THE COUNCIL OF STATE GOVERNMENTS
CSG ENERGY AND ENVIRONMENT TASK FORCE:
BUSINESS MEETING
Suggested State Legislation Dockets
Monday, November 12, 2007
2:00 – 3:30 p.m.

I. SUGGESTED STATE LEGISLATION SUSTAINABLE ENERGY SUPPLEMENT

Docket Numbering System:
03 = Docket category
28ES = docket 28 (Energy Supplement);
01/02A/03 = Item number within category
03-28ES (Energy Supplement – Supply/Generation) or
03-28ESC (Energy Supplement - Conservation) or

*Some bills could be listed under the Energy Supply/Generation category or the Energy Conservation Category.

ITEM NO. TITLE	SOURCE RECOMMEND
ENERGY SUPPLY/GENERATION	
New Suggested State Legislation Docket Items	
03-28ES-01 Surface Owners Protection Act	NM
03-28ES-02A Increased Renewable Energy Standards	CO
03-28ES-02B Renewable Energy Portfolio Standard	NM
03-28ES-02C Renewable Energy Standard	NM
03-28ES-02D Renewable Energy Standard	MN
03-28ES-02E Renewable Power	CA
03-28ES-03 Renewable Energy Transmission Authority	NM
03-28ES-04 Allowing the State to Procure Electricity on the Retail or Wholesale Market	DE
03-28ES-05 Geothermal and Solar Energy in State Buildings	MN
03-28ES-06 Refinery Revitalization	OK
03-28ES-07 Wind for Schools	CO
03-28ES-08 Energy Resource Zones Transmission Development	CO
03-28ES-09 Review and Approval of Proposed Energy Utility Facilities	WI
03-28ES-10 Biofuels/Biomass	OR
03-28ES-11 Office of Energy Independence/Power Fund	IA
03-28ES-12 Wind or Solar Energy Systems Tax Credit	LA
03-28ES-13 Nuclear Power Plants, Siting Permits, Property Tax Exemptions	KS
03-28ES-14 Lignite Development	AR
03-28ES-15 Sustainable Energy Utility	DE
03-28ES-16 Renewable Diesel Standards	CA
03-28ES-17 Power Agency Act Statement	IL
03-28ES-18 Incentives for Energy Independence	KY
ENERGY CONSERVATION	

New Suggested State Legislation Docket Items

03-28ESC-01 Promote Municipal Energy Conservation	ME
03-28ESC-02 Energy Cities	IA
03-28ESC-03A Appliance and Equipment Energy Efficiency Standards	NY
03-28ESC-03B Appliance and Equipment Energy Efficiency Standards	AZ
03-28ESC-04 Luminaires at State Agencies	CT
03-28ESC-05 Incentives for Installation of Renewable Energy Fixtures	CO
03-28ESC-06 Energy Efficiency and Renewable Energy Bonding	NM
03-28ESC-07 Replacing Incandescent Bulbs in State Buildings	NJ
03-28ESC-08 Tax Credits for Installing Alternative Energy Devices	OR
03-28ESC-09 Next Generation Energy	MN
03-28ESC-10 Solar Energy Technologies in Public Buildings	OR
03-28ESC-11 Energy Conservation in State Buildings	NC
03-28ESC-12A Limiting Restrictions on the Installation or Use of Solar Collectors	NM
03-28ESC-12B Limiting Restrictions on the Installation or Use of Solar Collectors	NC

ENERGY SUPPLY/GENERATION
New Suggested State Legislation Docket Items

03-28ES-01 Surface Owners Protection Act NM

This Act establishes the duties and requirements to which oil and gas operators and surface landowners must adhere to negotiate surface access agreements and determine compensation for property damages from oil and gas operations. The Act provides for oil and gas operator bonding in certain circumstances and provisions limiting the applicability of the Surface Owners Protection Act for maintenance and ongoing production activities related to an existing oil or gas well and for oil and gas operations conducted within the scope of an surface access agreement entered into prior to July 1, 2007. It also contains provisions for attorney's fees and costs for prevailing parties in court actions and treble damages if the court finds actions to be knowing and willful.

