

2022 Regular Session

HOUSE BILL NO. 807

BY REPRESENTATIVE MAGEE

ENERGY: Provides relative to energy storage

1 AN ACT

2 To enact Chapter 47 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 51:2771 through 2779, relative to incentives for energy storage; to provide
4 for a reimbursement program; to provide for funding; to provide for calculations; to
5 provide for eligibility of systems; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. Chapter 47 of Title 51 of the Louisiana Revised Statutes of 1950,
8 comprised of R.S. 51:2771 through 2779, is hereby enacted to read as follows:

9 CHAPTER 47. DISASTER RESILIENCY BATTERY INCENTIVE PROGRAM

10 §2771. Creation; terms; funding

11 A. There is hereby created the Disaster Resiliency Battery Incentive
12 Program, hereinafter "program", to be administered by a third-party administrator
13 contracted by the Department of Economic Development.

14 B. The program administrator, through the Department of Economic
15 Development, shall award a reimbursement to an applicant who purchases an eligible
16 energy storage system and otherwise satisfies the provisions of this Chapter.

17 C. The program shall be funded through the Department of Economic
18 Development, and the total funding provided to the program shall not exceed eight
19 million dollars. Additionally, five hundred thousand dollars of the total funding shall
20 be dedicated to reimbursements for lower and middle income residential applicants.

1 D. A fund shall be established to facilitate the program. The fund shall
2 terminate on December 31, 2024, with an option to renew upon decision by the
3 legislature. Any funds appropriated to the program shall remain in the fund until
4 allocated or until the fund terminates.

5 §2772. Energy storage reimbursement; calculation

6 A. Except as provided for in Paragraph (4) of this Subsection, the amount of
7 a reimbursement awarded pursuant to this Chapter shall be calculated as the lowest
8 amount as determined by application of the following parameters:

9 (1) Thirty percent of the total installed costs of the energy storage system as
10 calculated in accordance with R.S. 51:2773.

11 (2) Five thousand dollars for an energy storage system installed on a
12 residential property.

13 (3) Fifty thousand dollars for an energy storage system installed on a
14 nonprofit, K-12 educational institution, or community center.

15 (4) One hundred thousand dollars for an energy storage system, with a
16 minimum system storage size of three hundred kilowatt-hours, installed on a
17 commercial or nonprofit property, if the property on which the system was installed
18 is utilized for a resiliency and response center after a disaster. When applicable, the
19 program administrator shall calculate the reimbursement amount in accordance with
20 this Paragraph, without consideration of any lower amount calculated pursuant to this
21 Subsection.

22 B. The aggregate amount of reimbursement funds awarded pursuant to the
23 calculation provided in Paragraph (A)(4) of this Section shall not exceed five
24 hundred thousand dollars.

25 §2773. Total installed costs

26 A. The state shall calculate the total installed costs of the energy storage
27 installation by taking the sum of the following items from contracts and invoicing
28 documents:

29 (1) Cost of the energy storage system.

1 (2) Cost of the electrical work and equipment.

2 (3) Cost of the installation and labor.

3 (4) Cost of all required permits including building, electrical, and occupancy
4 use permits.

5 B. The state shall then take the sum calculated pursuant to Subsection A of
6 this Section and subtract from that total installed cost any discounts offered by the
7 installation contractor from the total installed costs before calculating the energy
8 storage reimbursement.

9 C. An applicant shall provide a clear invoice which provides the cost of each
10 component of the system prior to being awarded a reimbursement pursuant to this
11 Chapter.

12 §2774. Applicants

13 A. The following persons may apply for a reimbursement through the
14 program, if the person has purchased an energy storage system:

15 (1) The owner of a nonprofit, K-12 educational institution, or community
16 center who purchases and installs an energy storage system on the commercial or
17 government property.

18 (2) The owner of a residential property who purchases and installs an energy
19 storage system on the residential property.

20 (3) An individual or a corporation that owns or pays for the installation of
21 an energy storage system that supplies electrical energy intended for use on the
22 residential, or nonprofit, government or on which the energy storage system is
23 installed.

24 (4) The owner of a commercial or nonprofit property who purchases and
25 installs an energy storage system, with a minimum system storage size of three
26 hundred kilowatt-hours, on the commercial or nonprofit property, if the property on
27 which the system was installed is utilized for a resiliency and response center after
28 a disaster.

1 B. Any person who receives reimbursement funds pursuant to Paragraph
2 (A)(4) of this Section shall not apply for nor be awarded any additional
3 reimbursement funds pursuant to that Paragraph.

4 C. For purposes of this Section, "residential property" means property,
5 including a single-family home or an individual unit of a multifamily property or
6 mixed-use facility, that has the purpose of serving as a primary residence.

