EXECUTIVE DEPARTMENT

DELAWARE ECONOMIC DEVELOPMENT AUTHORITY

Statutory Authority: 29 Delaware Code, Section 5053(k), (29 **Del.C.** §5053(k))
1 **DE Admin. Code** 476

FINAL

ORDER

476 Energy Alternatives Program Regulation

The Delaware Economic Development Office (DEDO) conducted public hearings in Kent, New Castle and Sussex counties as part of the Governor's Executive Order 36 designed to re-assess the need for the agency's regulations. Based on the public hearings and internal agency review of its regulations, DEDO proposes that Title 1, Section 476 (Energy Alternatives Program Regulation) of the Delaware Administrative Code, 5 **DE Reg.** 1529 (1/1/02), should be deleted because the programs no longer exist or the authorizing statute has been repealed. The Delaware Economic Development Authority (the "Authority") and DEDO are authorized to prescribe such regulations as may be necessary to carry out the purposes of the act creating the Authority, 29 **Del.C.** Ch. 50 (the "Act"). The purpose of this action is to foster governmental efficiency by eliminating unnecessary regulation and bureaucracy. Having provided due public notice, the Authority adopts the attached repeal of the Regulation as published in the November 1, 2016 edition of the Delaware *Register of Regulations* for the reasons that follow.

SUMMARY OF THE EVIDENCE

1. After internal review of its regulations DEDO has proposed the elimination of Title 1, Section 476 (Energy Alternatives Program Regulation) of the Delaware Administrative Code, 5 **DE Reg.** 1529 (1/1/02) in that the underlying programs or statutory authorization no longer exist.
2. In furtherance of the purpose of the Governor's Executive Order 36 to streamline the operation of government and eliminate burdensome regulation, the Energy Alternatives Program regulation should be deleted from the administrative code because the program no longer exists. Maintaining the regulation in the code could create confusion for potential grant applicants.
3. The Authority issued and duly noticed the repeal of the Regulation in accordance with the *Delaware Administrative Procedures Act*, 29 **Del.C.** Ch. 101.
4. The proposed repeal of the Regulation was published in the *Register of Regulations* on November 1, 2016. For a period of thirty (30) days following publication, the public had the opportunity to offer written comment.
5. No written comments were received by the Authority during the public comment period.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The public was given notice and an opportunity to provide the Authority with comments in writing on the proposed Regulation.
2. There were no public comments provided to the Authority during the public comment period.
3. The elimination of Title 1, Section 476 (Energy Alternatives Program Regulation) of the Delaware Administrative Code, 5 **DE Reg.** 1529 (1/1/02) is necessary because the program no longer is operative and continuing the reference in the administrative could create confusion for potential applicants and the public. The repeal of this Regulation is consistent with the purpose of the Governor's Executive Order to eliminate unnecessary regulation.
4. This repeal of this Regulation is authorized by 29 **Del.C.** §5005(11), 5053(k) and the Delaware Administrative Procedures Act, 29 **Del.C.** Ch. 101.

DECISION AND ORDER CONCERNING THE REGULATIONS

Having found that the proposed changes to the regulations are necessary as outlined herein, the Authority finds that the repeal of the Regulation shall be adopted as final in the form as proposed. The exact text of the repeal of the regulation as appeared in the Delaware *Register of Regulations* is attached to this order. These changes will become effective ten days following publication of this order in the Delaware *Register of Regulations* in February 2017.

IT IS SO ORDERED this 5th day of January 2017 by the Delaware Economic Development Authority.

Bernice Whaley,

CHAIRPERSON,
DELAWARE ECONOMIC DEVELOPMENT AUTHORITY

476 Energy Alternatives Program Regulation

1.0 Introduction

This regulation is promulgated under the authority granted to the Director of the Delaware Economic Development Office ("DEDO") by 29 **Del.C.** §5005(11) to make regulations for the administration and operation of DEDO. One of the programs administered by DEDO is the Energy Alternatives Program established in 26 **Del.C.** §1014(a) as part of The Electric Utility Restructuring Act of 1999. The Energy Alternatives Program is designed to introduce renewable energy technologies into the Delaware market by reducing the net system costs through the use of rebates. This regulation sets forth the definition of certain terms used in the Energy Alternatives Program and describes (i) the eligibility requirements for persons desiring to participate in the program, (ii) the systems that now qualify for rebates, (iii) how to apply for a rebate, (iv) how rebate requests will be evaluated and processed and the rebates disbursed, and (v) other administrative features of the Energy Alternatives Program.