Specifically, this Act establishes a process requiring:

- oil and gas operators to compensate surface landowners for the use of a surface landowner's property and any damages sustained as a result of oil and gas operations;
- oil and gas operators to compensate tenants of surface landowners for any leasehold improvements by repairing or replacing the improvements damaged as a result of oil and gas operations;
- oil and gas operators to reclaim all surface lands directly affected as a result of oil and gas operations;
- oil and gas operators to notify landowners in advance of contemplated oil and gas operations, provide specific information about the proposed operations and make an offer of compensation for the use of and damages to the surface resulting from he oil and gas operations;
- specific timelines for surface landowners to take action on an oil and gas operator's proposed surface use and compensation agreement;
- a mechanism for oil and gas operators to enter a surface landowners property without a surface use and compensation agreement if a surety bond, letter of credit, cash or certificate of deposit is posted with a surety company or banking institution;
- the surety bond, letter of credit, cash or certificate of deposit shall be for the benefit of and readily payable to the surface landowner for $10,000 per well location or a $25,000 blanket amount;
- a mechanism for providing attorney's fees and costs to surface owners in civil actions if the court finds that an oil and gas operator conducted operations without providing notice, outside of a surface use and compensation agreement without posting bonding or other surety, or operated outside the scope of an existing surface use and compensation agreement. Surface owners would also be liable for an oil and gas operators' attorney's fees and costs if they failed to exercise good faith in complying with the provisions of the Act or the terms of a surface use and compensation agreement;
- the court would to also be able to assess treble damages if either the oil and gas operators or the surface owner's actions were knowing and willful.
- a statute of limitations for a surface owner to bring an action pursuant to the Surface Owners Protection Act within six years after the damage has been discovered, or should have been discovered, through due diligence, by the surface owner; and

- limits on the applicability of the Surface Owners Protection Act for maintenance and ongoing production activities related to an existing oil or gas well and for oil and gas operations conducted within the scope of a surface access agreement entered into prior to July 1, 2007.

This Act puts New Mexico in company with nine other states (Illinois, Kentucky, Montana, North Dakota, Oklahoma, South Dakota, Tennessee, West Virginia and Wyoming) that have modified the common law concerning an oil and gas operator's liability to surface owners by statute. The Act follows the general pattern of other states by providing surface owners a right to compensation while allowing oil and gas operators access on prescribed conditions.

Under the Act, the oil and gas operator could obtain immediate access by posting of a bond or other security in the amount provided, if the surface owner does not respond to the operator's proposal, or if negotiations are not successful.

Since the Act would apply to lands where the United States owned the minerals as well as to lands in State or private mineral ownership, an oil and gas operator drilling on federal mineral lands would, if it failed to secure a surface use agreement, have to comply with the bonding requirements of the Act as well as the existing BLM requirements described above.

Submitted as:
New Mexico
HB 827 of 2007
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-02A Increased Renewable Energy Standards CO

This bill makes several statutory changes to a renewable energy initiative (Amendment 37) passed by state voters in 2004. Specifically, this Act expands the definitions of a "qualifying retail utility" to include all utilities, except municipally owned utilities (MOUs) serving less than 40,000 customers, and "eligible energy sources" to include recycled energy. The bill raises the standard for electricity generation from eligible energy sources for investor-owned utilities (IOUs) from:

- 3 to 5 percent for 2008 through 2010;
- 6 to 10 percent for 2011 through 2014;
- 10 to 15 percent for 2015 though 2019; and
- 10 to 20 percent for 2020 and after,

and establishes a new standard for electricity generation from eligible energy sources for rural electric cooperatives (RECs), and (MOUs) serving over 40,000 customers at:

- 1 percent for 2008 through 2010;
- 3 percent for 2011 through 2014;
- 6 percent for 2015 through 2019;
- 10 percent for 2020 and after.

With regard to standard compliance, the bill establishes bonuses for certain types of generation facilities. For all qualifying utilities, each kilowatt-hour of eligible electricity generated from a community-based project as defined in the bill will count as 1.5 kilowatt-hours. For RECs and MOUs, each kilowatt-hour generated from solar generation technologies that produce electricity before FY 2015-16 will count as 3 kilowatt-hours. However, utilities may take advantage of only one bonus for each kilowatt-hour of generated electricity.

For IOUs and MOUs, the maximum allowable retail rate impact from meeting the standard is raised from 1 to 2 percent of the total electric bill annually for each customer. The current opt-out provision for RECs is eliminated, and RECs are required to submit an annual report to the PUC on or before June 1 of each year. However, reports submitted by RECs are not subject to the same compliance report review process as those submitted by IOUs.

