a Department of Commerce website. Application fees for grants are \$5,000, to be split between the executive branch agencies on the Committee, and grant recipients must file an annual report along with a payment of \$1,500. The Committee is to report annually on a detailed list of issues. Receipts in the Department of Commerce are deposited in a non-reverting account. Effective July 1, 2009.

**Intro. by Goforth.**

GS 143B

April 27, 2009

**H 462. SOLAR EQUIP. MANUF. INCENTIVE GRANT PROGRAM (NEW).** Filed 3/5/09. House committee substitute makes the following changes to 1st edition.

Amends the title of proposed Part 2C of GS Chapter 143B, Article 10, to read, *Solar Equipment Manufacturing Incentive Grant Program*, (was, *Solar Manufacturing Incentive Grant Program*). Makes conforming changes throughout proposed Part 2C to consistently use the term *Solar Equipment Manufacturing*. Provides that the *Solar Equipment Manufacturing Incentive Grant Program* is to be administered by the Solar Investment Committee.

Amends the definition for *agreement* to mean a community economic development agreement for solar equipment manufacturing under GS 143B-437.17 (was, a solar manufacturing incentive agreement under GS 143B-437.17). Deletes the definition for *new employee*.

Amends proposed GS 143B-437.16 to provide for grant eligibility and calculation (was, calculation of grants). Reorganizes the provisions of the section. Directs the Secretary of Commerce (Secretary) to certify business entities eligible for grants under Part 2C as a (1) Investment Level I-makes a capital investment of at least \$150 million (was, \$25 million) over the grant term and employs at least 150 (was, 230) full-time employees during each year of the grant term, (2) Investment Level II-makes a capital investment of at least \$225 million (was, \$70 million) over the grant term and employs at least 200 full-time employees during the third and fourth years of the grant term (was, third through sixth years), and (3) Investment Level III-makes a capital investment of at least \$300 million (was, \$140 million) over the grant term and employs at least 250 (was, 700) full-time employees during the fifth year of the grant term (was, fifth and sixth years). Directs that the grant be awarded in equal amounts over a six-year period. Changes the rate calculation for determining the yearly maximum amount of the grant. Deletes the provision for awarding an existing manufacturer grant. Makes a conforming change, deleting the requirement that a business qualifying for both an existing manufacturer grant and for a new or expanded

grant must elect which grant to receive. Provides that an entity certified at an investment level by the Secretary is eligible to apply for an annual solar photovoltaic manufacturing incentive grant under Part 2C if the entity (1) begins manufacturing solar photovoltaic panels in the state on or after January 1, 2010, or (2) expands its manufacture of the panels in the state by 40 million watts in total annual production capacity (was, expands its manufacture of such panels in the state by at least 50% above the baseline production level of six million watts). Provides that if grant applications exceed the available funds in the Solar Equipment Manufacturing Incentive Program Fund, (was, exceed nine million watts per calendar year), the grant awarded will be apportioned among the eligible applicants on a first-come, first-served basis (was, apportioned among the eligible applicants based on the total wattage evidenced by such applicants). Prohibits an eligible applicant from receiving more than a total of \$6 million per grant term.

Amends proposed GS 143B-437.19 to delete the creation of the Job Maintenance and Capital Development Fund. Instead, creates the Solar Equipment Manufacturing Incentive Program Fund (Fund) as a restricted reserve in the Department of Commerce. Provides that monies in the Fund do not revert and provides additional criteria regarding the use of the funds.

Makes technical and conforming changes, including amending the title.