2.0 Definitions.

For purposes of this regulation, the following initially capitalized words and phrases shall have the meanings set forth below.

"Conectiv Power Delivery" means the trade name used by Delmarva Power and Light Company.

"DEDO" has the meaning set forth in Section 1.0 hereof.

"DP&L Service Territory" means the service territory of Delmarva Power and Light Company, doing business as Conectiv Power Delivery, or its successor, as such territory is reflected in the electric service territory maps maintained by the Delaware Public Service Commission under the authority of 26 **Del.C.** § 203B.

"Eligible Qualifying Geothermal Heat Pump System Costs" has the meaning set forth in Section 3.4.3 hereof.

"Eligible Qualifying Photovoltaic System Costs" has the meaning set forth in Section 3.2.4 hereof.

"Eligible Qualifying Solar Water Heating Costs" has the meaning set forth in Section 3.3.4 hereof.

"Eligible Qualifying Wind Turbine System Costs" has the meaning set forth in Section 3.5.4 hereof.

"Energy Alternatives Program" has the meaning set forth in Section 1.0 hereof.

"Energy Alternatives Program Manager" means the State Energy Office employee whose duties include consultation with DEDO in the management and administration of the Environmental Incentive Fund, and the Energy Alternatives Program.

"Energy Alternatives Rebate" for Photovoltaic, Solar Water Heating and Wind Turbine systems means, except as provided hereafter, 35% of Eligible Qualifying Photovoltaic System Costs, Eligible Qualifying Solar Water Heating System Costs, or Eligible Qualifying Wind Turbine System Costs, as the case may be, subject to the following limitations: if the Qualifying System is to be used by a Nonresidential Purchaser, an Energy Alternatives Rebate shall not exceed $250,000; if the Qualifying System is a Photovoltaic system to be used by a Residential Purchaser, an Energy Alternatives Rebate shall not exceed $10,500 per Residential Dwelling Unit; if the Qualifying System is to be used by a Residential Purchaser for Solar Water Heating, an Energy Alternatives Rebate shall not exceed $1,500 per Residential Dwelling Unit; if the Qualifying System is to be used by a Residential Purchaser for a Wind Turbine System, an Energy Alternatives Rebate shall not exceed $5,000 per Residential Dwelling Unit. Energy Alternatives Rebate for a Geothermal Heat Pump system means the lesser of 35% of the Eligible Qualifying Geothermal Heat Pump System Costs, or $500 per Ton of Capacity. An Energy Alternative Rebate for a Nonresidential Geothermal Heat Pump system shall not exceed $25,000. An Energy Alternatives Rebate for a Residential Geothermal Heat Pump system shall not exceed $2,500.

"Environmental Incentive Fund" means the fund established by 26 **Del.C.** §1014(a) and administered by the Delaware Economic Development Office, in consultation with the State Energy Office and the Division of Public Advocate.

"Fiscal Year" means the budget and accounting year of the State beginning on July 1 and ending on June 30. Reference to a Fiscal Year by year number means the Fiscal Year ending on June 30 of the named year. For example, a reference to Fiscal Year 2001 means the period beginning on July 1, 2000 and ending on June 30, 2001.

"Freeze Tolerance Limit" means the temperature below which a Qualifying System for Solar Water Heating might suffer damage attributable to freezing.

"Geothermal Heat Pump" means - either an open or closed loop system, or direct expansion system that uses the thermal energy of the ground or groundwater as the heat source and heat sink for residential or non-residential space heating and/or cooling. It may provide both space heating and cooling, cooling only or heating only functions. A closed loop system consists of a ground heat exchanger in which the heat transfer fluid is permanently contained in a closed system. An open loop system consists of a ground heat exchanger in which the heat transfer fluid is part of a larger environment. A direct expansion system consists of a geothermal heat pump system in which the refrigerant is circulated in pipes buried in the ground, rather than using a heat transfer fluid, such as water or antifreeze solution in a separate closed loop, and fluid to refrigerant heat exchanger.

"Grid-connected", **"Grid-tied"** or **"Interconnected"** means a condition in which a Qualifying System that is an electrical generating system serves and is electrically connected to an electrical load that is also connected to and served by the local utility electrical grid. The delivery, or ability to deliver, any portion of the generating capacity into the utility electrical grid is not required, nor must the loads served be only alternating current loads. The Photovoltaic or Wind Turbine system need only to be capable of serving electrical loads that would otherwise be served by the local utility.