Finally, the bill allows utilities to develop and own as utility rate-based property up to 25 percent of total new eligible energy resources if these resources can be constructed at reasonable cost compared to the cost of similar eligible energy resources available on the market. If the utility shows that its proposal provides significant economic development, employment or energy security benefits, the utility is allowed to own between 25 and 50 percent of total new eligible energy resources. The bill was signed by the Governor and became law on April 27, 2007.

While this bill requires the Public Utilities Commission (PUC) to revise or clarify the existing rules promulgated for the implementation of Amendment 37, this requirement does not force any additional evidentiary hearings. The PUC is not precluded from holding such hearings, but such hearings would be discretionary, and accomplished within existing budgetary resources. Thus, the bill does not affect state or local revenue or expenditures and is assessed as having no fiscal impact.

Submitted as:
Colorado
Chapter 60 of 2007
Status: Enacted into law in 2007.

Comment:

OFFICE OF GOV. BILL RITTER, JR.
FOR IMMEDIATE RELEASE:
FRIDAY, MAR. 16, 2007
Contact: Evan Dreyer, 720.350.8370

GOV. RITTER HAILS PASSAGE OF HALLMARK RENEWABLE ENERGY LEGISLATION

Gov. Bill Ritter today hailed the final passage of House Bill 1281, the legislative centerpiece of his 2007 renewable energy agenda for Colorado.

"I applaud lawmakers from both parties for their bipartisan cooperation and vision as they work to enact Colorado's New Energy Economy," Ritter said. "In 2004, when Colorado voters overwhelmingly approved Amendment 37, we became the first state in the country to set renewable energy standards by citizen initiative.

"We're making history yet again with HB 1281 by expanding those standards and continuing to establish Colorado as the nation's renewable energy leader."

The governor congratulated lawmakers, investor-owned utilities, rural electric associations, environmental organizations, labor groups, consumer advocates and others for their collaborative efforts in shaping HB 1281.

"HB 1281 will help stimulate the rural areas at the heart of the New Energy Economy -- regions like the Eastern Plains and San Luis Valley where wind, sun and agriculture are abundant," Ritter said. "The bill will help us attract manufacturers of wind turbines and solar products. It also will stimulate research and development of emerging energy technologies.

"And by expanding our renewable energy production and consumption, we'll reduce our reliance on foreign oil, which is good for our environment and our national security.

"I look forward to signing HB 1281 and the remainder of the New Energy Economy legislative package very soon," the governor added.

03-28ES-02B Renewable Energy Portfolio Standard NM

This Act bill mandates Rural Electric Cooperatives (RECs) to include 10% renewable energy into their supply. The existing Renewable Portfolio Standards (RPS) for independently owned electric utilities are increased to 25% by 2021. The Act adds energy efficiency programs into the RPS. RECs may increase fees to meet the requirements of the bill. The bill adds definitions for a municipality, renewable energy certificate, and renewable purchased power agreement in the Renewable Energy Act.

The Act includes a new requirement for the distribution cooperative to report to its membership a summary of its purchases and generation of renewable energy. This ensures the distribution of renewable energy education and membership awareness of the RPS.

This Act further requires that starting on January 1, 2009 all renewable energy certificates used to meet the renewable portfolio standard be registered with a renewable information system to create and track ownership of the certificates for verification and protection from multiple counting of the same renewable energy certificates.

The legislation allows a PRC to open a docket for public utility applications for the purpose of identifying disincentives that discourage utility investment in energy efficiency and authorizes appropriate rule-making mechanisms to eliminate disincentives. RECs may also collect a renewable energy and conservation fee up to one percent of the customer's bill, not to exceed $75,000 annually for any customer. These funds may only be spent on projects to promote renewable energy, load management or energy efficiency. The PRC would establish a financial incentive program to encourage public utilities to implement cost-effective energy efficiency programs. "Energy efficiency certificate" is defined. Energy efficiency certificates may used in the same manner as renewable energy certificates by a public utility for not more than 5% of the RPS.

Submitted as:
New Mexico
SB 418
Status: Enacted into law in 2007.

