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SYNOPSIS:

This bill would require all persons to register with the Alabama Department of Environmental Management to operate a utility-scale solar energy project.

This bill would provide for a registration process, establish filing fees, and require the department to issue a decision in writing within 60 days of receiving a registration request.

This bill would require operators of utility-scale solar energy projects to decommission the projects within one year of ceasing operation and restore the land within three years of ceasing operation.

This bill would require operators of utility-scale solar energy projects to establish a bond, security deposit, or other irrevocable financial assurances with the department in amounts sufficient to decommission the project and restore the affected lands.

This bill would authorize the department to undertake decommissioning and restoration activities of utility-scale solar energy projects that the department determines are abandoned.

This bill would establish the Abandoned Utility-Scale Solar Energy Project Fund in the State



29 Treasury for the purpose of decommissioning projects
30 and restoring lands of abandoned projects.

31 This bill would authorize the department to
32 adopt necessary rules to implement and enforce the
33 provisions of this act and would authorize the director
34 to enforce the provisions of this act.

35

36

37 A BILL
38 TO BE ENTITLED
39 AN ACT

40

41 Relating to solar energy; to require all persons to
42 register with the Alabama Department of Environmental
43 Management to operate certain solar energy projects; to
44 provide for a registration process; to establish
45 decommissioning and restoration requirements; to require
46 operators to establish bonds, security deposits, or other
47 irrevocable financial assurances with the department; to
48 authorize the department to decommission and restore abandoned
49 projects; to establish the Abandoned Utility-Scale Solar
50 Energy Project Fund for decommissioning projects and restoring
51 lands of abandoned projects; to provide for the enforcement of
52 this act; and to authorize the department to adopt rules.

53 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

54 Section 1. For the purpose of this act, the following
55 terms have the following meanings:

56 (1) CONTIGUOUS. Two or more tracts of land in actual



57 contact and touching for a continuous distance of at least 200
58 feet. The term includes tracts of land divided by bodies of
59 water, streets, railroads, or utility rights-of-way, or by
60 land owned by a governmental entity.

61 (2) DEPARTMENT. The Alabama Department of Environmental
62 Management.

63 (3) DIRECTOR. The Director of the Alabama Department of
64 Environmental Management.

65 (4) OPERATOR. Any person engaged in or controlling one
66 or more utility-scale solar energy project.

67 (5) PHOTOVOLTAIC TECHNOLOGY. Technology that generates
68 electrical power from sunlight.

69 (6) UTILITY-SCALE SOLAR ENERGY PROJECT or PROJECT. A
70 ground-mounted photovoltaic technology, concentrating
71 photovoltaic technology, or concentrating solar power project
72 occupying two or more acres which is directly connected to the
73 local or regional electrical grid with the ability to deliver
74 power to the electrical grid. The term includes solar arrays,
75 accessory buildings, battery storage facilities, transmission
76 facilities, and any other infrastructure necessary for the
77 operation of the project. The term does not include renewable
78 energy facilities owned or leased by a retail electric
79 customer intended primarily for the customer's own use; to
80 offset the customer's own retail electrical energy consumption
81 at the premises; or for net metering.

82 Section 2. (a) (1) No person may operate a utility-scale
83 solar energy project without registering the project with the
84 department every three years.



85 (2) Each utility-scale solar energy project that is not
86 contiguous to another registered utility-scale solar energy
87 project shall be separately registered.

88 (3) An operator shall register a utility-scale solar
89 energy project that is in operation by October 1, 2026, within
90 one year of the effective date of this act.

91 (b) An operator desiring to register a project shall
92 file an application with the department which includes all of
93 the following information:

94 (1) Identification and contact information of the
95 operator and any other legal entity that will be responsible
96 for either decommissioning the project, providing financial
97 assurance, or both.

98 (2) A description of the tract or tracts of land to be
99 affected by the applicant's utility-scale solar energy
100 project, including the following information: (i) the
101 estimated number of acres to be affected; (ii) the section,
102 township, range, and county in which the land is located;
103 (iii) a description of access to the area from the nearest
104 public highway; and (iv) the number of megawatts to be
105 produced.

106 (3) A statement as to whether the operator or any other
107 person associated with the operator has registered any other
108 projects under this act and an identification of the projects.

109 (4) A summary of the project timeline, including actual
110 or anticipated initiation and completion of construction,
111 initiation of operations, and expected service life of the
112 project.



113 (5) A comprehensive decommissioning plan, as described
114 in subsection (g).

115 (6) Any other information the department may require to
116 determine whether a registration application should be
117 approved.