"Kilowatt" means 1,000 Watts.

"Kilowatt-hour" means the basic unit of electric energy equal to one Kilowatt of power supplied to or taken from an electric circuit steadily for one hour. One Kilowatt-hour equals 1,000 Watt-hours. Electric energy is commonly sold by the Kilowatt-hour.

"Nonresidential" means all classes of customer purchasing electric power for uses other than for individual households. These groups of customers generally purchase electric power for commercial and industrial purposes. When used as an adjective with respect to Qualified Systems or Energy Alternatives Rebates, such term refers to systems owned by, or leased to, or rebates granted to Nonresidential persons.

"Nonresidential List" has the meaning set forth in Section 4.2.2 hereof.

"Nonresidential Pool" has the meaning set forth in Section 4.1.1.3 hereof.

"Photovoltaic" means a nonmechanical semiconductor device, most commonly made of silicon, that produces direct current (dc) electricity.

"Placed in Service" means installed, operational and producing output.

"Program Documentation Checklist" means the "Energy Alternatives Program Documentation Checklist (EO-1000)" or other form prescribed by the State Energy Office for the same purpose.

"Purchaser" means the purchaser or lessee of a Qualifying System.

"Qualifying System" has the meaning set forth in Section 3.0 hereof.

"Rebate Confirmation and Claim Form" means the **"Energy Alternatives Program Rebate Confirmation and Claim Form (EO-1002)"** or other form prescribed by the State Energy Office for the same purposes.

"Rebate Reservation" means the reservation of the amount of a requested Energy Alternatives Rebate against the previously unreserved funds within the Nonresidential Pool or the Residential Pool of the Environmental Incentive Fund available for Energy Alternatives Rebates in accordance with Section 4.2.3 hereof.

"Rebate Reservation Number" has the meaning set forth in Section 4.2.2 hereof.

"Rebate Reservation Request" means the request of a Purchaser for the reservation of an Energy Alternatives Rebate made in accordance with the procedures specified in Section 4.2 hereof.

"Rebate Reservation Request Form" means the "Energy Alternatives Program Rebate Reservation Request Form -- Photovoltaic (EO-1001PV)", the "Energy Alternatives Program Rebate Reservation Request Form -- Solar Water Heating (EO-1001SWH)", the "Energy Alternatives Program Rebate Reservation Request Form -- Geothermal (EO-1001GEO)" the "Energy Alternatives Program Rebate Reservation Request Form -- Wind Turbine (EO-1001WT)", or such other form prescribed by the State Energy Office for making a Rebate Reservation Request pursuant to Section 4.2 hereof.

"Residential" means the class or classes of customers purchasing electric power for household uses. When used as an adjective with respect to Qualified Systems or Energy Alternatives Rebates, such term refers to systems owned by, or leased to, or rebates granted to Residential persons.

"Residential Dwelling Unit" means a single-family house, whether free-standing or attached to one or more other houses, or an apartment. A Residential Dwelling Unit must be separately metered for purposes of measuring electricity consumption.

"Residential List" has the meaning set forth in Section 4.2.2 hereof.

"Residential Pool" has the meaning set forth in Section 4.1.1.3 hereof.

"Retailer" means the vendor or lessor of a Qualifying System.

"Solar Water Heating" means the heating of water by use of the sun's energy rather than electricity or gas.

"State" means the State of Delaware.

"Ton of Capacity" means 12,000 British Thermal Units (BTU) per hour of capacity.

"Vendor Data Form" means the "Energy Alternatives Program Vendor Data Form" or other form prescribed by the State Energy Office for the same purpose.

"Watt" means the basic unit of measure of real electric power, or rate of doing work.

"Watt-hour" means the basic unit of measure of electric energy consumption. The total amount of energy used in one hour by a device that requires one Watt of power for continuous operation.

"Wind Turbine" means a mechanical/electrical system that converts the kinetic energy of blowing wind into electric power.

3.0 Qualifying System

3.1 In General. A Qualifying System must be located within the DP&L Service Territory, and the Purchaser must be a customer of Conectiv Power Delivery. Only Photovoltaic, Solar Water Heating, Geothermal Heat Pump and Wind Turbine systems may constitute Qualifying Systems.

3.1.1 Code Compliance; Contractor Licensing. All Qualifying Systems must be installed in accordance with standards and specifications of the manufacturers of the components in such systems and in compliance with all applicable electrical, plumbing and building codes.