Comment:

According to the Institute for Self-Reliance; Renewable Portfolio Standards - New Mexico UPDATE MARCH 2007:

"Senate Bill 418 was signed into law in March 2007 and added new requirements to the state's Renewable Portfolio Standard, which formerly required utilities to get 10 percent of their electricity needs by 2011 from renewables. Under the new law, regulated electric utilities must have renewables meet 15 percent of their electricity needs by 2015 and 20 percent by 2020. Rural electric cooperatives must have renewable energy for 5 percent of their electricity needs by 2015, increasing to 10 percent by 2020. Renewable energy can come from new hydropower facilities, from fuel cells that are not fossil-fueled, and from biomass, solar, wind, and geothermal resources.

In early March 2004, New Mexico Governor Bill Richardson signed into law a measure (SB 43) that requires investor-owned electric utilities to produce or buy increasing amounts of renewable energy. According to the new law, renewables must make up 5 percent of the utilities' sales by 2006, and 10 percent by the year 2011. The renewable energy measure puts into statute a Public Regulation Commission (PRC) rule that took effect last year. The law left a tiny hole that would allow utilities to ignore the new law through a provision for a PRC-established "reasonable cost threshold" beyond which a utility would not be required to add renewable energy to its energy supply portfolio.

Renewable energy is defined as electric energy generated from resources such as solar, wind, hydropower, geothermal or biomass, but does not include fossil fuel or nuclear energy. The "reasonable cost threshold," is to be established by the PRC through hearings and research, by December 31, 2004. According to the Energy, Minerals and Natural Resources Department, studies have indicated that, while a "renewable portfolio standard" may slightly negatively impact electric rates in the short term (i.e. up to 10 years), its long-term impact will help to stabilize electric rates by diversifying the supply mix and, in effect, serve as a substitute for natural gas-fired electric power production."

03-28ES-02C Renewable Energy Portfolio Standard NM

This bill establishes a requirement that investor-owned electric utilities meet a "renewable portfolio standard requirement" by having renewable energy comprise no less than 5 percent of retail sales by 2006, increasing 1 percent per year and leveling off at 10 percent by 2011. Renewable energy is defined as electric energy generated from resources such as solar, wind, hydropower, geothermal or biomass, but does not include fossil fuel or nuclear energy. For the most part, the bill places the existing Public Regulation Commission (PRC) Rule #573 into statute. PRC Rule #573 requires the above renewable portfolio standards, which do not apply to rural electric cooperatives or municipal electric utilities.

Furthermore, the purpose of the bill is to ensure the achievement of the "renewable portfolio standard requirement" is at a reasonable cost to the utility and subsequently the ratepayer. The bill sets the amounts of renewable energy the public utilities shall sell to retail customers by certain dates, allows public utilities to recover costs of complying with the bill through the ratemaking process, and protects public utilities and their ratepayers from renewable energy costs above a "reasonable cost threshold."

The bill requires the PRC to establish the "reasonable cost threshold," through hearings and research, by December 31, 2004. If the cost of renewable energy generation is above this PRC established level, the public utility will not be required to add renewable energy to its supply portfolio. The PRC is required to take into consideration specified factors that include: the impact on overall rates, diversity of the portfolio, reliability, and availability of resources, in setting the threshold.

If good cause is shown, industrial and commercial customers can also be subject to a reduced "renewable portfolio standard requirement." By September 1 of each year until 2012, a public utility would be required to file a report with the PRC on its purchases of renewable energy in the previous year, and show that its plans for future purchases are the least cost renewable resource. The PRC would then approve or modify procurement plans via hearings and the ratemaking process.

Lastly, language is included to reduce the Renewable Portfolio Standard (RPS) for nongovernmental customers at a single location or facility with consumption exceeding ten million kilowatt-hours per year (10,000,000 kwh/yr). This provision essentially covers the large consumers of electricity (i.e. manufacturers and other large businesses).

The number of kilowatt-hours of electricity from renewable sources procured for these customers is to be limited so that the additional cost of the RPS to each customer does not exceed the lower of 1 percent of that customer's annual electric charges or forty-nine thousand dollars ($49,000).

This procurement limit criterion is then increased by 1/5 percent or ten thousand dollars ($10,000) per year until January 1, 2001, when it remains fixed at the lower of 2 percent of the customer's annual electric charges or ninety thousand dollars ($90,000). Clarification is then provided that the preceding language in no way affects a public utility's right to recover all reasonable costs of complying with the RPS. The Substitute also provides the PRC the authority to defer recovery of the costs of complying with the PRS, including carrying charges.