118 (c) At the time of filing a registration application,
119 an operator shall pay a filing fee of five thousand dollars
120 (\$5,000).

121 (d) (1) Upon receipt of a completed utility-scale solar
122 energy project registration application, the department shall
123 approve, require modification of, or deny the registration
124 within 60 days and notify the operator in writing of its
125 decision.

126 (2) The department may deny a registration application
127 for any of the following reasons:

128 a. The information in the application is incomplete,
129 false, or inaccurate.

130 b. The operator fails to submit a feasible
131 decommissioning plan.

132 c. The operator, or other entity listed in the
133 application, controls or has controlled a utility-scale solar
134 energy project with a demonstrated pattern of willful
135 violations of this act.

136 d. The operator, or other entity listed in the
137 application, has forfeited a bond for failure to decommission
138 a utility-scale solar energy project under this act.

139 (e) At the time the department approves a registration
140 application, the operator shall have 10 days to establish with



141 the department a bond, security deposit, or other irrevocable
142 financial assurance as described in Section 4.

143 (f) (1) An operator may file an amended registration
144 application with the department to do either of the following:

- 145 a. Include additional land in an approved registration.
- 146 b. Withdraw land covered by an approved registration.

147 (2) At the time of filing an amended registration
148 application, an operator shall pay a filing fee of two
149 thousand five hundred dollars (\$2,500).

150 (3) Upon approving an amended application to include
151 additional land, the department shall:

- 152 a. Require the operator to increase the bond, security
153 deposit, or other irrevocable financial assurance to reflect
154 the additional land covered by the registration; and

- 155 b. Issue an amendment to the original registration
156 covering the additional land described in the amended
157 application for the period of time remaining in the original
158 registration.

159 (4)a. Upon receipt of an amended application to
160 withdraw land covered by an approved registration, the
161 department shall inspect the land to be withdrawn to verify
162 that the withdrawn land is not affected by the operator's
163 utility-scale solar energy project.

- 164 b. Upon approving an amended application to withdraw
165 land covered by an approved registration, the department
166 shall:

- 167 1. Proportionately reduce the bond, security deposit,
168 or other irrevocable financial assurance; and



169 2. Issue an amendment to the original registration that
170 covers the land that has not been withdrawn from the
171 registration.

172 (g) The comprehensive decommissioning plan, required
173 under subsection (b), shall be prepared, signed, and sealed by
174 a professional engineer licensed in this state and shall
175 include all of the following information:

176 (1) The name, address, and contact information of the
177 operator of the utility-scale solar energy project, and the
178 name, address, and contact information of the landowner of the
179 property on which the utility-scale solar energy project is
180 located, if different from the operator.

181 (2) A narrative description of how the decommissioning
182 will be conducted, including: (i) the decommissioning
183 sequencing; (ii) the disposition of materials used in the
184 project upon decommissioning, such as landfilling, reuse, or
185 recycling of project equipment, and specifying the methods for
186 disposing of hazardous waste; and (iii) a schedule for
187 completion of the decommissioning activities.

188 (3) Information on equipment proposed to be salvaged,
189 including the estimated salvage value of the equipment for the
190 purpose of determining the required value of the bond,
191 security deposit, or other irrevocable financial assurance.

192 (4) Information on steps to be taken to restore the
193 land according to Section 3(b).

194 (5) A detailed cost estimate for decommissioning the
195 project and restoration of the land according to Section 3.

196 (6) The proposed mechanism to satisfy the financial



197 assurance requirements established under Section 4 act,
198 including, but not limited to, the following information:

- 199 a. Which legal entity will establish the mechanism.
- 200 b. When the mechanism will be established.
- 201 c. How the department will access the funds from the
202 mechanism if needed.

203 Section 3. (a) An operator shall be considered to have
204 ceased operation of a utility-scale solar energy project if
205 the operator has not sold electricity generated by the project
206 to the electric grid or a utility company for a period of six
207 months.

208 (b) Upon ceasing operations, the operator of a
209 utility-scale solar energy project shall do all of the
210 following:

- 211 (1) Notify the department within 30 days.
- 212 (2) Decommission the project within one year.
- 213 (3) Commence restoration of the land according to
214 subsection (c) within one year.

215 (c) The operator of a utility-scale solar energy
216 project shall take all of the following steps to decommission
217 a project:

- 218 (1) Disconnect the project from the power grid.
- 219 (2) Remove all equipment from the project site and
220 properly reuse, recycle, or dispose of all equipment.
221 Equipment that meets the definition of hazardous waste shall
222 be disposed of according to the requirements of Chapter 30,
223 Title 22, Code of Alabama 1975.