3.1.2 Warranties. All Qualifying Systems must have a full 5-year warranty against component failure, malfunction and premature output degradation. The warranty must cover all components for which the Energy Alternatives Rebate is granted and cover the full cost of repair and replacement of all components of the system. For professionally installed systems, the warranty must cover the labor to remove and replace defective components and systems.

3.2 Photovoltaic Systems.

3.2.1 Capacity. In order to be a Qualifying System, Photovoltaic systems must have an expected annual system output that does not exceed the historic or current electricity needs of the Purchaser at the installation site. Qualifying Systems must produce at least 300 Watts. For Qualifying Systems producing more than 10,000 Watts (i.e.,10 Kilowatts), the Energy Alternatives Program Manager may require additional evidence of feasibility with the Rebate Reservation Request Form. If the installation site is new construction, the expected annual system output must not exceed the estimated building electrical needs, as set forth in the Conectiv Power Delivery service request with respect to the installation site submitted by the Purchaser.

3.2.2 Technical Standards. All photovoltaic modules must be certified by a nationally recognized testing laboratory as meeting the requirements of the Underwriters Laboratory Standard 1703. All qualifying grid-connected systems must comply with the Institute of Electrical and Electronic Engineers Standards Board (IEEE) 929, Recommended Practice for Utility Interface of Photovoltaic (PV) Systems and the appropriate generation interconnection arrangements of Conectiv Power Delivery's, Technical Considerations Covering Parallel Operations of Customer Owned Generation of Less than 1 Megawatt and Interconnected with the Conectiv Power Delivery System. Conectiv's generation interconnection documents are available on the Division of the Public Advocate's web site at www.state.de.us/publicadvocate. All inverters must be certified by a nationally recognized testing laboratory for safe operation as well as be certified as meeting the requirements of Underwriters Laboratory Standards 1741-1999, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems.

3.2.3 Cost Limitations. A Photovoltaic system may not have Eligible Qualifying Photovoltaic System Costs in excess of $12 per Watt.

3.2.4 Eligible Qualifying Photovoltaic System Costs. "Eligible Photovoltaic Qualifying System Costs" means (i) the sum of costs of the components of a Qualifying System that are used to convert sunlight to electricity, the labor costs for the installation of such components, the cost of required permits and fees for the construction or installation of a Qualifying System and, in the case of a Qualifying System to be used by a Nonresidential Purchaser, engineering costs associated with such system not to exceed 10% of the total cost of such system; minus, (ii) all other incentives associated with such Qualifying System and received by the Purchaser, including grants, rebates, buy downs cost sharing or any similar form of financial incentive other than a federal income tax credit. In order to be counted toward Eligible Qualifying System Costs, components of a Qualifying System must be new and previously unused. Examples of the components of a Qualifying System that is Photovoltaic, the costs of which may be counted toward Eligible Qualifying System Costs, are the photovoltaic module, the foundation for such photovoltaic module, mounting or tracking structures and wiring, inverters and utility interconnection equipment. Components that are energy storage equipment may not be counted toward Eligible Qualifying System Costs.

3.3 Solar Water Heating

3.3.1 Capacity. In order to be a Qualifying System a Solar Water Heating system must have a minimum combined tank capacity of 80 gallons. A Solar Water Heating system must be designed to reduce or eliminate the need for electric or gas-heated hot water.

3.3.2 Technical Standards. All Qualifying Systems that are Residential Solar Water Heating systems must be certified to meet the Solar Rating and Certification Corporation's (SRCC) OG- 300, Operating Guidelines and Minimum Standards for Certifying Solar Water Heating Systems: An Optional Solar Water Heating System Certification and Rating Program and have a Freeze Tolerance Limit of minus 21 degrees Fahrenheit without electrical power. All Qualifying Systems that are Nonresidential Solar Water Heating systems must utilize collectors certified to meet the Solar Rating and Certification Corporation's (SRCC) OG-100, Operating Guidelines for Certifying Solar Collectors.

3.3.3 Cost Limitations. A Solar Water Heating system may not have Eligible Qualifying Solar Water Heating System Costs in excess of $2.50 per Kilowatt-Hour of annual energy savings, as estimated by the Solar Rating and Certification Corporation's (SRCC) OG-300 Estimated Annual Performance document.