Submitted as:
New Mexico
SB 43 Status: Enacted into law in 2004.

This Act amends the state's Renewable Energy Objectives (REO) that sets a target for 16 electric utilities in the state regarding the proportion of electric generation based on renewable resources, including wind, hydroelectric, biomass, and others. The current target is 10 percent of these utilities' retail electric sales - and statewide sales as well - generated from renewable sources by 2015. Utilities subject to the statute serve the vast majority of the state's retail electric customers. They include all investor-owned utilities, generation and transmission cooperatives and municipal power agencies; municipal utilities and cooperative electric associations are not covered by the law.

This Act accelerates the transition to renewable fuels is accelerated from the current target of 10 percent of retail sales by 2015. Beginning in 2012, all utilities subject to the statute, not just Xcel Energy, as at present, are required to meet the standards.

Under the Act, The Public Utilities Commission (PUC) is required to modify or delay the standard under certain conditions; must establish a system of tradable renewable energy credits; and may order compliance or impose financial penalties for non-compliant utilities.

This Act increases the size of hydroelectric facilities that may be counted towards a utility's Renewable Energy Objective (REO) or Renewable Energy Standard (RES) from 60 to 100 megawatts. The Act makes a "power district" subject to the standard.

The Act requires utilities to make a "good faith effort" to meet an REO of 7 percent by 2010. It sets mandatory standards for percentage of electricity that must be generated from eligible technologies, for all other utilities subject to the statute: for example, at least 25 percent of Xcel's 30 percent standard in 2020 must be generated by wind energy.

The Act requires the PUC to modify or delay the implementation of a standard if it determines such action is in the public interest. In evaluating that threshold, the commission is to consider:

- impacts on utility costs, including competitive pressures on customers;
- effects on system reliability;
- technical concerns;
- delays in acquiring sites/routes due to rejection, or delays in permitting approval
- non-delivery of needed equipment;
- transmission constraints; and
- other statutory obligations of the commission or a utility.

With respect to the first three factors, implementation may be modified or delayed only if the commission finds these impacts are significant. For the other factors, circumstances must be beyond the utility's control.

A utility seeking a delay or modification must submit a plan for compliance with the standard in the same proceeding.

The Act requires the commission to establish a renewable energy credit trading system by January 1, 2008, and sets conditions regarding the credits. All utilities are required to participate in a credit-tracking system approved by the commission. Xcel Energy may not sell credits to other Minnesota utilities until 2021.

The bill requires the commission to regularly investigate compliance with the objectives and standards. It gives the commission discretionary authority to order a noncompliant utility to construct facilities or purchase energy or renewable energy credits to achieve compliance. If a

utility does not comply with such an order, the commission may impose a financial penalty, not to exceed the cost of compliance.

The Act requires utilities to study and develop plans to enhance the transmission network so that the standards may be met. Utilities are to meet regularly with stakeholders experienced in transmission engineering and renewable energy generation, and are to submit a report to the commission by November 1, 2007 that:

- identifies critical issues to be addressed;
- includes a comprehensive conceptual planning guide and specific transmission line proposals necessary to support the standards; and
- contains a 5-year action plan that identifies specific actions that must be taken to implement proposals and further develop transmission plans.

The Act repeals a requirement that public and municipal utilities and cooperative electric associations offer customers "green pricing" programs that allow them to choose to purchase renewable and high-efficiency, low-emissions, distributed energy for some or all of their energy demand, so long as these customers pay the full cost of obtaining energy from these sources. This section is effective January 1, 2010.

Submitted as
Minnesota
Chapter 3 / S.F. No. 4, Laws of Minnesota
Status: Enacted into law in 2007.

Comment:

Energy - New Laws 2007
Renewable Energy Standard

Minnesota now has the most aggressive renewable energy standard in the United States, thanks to a new law sponsored by Rep. Aaron Peterson (DFL-Appleton) and Sen. Ellen Anderson (DFL-St. Paul). The law gradually increases the percentage of the state's electricity coming from wind, solar, hydroelectric and other renewable sources to 25 percent by 2025. Xcel Energy, the state's biggest power company, faces a tougher requirement of 30 percent by 2020.

Peterson said the law not only mandates cleaner energy production, but serves as an economic engine for rural Minnesota by enticing wind turbine manufacturers to the state.