224 (3)a. Restore the land to either: (i) as nearly as



225 practicable to its condition before the utility-scale solar
226 energy project was undertaken; or (ii) an alternative
227 condition agreed upon in a written contract or lease agreement
228 between the operator and the landowner, if different from the
229 operator.

230 b. A copy of the agreement or contract signed by both
231 parties shall be provided to the department prior to
232 decommissioning.

233 c. The condition of the land shall otherwise comply
234 with any applicable statutory requirements, rules adopted by
235 the department, or local ordinances.

236 d. The operator may revegetate or reforest land that
237 was cleared of trees with seedlings.

238 (d) The operator shall complete the restoration of all
239 affected lands within three years of ceasing operations.

240 (e) Upon commencing decommissioning and restoration
241 activities, the operator shall provide quarterly reports of
242 all decommissioning and restoration activities to the
243 department until the operator completes the restoration of the
244 affected lands.

245 Section 4. (a) (1) The operator of a utility-scale solar
246 energy project shall obtain a performance bond or provide a
247 security deposit or other financial assurance with the
248 department in an amount determined by the department to be
249 sufficient to decommission the project and restore the
250 affected lands according to Section 3 even if the operator
251 becomes insolvent or ceases to reside in, be incorporated, do
252 business, or maintain assets in this state.



253 (2) The operator shall maintain the bond, security
254 deposit, or other financial assurance until the operator has
255 completely decommissioned and restored the site.

256 (3) The operator shall update the bond, security
257 deposit, or other financial assurance with the department
258 every three years until the project is decommissioned and the
259 site restored.

260 (b) Any bond shall be made payable to the State of
261 Alabama and conditioned on the operator's faithful performance
262 of all applicable requirements of this act and all applicable
263 rules adopted by the department under this act. The bond shall
264 be signed by the operator, as principal, and by a corporate
265 surety licensed to do business in Alabama, as surety. The
266 penalty of the bond shall be not less than ten thousand
267 dollars (\$10,000) for each acre covered by the registration.

268 (c) (1) When an operator has completed all applicable
269 requirements under this act as to any affected lands, the
270 operator shall notify the department.

271 (2) The department, within 30 days of receiving
272 notification from the operator, shall inspect the affected
273 lands. If the utility-scale solar energy project has been
274 decommissioned and the affected lands restored according to
275 the requirements under Section 3, the department shall release
276 the operator from further obligations regarding the affected
277 lands and reduce or release the bond, security deposit, or
278 other financial assurance of the operator.

279 (d) (1) A bond established according to subsections (a)
280 and (b) shall be conditioned so that it cannot be cancelled by



281 the surety except after at least 90 days written notice to and
282 approval by the department.

283 (2) If a bond is cancelled after the notice, the
284 operator, on or before the effective date of the cancellation,
285 shall substitute another bond, security deposit, or other
286 financial assurance as provided in this section.

287 (e) (1) If a surety's license to do business in this
288 state, which is on a bond filed with the department under this
289 section, is suspended or revoked, the surety shall notify the
290 operator within 10 days of the suspension or revocation.

291 (2) Within 30 days of receiving written notice that a
292 surety's license to do business in this state is suspended or
293 revoked, the operator shall substitute for the surety a new
294 corporate surety licensed to business in this state, or
295 substitute another bond, security deposit, or other financial
296 assurance as provided in this section.

297 (f) If the operator fails to make a substitution as
298 required by subsection (e) or (f), the operator's registration
299 shall automatically be suspended, and the operator shall cease
300 operating the utility-scale solar energy project until the
301 operator complies with subsection (e) or (f).

302 Section 5. (a) (1) If an operator fails to decommission
303 a utility-scale solar energy project and restore the affected
304 lands within three years of ceasing operations, then the
305 director may make a finding in writing, with supporting facts,
306 that the site is abandoned, and the department may commence
307 decommissioning and restoration activities according to this
308 section.



309 (2) A utility-scale solar energy project site shall be
310 considered abandoned and eligible for decommissioning and
311 restoration expenditures under this section if it meets the
312 following conditions:

313 a. The site was a registered utility-scale solar energy
314 project.

315 b. The site was left in an unrestored or inadequately
316 restored condition.

317 c. No entity exists at the time of the finding which is
318 responsible for decommissioning and restoring the site.

319 d. The site continues to degrade the quality of the
320 environment, prevent or damage the beneficial use of the land
321 or water resources, or endangers the health or safety of the
322 public.