7 §2775. Eligible system technology

8 A. An energy storage reimbursement may be claimed for qualifying systems
9 that store the following types of energy:

10 (1) Electrical energy.

11 (2) Chemical energy including electrochemical energy.

12 B. A battery storage system shall be "behind the meter" and be able to
13 provide power for resiliency purposes and to be used onsite without passing through
14 a utility meter.

15 §2776. Ineligible system technology

16 An energy storage reimbursement may not be claimed for the following types
17 of energy storage systems:

18 (1) Mobile energy storage systems, including electric vehicles and
19 recreational camping equipment.

20 (2) An electric hot water heater.

21 (3) Any energy storage device not capable of being integrated into a demand
22 response program.

23 §2777. System use

24 All energy storage systems shall store energy for the following purposes:

25 (1) For use as electrical energy at a later date.

26 (2) In a process that offsets electricity use at peak times.

27 §2778. Definitions

28 As used in this Chapter, the following words have the following meanings:

1 (1) "Community center" means a facility owned and operated by a local
2 government or municipality provided that the primary purpose of the facility is for
3 recreation, social welfare, community improvement, or public assembly.

4 (2) "K-12 educational institution" means any public, charter, or private
5 elementary or secondary education facility.

6 (3) "Lower and middle income" means an income that does not exceed three
7 hundred percent of the applicable federal poverty guidelines as published in the
8 Federal Register by the United States Department of Health and Human Services.

9 §2779. Termination of Chapter

10 The provisions of this Chapter shall terminate and be considered null and
11 void on December 31, 2024.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 807 Reengrossed 2022 Regular Session Magee

Abstract: Creates a reimbursement program for individuals who purchase and install certain types of energy storage systems on certain properties.

Proposed law creates the disaster resiliency battery incentive program (program).

Proposed law provides that the program is to be administered by a third-party contracted by the Dept. of Economic Development (department).

The program as provided for in proposed law is to award reimbursement of funds to individuals who install eligible systems and satisfy other requirements provided in proposed law.

Proposed law provides that the program is to be funded through the department.

No more than \$8,000,000 is to be allocated to the program pursuant to proposed law.

Proposed law creates a fund to administer the program. The fund terminates on Dec. 31, 2024.

Proposed law provides the method to calculate the appropriate reimbursement amounts by choosing the lowest amount of four possible calculations.

Proposed law provides an exception to the calculation method for a commercial or nonprofit properties where an energy storage system with at least 300 kilowatt-hours of storage is installed, if the property is utilized for a resiliency and response center after a disaster.

The exception in proposed law requires the administrator to disregard any lesser amounts available to the applicant in calculation the reimbursement amount

Proposed law provides the method to calculate the total installed cost by taking the sum of all of the following:

- (1) Cost of the energy storage system.
- (2) Cost of electrical work and equipment.
- (3) Cost of installation and labor.
- (4) Permitting costs.

Proposed law requires an applicant to provide proof, through invoice, of the costs provided in proposed law.

Proposed law provides standards for determining eligibility and provides four possible categories of eligible persons.

A system that stores the following types of energy are considered an eligible system pursuant to proposed law:

- (1) Electrical energy.
- (2) Chemical energy.

In order for a system to be eligible pursuant to proposed law, it shall be "behind the meter".

Proposed law does not allow a reimbursement to be awarded for the following types of storage systems:

- (1) Mobile energy storage systems.
- (2) An electric hot water heater.
- (3) A system not capable of being integrated into a demand response program.

Proposed law provides the following approved purposes for use of reimbursement funds:

- (1) For use as electrical energy at a later date.
- (2) In a process that offsets electricity use at peak times.

Proposed law defines "community center", "K-12 educational institutions", and "lower and middle income".

Proposed law terminates on Dec. 31, 2024.

(Adds R.S. 51:2771-2779)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Remove references to "grid stability".

2. Remove references to "community solar system".
3. Add an additional category, relative to commercial property, to the list of possible grant program calculations.
4. Add an additional category, relative to commercial property, to the list of eligible grant recipients.
5. Remove certain types of energy storage systems from eligibility.
6. Provide that an energy storage device that cannot be integrated into a demand response program is not an eligible system as provided in proposed law.
7. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Modify the program to award reimbursements instead of grants.
2. Add a requirement that an energy storage system have at least 300 kilowatt-hours of storage to qualify for the maximum amount of reimbursement.
3. Add a requirement that in order to receive the maximum amount of reimbursement, the property where the energy storage system was installed shall be utilized for a resiliency and response center after a disaster.
4. Add nonprofit property to the provisions of proposed law relative to commercial property.
5. Make technical changes.