"Right now, Minnesota imports more electricity than any other state. We need to keep more of our money at home, with an industry that will bring jobs and economic benefits to rural areas," Peterson said.

The law grants authority to the Public Utilities Commission to enforce compliance, and also directs power companies to consult with the commission on a plan to make the necessary modifications to the state's electric transmission infrastructure. It also includes a provision for a flexible renewable energy credit system, whereby companies that cannot meet the standard can purchase credits from companies that exceed them.

The law is effective Aug. 1, 2007.

Several different state statutes require investor-owned utilities (IOUs) to credit a customer's annual utility costs for renewable power generated on the customer's property. These statutes vary by the type of customer and the renewable power generated. All generally require that the generators be sized to the customer's electricity load and incidental excess power that is generated is kept by the utility free of charge. Only one program specifically requires that a customer receive compensation for excess renewable power generated however, it is restricted to water and wastewater agencies. As a consequence, a piecemeal approach to small-scale renewable power generation has been created.

Many customers have the ability to produce more electricity from renewable sources than they can use on site and the IOUs can technically contract for that generation. However, most small customers lack the resources necessary for that level of contract negotiation and the IOUs are limited in their ability to negotiate individual contracts for such small amounts of electricity. The proposed solution in this legislation is to require investor-owned utilities to purchase small-scale renewable energy produced by a customer and compensate the customer at the market price and under contract terms pre-determined by the California Public Utilities Commission (PUC).

This Act specifically:

- requires IOUs to file a tariff with the PUC for the purchase of renewable energy produced by any customer which is less than 1.5 megawatts in size;
- sets the tariff at a market price for renewable electricity determined by the PUC;
- requires that the generation be interconnected and operated in parallel with the electricity distribution grid and be strategically located near the electricity transmission system in a manner that optimizes the deliverability of electricity to load centers;
- permits the IOU to count the renewable electricity purchased toward the IOU's Renewables Portfolio Standard (RPS) requirements; and
- caps the total amount of renewable electricity that can be sold statewide under the tariff at 1,000 megawatts.

Submitted as:
California
SB 451
Status:
TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
State-Mandated Local Program
Fiscal
Non-Tax Levy
LAST HIST. ACT. DATE: 07/16/2007
LAST HIST. ACTION : Read second time. Amended. Re-referred to Com. on APPR.
COMM. LOCATION : ASM APPROPRIATIONS
HEARING DATE : 07/25/2007

Disposition: 03-28ES-02A

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

Disposition: 03-28ES-02B

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

Disposition: 03-28ES-02C

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

Disposition: 03-28ES-02D

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

Disposition: 03-28ES-02E

CSG policy task force recommendations to
The Committee on Suggested State
Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

That Act creates a Renewable Energy Transmission Authority (Authority), a quasi-governmental agency to help facilitate the transmission and use of renewable energy. The Authority is authorized to:

- hire an executive director and staff and set salaries;
- acquire, maintain, and operate eligible energy transmission facilities that, within one year after beginning operation, produce at least 30 percent of the electric capacity from renewable energy sources;
- issue and sell revenue bonds, known as renewable energy transmission bonds, and set their denomination, maturities, and rates of interest;
- enter into agreements, contracts and partnerships that plan, acquire, maintain, operate, or lease eligible renewable energy facilities;
- set rates for public utilities and other persons using facilities owned by the Authority; and
- exercise the power of eminent domain for acquiring property or rights of way.

Renewable energy is defined as electrical energy that is generated with low or zero emission equipment or generated by solar, wind, hydropower, geothermal, non-fossilized fuel cells and biomass resources. Electrical energy produced by fossil fuels or nuclear energy is not considered renewable energy.

The bill creates two new funds in the state treasury. The "Renewable Energy Transmission Bonding Fund" would consist of revenues from operating or leasing facilities, fees, and interest earnings. The renewable energy transmission bonds would be repayable from the fund. Proceeds from the bonds will be appropriated to the Authority to finance or acquire electric transmission and storage facilities, and money in the fund will be pledged for bond debt service. On the last day of January 31 and July 30 of each year, the Authority will transfer the balance of the bonding fund, except for the amount needed for the next 12 months of debt service, to the newly created "renewable energy transmission authority operational fund." This non-reverting fund would also consist of appropriated monies.