323 (b) (1) The director and his or her agents, employees,
324 and contractors may enter upon land adversely affected by a
325 past utility-scale solar energy project to take all necessary
326 measures to decommission the project, restore the affected
327 land, and abate or prevent adverse effects if the director
328 does the following:

329 a. Makes a finding in writing, with supporting facts,
330 of all of the following:

331 1. Land or water resources have been adversely affected
332 by a past utility-scale solar energy project.

333 2. It is in the public interest to decommission the
334 project and restore the lands.

335 3. The operator of the project or owner of the land
336 where the project is located is not known or readily



337 available, or the operator of the project or owner of the land
338 will not give permission to the director and his agents to
339 enter upon the land.

340 b. Gives written notice to the operator of the site or
341 owner of the land if known, or, if not known, by posting
342 notice on the premises and advertising once in a newspaper of
343 general circulation in the county where the land is located or
344 posting notice on the department's website.

345 (2) The director and his or her agents, employees, and
346 contractors may enter upon the land to: (i) conduct studies or
347 exploratory work to determine whether there are adverse
348 effects from a past utility-scale solar energy project; and
349 (ii) determine the feasibility of decommissioning the project,
350 restoring the land, and abating any adverse effects.

351 (c) (1) The Abandoned Utility-Scale Solar Energy Project
352 Fund is created in the State Treasury.

353 (2) The fund shall consist of all monies paid into the
354 State Treasury to the credit of the fund or by legislative
355 appropriations, grants, gifts, or otherwise.

356 (3) Monies contained in the fund may be expended to
357 decommission utility-scale solar energy projects and restore
358 the affected lands according to the requirements established
359 in Section 3 and shall be expended to reflect the following
360 priorities in the order stated:

361 a. The protection of public health, safety, general
362 welfare, and property from harm attributable to the adverse
363 effects of utility-scale solar energy projects.

364 b. The restoration of land and water resources and the



365 environment previously degraded by the adverse effects of
366 utility-scale solar energy projects, including measures for
367 conservation and development of soil; water, excluding
368 channelization; woodland; fish and wildlife; recreation
369 resources; and agricultural productivity.

370 c. Research and demonstration projects relating to the
371 development of utility-scale solar energy project
372 decommissioning and site restoration methods and techniques.

373 d. The protection, repair, replacement, construction,
374 or enhancement of public facilities, such as utilities, roads,
375 recreation, and conservation facilities, which were adversely
376 affected by utility-scale solar energy projects.

377 e. The development of publicly owned land adversely
378 affected by utility-scale solar energy projects, including
379 land acquired as provided by this section for recreation and
380 historic purposes, conservation and reclamation purposes, and
381 open space benefits.

382 (d) (1) Within six months of decommissioning a
383 utility-scale solar energy project and restoring the affected
384 lands, the director shall itemize the monies expended and file
385 a statement in the judge of probate's office of the county
386 where the land is located, including a notarized appraisal
387 from a qualified, independent appraiser of the value of the
388 land before the decommissioning and restoration activities if
389 the activities result in a significant increase in property
390 value.

391 (2) The statement shall be considered a lien on the
392 land. The lien shall not exceed the increase in market value



393 of the land as determined by the appraisal.

394 (3) The owner of land subject to a lien under this
395 section, within 60 days of the director filing the lien, may
396 file a petition in the circuit court of the county where the
397 land is located to determine the increase in market value of
398 the land because of the decommissioning and restoration
399 activities. The increase in value of the land as determined by
400 the court shall be the amount of the lien, and the owner may
401 appeal the decision.

402 (4) A lien established under this section shall have
403 priority second only to a lien for real estate taxes imposed
404 on the land. Monies derived from the satisfaction of liens
405 shall be deposited in the Abandoned Utility-Scale Solar Energy
406 Project Fund.

407 Section 6. (a) The director and his or her agents,
408 employees, and contractors may enter upon the lands of a
409 utility-scale solar energy project at any time for the purpose
410 of inspecting the lands and facilities to determine whether
411 the operator has complied with this act.

412 (b) Whenever the director alleges that an operator has
413 not complied with this act, the director shall commence an
414 enforcement action pursuant to Section 22-22A-5, Code of
415 Alabama 1975.

416 (c) The department shall develop and maintain a list of
417 all utility-scale solar energy projects operating in this
418 state and shall update the list annually on or before July 1
419 of each year.

420 (d) The department shall adopt rules necessary to



421 implement and enforce this act.

422 Section 7. This act shall become effective on October

423 1, 2026.