3.3.4 Eligible Qualifying Solar Water Heating System Costs. "Eligible Qualifying Solar Water Heating System Costs" means (i) the sum of costs of the components of a Qualifying System that are used to convert sunlight to heated water, the labor costs for the installation of such components, the cost of required permits and fees for the construction or installation of a Qualifying System and, in the case of a Qualifying System to be used by a Nonresidential Purchaser, engineering costs associated with such system not to exceed 10% of the total cost of such system; minus, (ii) all other incentives associated with such Qualifying System and received by the Purchaser, including grants, rebates, buy downs cost sharing or any similar form of financial incentive other than a federal income tax credit. In order to be counted toward Eligible Qualifying System Costs, components of a Qualifying System must be new and previously unused. Examples of the components of a Qualifying System for Solar Water Heating, the costs of which may be counted toward Eligible Qualifying System Costs, are collectors, mounting components, storage tanks, circulators, controllers, timers, heat exchangers, expansion tanks, piping and insulation. Components that are point of use heating devices or solar pool heating equipment may not be counted toward Eligible Qualifying System Costs.

3.4 Geothermal Heat Pump

3.4.1 Capacity. In order to be a Qualifying System a Geothermal Heat Pump must be sized in accordance with good heating, ventilation and air conditioning design practices for the occupancy and location. Vendor shall provide a Manual J calculation, or other equivalent calculation, to determine proper size of equipment.

3.4.2 Technical Standards. All Qualifying Systems must have a warranty for protection of the integrity and performance of the ground heat exchanger for at least five years. All Qualifying Systems must meet the following:

3.4.2.1 Closed loop systems shall qualify under rating conditions in accordance with ISO 13256-1.

3.4.2.2 Open loop systems shall qualify under rating conditions in accordance with ISO 13256-1.

DX systems shall qualify under rating conditions in accordance with ARI 870.

3.4.3 Eligible Qualifying Geothermal Heat Pump System Costs. "Eligible Qualifying Geothermal Heat Pump System Costs" means (i) the sum of costs of the components of a Qualifying System that are used to collect and/or reject heat to the ground or groundwater, the labor costs for the installation of such components, the cost of required permits and fees for the construction or installation of a Qualifying System and, in the case of a Qualifying System to be used by a Nonresidential Purchaser, engineering costs associated with such system not to exceed 10% of the total cost of such system; minus, (ii) all other incentives associated with such Qualifying System and received by the Purchaser, including grants, rebates, buy downs cost sharing or any similar form of financial incentive other than a federal income tax credit. In order to be counted toward Eligible Qualifying System Costs, components of a Qualifying System must be new and previously unused. Examples of the components of a Qualifying System for Geothermal Heat Pump systems, the costs of which may be counted toward Eligible Qualifying System Costs, are wells and well drilling, in-ground piping and heat exchanger loops and excavation for such piping and loops, circulating pumps, controllers, timers, heat exchangers, expansion tanks, piping and insulation. Vapor-compression heat pump units, air handling units, fans, ductwork, filter systems, and other fluid and air handling system components are excluded.

3.5 Wind Turbine

3.5.1 Capacity. In order to be a Qualifying System, Wind Turbine systems must have an expected annual system output that does not exceed the historic or current electricity needs of the Purchaser at the installation site. The Energy Alternatives Program Manager may require additional evidence of feasibility

with the Rebate Reservation Request Form. The Energy Alternatives Program Manager may also reject applications if the location of the proposed Wind Turbine System has an inadequate wind resource for reasonable utilization of the equipment. If the installation site is new construction, the expected annual system output must not exceed the estimated building electrical needs, as set forth in the Conectiv Power Delivery service request with respect to the installation site submitted by the Purchaser.

3.5.2 Technical Standards. All qualifying grid-connected systems must comply with the Institute of Electrical and Electronic Engineers Standards Board (IEEE) 929, Recommended Practice for Utility Interface of Photovoltaic (PV) Systems and the appropriate generation interconnection arrangements of Conectiv Power Delivery's, Technical Considerations Covering Parallel Operations of Customer Owned Generation of Less than 1 Megawatt and Interconnected with the Conectiv Power Delivery System. Conectiv's generation interconnection documents are available on the Division of the Public Advocate's web site at www.state.de.us/publicadvocate. All inverters must be certified by a nationally recognized testing laboratory for safe operation as well as be certified as meeting the requirements of Underwriters Laboratory Standards 1741-1999, Standard for Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems.