Renewable energy transmission bonds are exempt from state tax. Receipts from selling equipment or providing services to the Authority or any agent or lessee of the Authority may be deducted from gross receipts tax.

Section 4 (B) (8) provides the Authority with powers of eminent domain, pursuant to the Eminent Domain Code, for acquiring property or rights-of-way for public use if needed for projects, possibly including existing transmission facilities.

The Authority will be required to submit a report of its activities to the governor and legislature no later than December 1 of each year.

The bill also creates the Renewable Energy Transmission Oversight Committee, a joint interim legislative committee. Members of the committee will be chosen by the legislative council, and the legislative council will staff the committee.

Submitted as:
New Mexico
HB 188
Status: Enacted into law in 2007.

Comment:

Governor Bill Richardson Enacts Landmark Clean Energy Bills to Create Jobs, Keep Air Clean
March 5, 2007
Jon Goldstein 505-476-2248

SANTA FE -- Governor Bill Richardson today signed two major cornerstones of his clean energy agenda. Senate Bill 418 will dramatically increase New Mexico's Renewable Portfolio Standard and our use of clean electricity. House Bill 188 creates a Renewable Energy Transmission Authority to promote clean energy jobs and help New Mexico both develop our clean energy resources and market them to other states.

"I am proud today to sign a bill that will quadruple New Mexico's use of clean electricity by 2020," said Governor Bill Richardson. "Promoting renewable electricity keeps our air clean and it will help New Mexico meet my aggressive greenhouse gas reduction goals. It will also help continue to create new jobs, like those at Advent Solar in Albuquerque, and aid ranchers who want to diversify into the lucrative wind energy market."

In 2004 Governor Richardson signed New Mexico's first Renewable Portfolio Standard into law. This mandated that 5% of New Mexico's electricity come from renewable sources by 2006, increasing to 10% by 2011. Senator Michael Sanchez's Senate Bill 418 requires that at least 15 percent of an electric utility\'s power supply come from renewable sources by 2015 and 20 percent by 2020.

House Bill 188 – sponsored by Representative Jose Campos -- establishes a Renewable Energy Transmission Authority that will help New Mexico export solar, wind and other renewable energy and further build our high-wage, and high-tech economy.

"The Transmission Authority and the Renewable Portfolio Standard work in combination to dramatically position New Mexico to develop our vast renewable energy resources," said Joanna Prukop Cabinet Secretary for Energy, Minerals, and Natural Resources. "We've just positioned our state to become extremely competitive in all aspects of clean energy development and the benefits that come with it."

Under Governor Richardson's leadership, New Mexico has become the nation's Clean Energy State. In the past few weeks alone Governor Richardson has signed a major, five state climate change agreement, announced a new Tesla electric car plant for Albuquerque and a biodiesel plant in Clovis, NM.

"I am proud that both these bills passed with bipartisan support," said Governor Richardson. "That is because New Mexico is hungry for clean energy and the good jobs that come with this new industry."

Disposition:

CSG policy task force recommendations to
The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action
Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-04 Allowing the State to Procure Electricity
on the Retail or Wholesale Market DE

This Act gives the state Director of Management and Budget the authority and flexibility to allow the State to procure electricity in the retail or wholesale market subject to the approval of a detailed action plan by the Controller General.

Submitted as:
Delaware
HB 5
Status: Enacted into law in 2006.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-05 Geothermal and Solar Energy in State Buildings MN

This Act requires the commissioner of administration to study geothermal and solar thermal applications for heating and cooling for building projects receiving state appropriations for capital purposes. The legislation expresses a preference for geothermal systems when practicable.

Submitted as:
Minnesota
Chapter 77 of 2007
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-06 Refinery Revitalization OK

The purpose of this Act is to encourage the expansion of refining capacity within the state by providing incentives for growth and by detailing an accelerated review and approval process of all regulatory approvals for certain idle refineries. Additionally, the act seeks to provide legal and technical assistance to state agencies, which may have resources that are inadequate to meet such permit review demands.