3.5.3 Cost Limitations. A Wind Turbine system may not have Eligible Qualifying Wind Turbine System Costs in excess of $5.00 per Watt.

3.5.4 Eligible Qualifying Wind Turbine System Costs. "Eligible Qualifying Wind Turbine Systems Costs " means (i) the sum of costs of the components of a Qualifying System that are used to convert wind energy to electricity, the labor costs for the installation of such components, the cost of required permits and fees for the construction or installation of a Qualifying System and, in the case of a Qualifying System to be used by a Nonresidential Purchaser, engineering costs associated with such system not to exceed 10% of the total cost of such system; minus, (ii) all other incentives associated with such Qualifying System and received by the Purchaser, including grants, rebates, buy downs cost sharing or any similar form of financial incentive other than a federal income tax credit. In order to be counted toward Eligible Qualifying System Costs, components of a Qualifying System must be new and previously unused. Examples of the Wind Turbine System components of a Qualifying System, the costs of which may be counted toward Eligible Qualifying System Costs, are the wind turbine-generator assembly, tower, tower foundations, other support structure components, wiring, inverters and utility interconnection equipment. Components that are energy storage equipment may not be counted toward Eligible Qualifying System Costs.

4.0 Energy Alternatives Rebate Reservation and Payment Procedure

4.1 Availability of Funds; Duration of Program.

4.1.1 In General.

4.1.1.1 Program Duration. Energy Alternatives Rebates will be available on the effective date of this regulation. DEDO may, however, modify or suspend the Energy Alternatives Program and the criteria for, or availability of Energy Alternatives Rebates. Such action shall be taken in consultation with the State Energy Office and the Division of the Public Advocate.

4.1.1.2 Funds Available. The availability of any amount for Energy Alternatives Rebates will depend entirely upon whether sufficient unencumbered funds are available in the Environmental Incentive Fund at the beginning of a Fiscal Year, or are deposited pursuant to 26 **Del.C.** §1014(a) into the Environmental Incentive Fund pursuant to Section 4.1.1.5 hereof during such Fiscal Year. DEDO can give no assurance that any funds will be available for Energy Alternatives Rebates.

4.1.1.3 Allocation of Environmental Incentive Fund for Nonresidential and Residential Energy Alternatives Rebates. On the effective date of this regulation, DEDO will allocate sixty percent (60%) of the Environmental Incentive Fund for the funding of Nonresidential Energy Alternatives Rebates (the "Nonresidential Pool") and forty percent (40%) of the Environmental Incentive Fund for the funding of Residential Energy Alternatives Rebates (the "Residential Pool"). DEDO will allocate all funds received in the Environmental Incentive Fund after the effective date of this regulation in the same proportion into the Nonresidential Pool or the Residential Pool.

4.1.1.4 Carry Forwards. At the end of each Fiscal Year amounts in the Nonresidential Pool and the Residential Pool shall carry forward into the next Fiscal Year within the same pool.

4.1.1.5 Waiting List. If, at any time, the State Energy Office has made Rebate Reservations within the Nonresidential Pool or the Residential Pool of all funds in such pool, the State Energy Office will not disburse further Energy Alternatives Rebates from such pool, unless and until additional funds become available in such pool; however, it will continue to accept, evaluate and classify Rebate Reservation Request Forms and will continue to assign Rebate Reservation Numbers to Rebate Reservation Requests in accordance with Section 4.2.2. If additional funds become available

within a pool for Energy Alternatives Rebates, the State Energy Office will process such rebates in the order of the Rebate Reservation Numbers in either the Nonresidential List or the Residential List, as the case may be, assigned to Rebate Reservation Requests. There can be no assurance that additional funds for Energy Alternatives Rebates will become available. Rebate Reservation Requests that have been assigned Rebate Reservation Numbers, but for which funds are unavailable at any time at which the Director of DEDO decides to suspend the Energy Alternatives Program shall lapse, and the persons who submitted such Rebate Reservation Requests shall have no right to receive any funds from the State with respect to their Rebate Reservation Requests.

4.1.2 Special Rule for Qualifying Systems Placed in Service during Fiscal Year 2001. Purchasers of Qualifying Systems Placed in Service during Fiscal Year 2001 may apply for an Energy Alternatives Rebate even though they were unable to submit Rebate Reservation Request Forms until after the end of Fiscal Year 2001.

4.2 Rebate Reservation Procedure.

4.2.1 Submission of Rebate Reservation Request Form. Purchasers or Retailers may submit a Rebate Reservation Request Form to the State Energy Office at the address set forth hereafter. The Rebate Reservation Request Form (i) must be on the appropriate Rebate Reservation Request Form for the type of Qualifying System being installed, (ii) must provide all requested information, (iii) must be accompanied by all required accompanying documentation specified in the Program Documentation Checklist, and (iv) must be signed by the Purchaser. A Nonresidential Purchaser who proposes to construct either are Qualifying Photovoltaic System or a Qualifying Wind Turbine System with a capacity exceeding 10 Kilowatts, or a Qualifying Geothermal Heat Pump System, and who intends to request a 12-month Rebate Reservation in accordance with Section 4.2.3 hereof shall also submit preliminary plans and a project schedule so that the State Energy Office can determine the feasibility of the system. It is the responsibility of the Purchaser to ensure that a Rebate Reservation Request Form is accurate, complete and contains all required accompanying documentation. Rebate Reservation Request Forms and accompanying documentation shall be submitted to the following address:

State Energy Office
Attention: Energy Alternatives Program Manager
149 Transportation Circle
Dover, DE 19901

4.2.2 State Energy Office Processing of Rebate Reservation Request Form; Assignment of Rebate Reservation Numbers within Nonresidential Pool or Residential Pool. The State Energy Office will review and evaluate the Rebate Reservation Request Form and the accompanying documentation for accuracy, completeness (including all required accompanying documentation) and eligibility of the proposed project as a Qualifying System.In making its evaluation of the Rebate Reservation Request Form and accompanying documentation and in determining whether the proposed project is a Qualifying System, the State Energy Office may request further information, or inspect the site of the proposed project. The State Energy Office shall reject any Rebate Reservation Request, if the Rebate Reservation Request Form is not accurate or complete (including all required accompanying documentation), or if the proposed project is not a Qualifying System, and shall notify the Purchaser of such rejection in writing. After the State Energy Office completes its review of a Rebate Reservation Request Form and all required accompanying documentation and if it determines (i) that such submitted forms are accurate and complete (including all required accompanying documentation) and (ii) that the project being proposed is a Qualifying System, the State Energy Office shall take the following actions: First, it will classify each Rebate Reservation Request as a request to be reserved against the Nonresidential Pool or the Residential Pool, depending on whether the Rebate Reservation Request describes a Nonresidential or a Residential Qualifying System and assign such Rebate Reservation Request to a list of Nonresidential Rebate Reservation Requests (the "Nonresidential List") or a list of Residential Rebate Reservation Requests (the "Residential List"). Second, it will assign a unique consecutive number to each such Rebate Reservation Request within either the Nonresidential List or the Residential List based on the chronological order of the date on which such form was submitted in complete form (a "Rebate Reservation Number").

4.2.3 Reservation of Energy Alternatives Rebate. When the State Energy Office assigns a Rebate Reservation Number to a Rebate Reservation Request, provided that sufficient previously unreserved funds are available for Energy Alternatives Rebates in the Nonresidential Pool (in the case of Nonresidential Rebate Reservation Requests) or the Residential Pool (in the case of Residential Rebate Reservation Requests), the State Energy Office shall reserve the amount of the Energy Alternatives Rebate so requested (subject to the applicable limitations) against the funds in the Nonresidential Pool (in the case of Nonresidential

Rebate Reservation Requests) or the Residential Pool (in the case of Residential Rebate Reservation Requests) (a "Rebate Reservation"). A Rebate Reservation shall be valid for six months from the date on which the State Energy Office makes such Rebate Reservation. If the Purchaser with respect to a Nonresidential Photovoltaic Qualifying System, or a Nonresidential Wind Turbine Qualifying System with a capacity exceeding 10 Kilowatts, or a Nonresidential Geothermal Heat Pump Qualifying System makes a written request therefor, the State Energy Office may, after such further investigation of the proposed project as it deems necessary, extend the validity of the Rebate Reservation to twelve months from the date on which the State Energy Office made such Rebate Reservation. When a Rebate Reservation expires, it shall be of no further effect and the Rebate Reservation Request with respect to which it was made shall be deemed to have been rejected as of such expiration date. If the State Energy Office has assigned a Rebate Reservation Number to a Rebate Reservation Request but was unable to make a Rebate Reservation because of the unavailability of funds for such purpose within the Nonresidential Pool (in the case of Nonresidential Rebate Reservation Requests) or the Residential Pool (in the case of Residential Rebate Reservation Requests), and if funds within the applicable pool sufficient to make such Rebate Reservation subsequently become available, the State Energy Office shall make the Rebate Reservation when such funds become available. Promptly after making a Rebate Reservation, the State Energy Office shall inform the Purchaser who made the Rebate Reservation Request of the amount of the Rebate Reservation and the date on which such Rebate Reservation expires by mailing a Rebate Confirmation and Claim Form to the Purchaser.

4.2.4 Modification of Rebate Reservation Request. A Purchaser may request in writing a modification of a Rebate Reservation Request at any time prior to the disbursement of the Energy Alternatives Rebate requested. A request for a modification of a Rebate Reservation Request, other than a minor modification, will be treated as a new Rebate Reservation Request, and the State Energy Office will evaluate the request for modification as such. The State Energy Office will exercise its discretion in determining whether a requested modification is considered "minor." Upon receipt of a request for modification of a Rebate Reservation Request that the State Energy Office does not consider minor, any prior Rebate Reservation made by the State Energy Office with respect to the Rebate Reservation Request sought to be modified will expire. The State Energy Office will evaluate the modified request. If it determines (i) that the modified Rebate Reservation Request Form and any accompanying documentation are accurate and (ii) that the modified project being proposed is a Qualifying System, the State Energy Office shall assign a new Rebate Reservation Number to the modified Rebate Reservation Request and proceed in accordance with Section 4.2.3.

4.3 Claim for and Disbursement of Energy Alternatives Rebate. If the State Energy Office makes a Rebate Reservation with respect to a Rebate Reservation Request Form, after the Qualifying System described in such Rebate Reservation Request Form has been Placed in Service and prior to the expiration date of such Rebate Reservation, the Purchaser may request disbursement of the Energy Alternatives Rebate that was the subject of the Rebate Reservation by submitting to the State Energy Office at the address set forth in Section 4.2.1 a copy of the Rebate Confirmation and Claim Form that the State Energy Office sent to the Purchaser after assigning a Rebate Reservation Number. The Purchaser must complete the section of the Rebate Confirmation and Claim Form entitled "Rebate Claim Form" together with all documentation required by the Program Documentation Checklist to accompany such Rebate Confirmation and Claim Form. The State Energy Office must receive the Rebate Confirmation and Claim Form and all accompanying documentation prior to the expiration date of the Rebate Reservation specified in the Rebate Confirmation and Claim Form. The State Energy Office will evaluate the Rebate Confirmation and Claim Form and the required accompanying documentation. In performing such evaluation, the State Energy Office may make an inspection of the installed system. If there are only minor modifications to the Rebate Reservation Request or the Qualifying System, as Placed in Service, that are described in the Rebate Confirmation and Claim Form, the State Energy Office will process payment of the Energy Alternatives Rebate within 30 days of receipt of the Rebate Confirmation and Claim Form. The State Energy Office will ordinarily request DEDO to pay the Energy Alternatives Rebate to the Purchaser; however, if the Purchaser so requests in writing, the State Energy Office will request DEDO to pay the Energy Alternatives Rebate to the Retailer. If modifications to the Rebate Reservation Request or the Qualifying System, as Placed in Service, that are described in the Rebate Confirmation and Claim Form are deemed by the State Energy Office to be other than minor, the Rebate Confirmation and Claim Form will be treated as a request for modification of the original Rebate Reservation Request and processed in accordance with Section 4.2.3 and 4.2.4.

4.4 Maintenance of Balances of Nonresidential Pool and Residential Pool within the Environmental Incentive Fund Available for Energy Alternatives Rebates. When the State Energy Office makes a Rebate Reservation pursuant to Section 4.2.3 hereof, the funds within either the Nonresidential Pool or the Residential Pool (as the case may be) of the Environmental Incentive Fund that have been set aside for Energy Alternatives Rebates

~~shall be reduced by the amount of such Rebate Reservation. Whenever a Rebate Reservation expires in accordance with Section 4.2.3 or Section 4.2.4 hereof without the corresponding Energy Alternatives Rebate's having been disbursed in accordance with Section 4.3 hereof, the funds within either the Nonresidential Pool or the Residential Pool of the Environmental Incentive Fund that have been set aside as available for Energy Alternatives Rebates shall be increased by the amount of such expired undisbursed Rebate Reservation.~~

~~5 DE Reg. 1529 (01/01/02)~~
20 DE Reg. 657 (02/01/17) (Final)