This Act:

- requires the Governor to request the Environmental Protection Agency to negotiate with the Department of Environmental Quality for a Refinery Permitting Cooperative Agreement (RPCA);
- authorizes the Executive Director of the Department of Environmental Quality and certain Indian tribes to sign the RPCA;
- authorizes the Executive Director to accept consolidated applications and enter into certain memoranda of agreements;
- authorizes the Executive Director to request financial, technical, legal, and other assistance from the federal government for certain purposes;
- directs the Executive Director to coordinate all state, federal, tribal, and local authorizations and reviews;
- directs the Executive Director to establish a schedule and preapplication process for refinery facility applications;
- requires draft permits to be completed within certain time period;
- allows an applicant to pursue certain remedies if schedule is not met;
- stipulates the RPCA address the National Environmental Policy Act of 1969 compliance actions; provides for the preparation of a single environmental impact statement; requiring state agencies to cooperate with the Department in preparing an environmental impact statement;
- provides for the appeal of state agency decisions or actions to a certain panel;
- directs the Corporation Commission to cooperate with the Federal Energy Regulatory Commission on authorizations for crude oil or refined petroleum product pipeline facilities; authorizes the Commission to establish a schedule for state pipeline authorizations;
- directs the Commission to issue an order authorizing certain actions relating to the pipeline facility;
- authorizes the holder of a Commission order to acquire property through eminent domain in certain circumstances;
- allows a taxpayer to treat certain costs of a qualified refinery property as a nonchargeable expense to a capital account;
- provides for compliance with provisions if total output of an existing qualified refinery is increased by a certain percentage; and
- allows certain refiners to take a deduction for certain sulfur regulation compliance costs.

Submitted as:
Oklahoma
HB 2810 (enrolled version)
Status: Enacted into law in 2006.

Comment:

This Act reportedly will reduce the average time it takes to process permits for proposed, new refineries from 10 to 5 years.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-07 Wind for Schools CO

This Act establishes the Wind for Schools Grant Program to fund wind energy projects at qualified public schools and community colleges. The program will be administered by the Office of Energy Management and Conservation (OEMC), and the bill requires the OEMC to adopt policies for implementation of the program. The OEMC will accept and evaluate applications from qualified schools for grant money. The bill caps grant awards at $5,000 per school. In awarding grant money, the OEMC is required to consider, at a minimum, whether the qualified school will reduce its electricity costs by implementation of the project and has a plan in place to incorporate the project into its curriculum.

The OEMC is required to spend at least $50,000 to implement the program from the federal funds it receives. Finally, the bill prohibits the Governor's Office from seeking a supplemental appropriation for program implementation.

Submitted as:
Colorado
Chapter 148 of 2007
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-08 Energy Resource Zones Transmission Development CO

This Act directs that on or before October 31, 2007, this bill requires Colorado electric utilities subject to rate regulation to undertake biennial reviews to designate areas of the state as "Energy Resource Zones" where transmission constraints hinder the delivery of electricity. The amended bill requires these utilities to develop and submit plans for the construction of additional transmission capacity in these zones to the Public Utilities Commission (PUC). The PUC is then required to grant or deny any necessary certificates of public necessity and convenience within 180 days if the PUC finds that the construction or expansion is required to ensure reliable delivery of electricity to consumers or enable the utility to meet the state's renewable energy standards and the present or future public convenience and necessity require such construction or expansion.

Utilities are allowed to recover costs during construction through a rate adjustment clause on any transmission facilities for which a certificate has been issued or for which it has been determined that no certificate is needed. The PUC is also required to approve cost recovery on the total balance of construction work currently in progress related to such transmission facilities.

Submitted as:
Colorado
Chapter 61 of 2007
Status: Enacted into law in 2007.

Comment:

The bill was signed by the Governor and became law on March 27, 2007. There are currently two investor-owned utilities that are subject to rate regulation in Colorado, Xcel Energy and Aquila Energy.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-09 Review and Approval of Proposed Energy Utility Facilities WI

This Act relates to the siting and review of proposed energy utility facilities, such as electric power plants, electric transmission lines, and natural gas pipelines. It does the following:

- Creates processes designed to coordinate, and thereby shorten, the review and approval of these facilities by the Department of Natural Resources (DNR) and the Public Service Commission (PSC).
- Establishes expedited procedures for the DNR's and PSC's review and approval of certain transmission line projects on "recycled rights of way;"
- Makes other changes in the DNR's and PSC's review processes relating to the PSC's deadline for reviewing interstate projects, submission of transmission project plans to the DNR, PSC access to property for site investigations, and preference for siting power plants on brownfields;
- Creates a state policy on the preferred locations for siting new transmission lines;
- Modifies existing incentive payments and aids for hosting a transmission line or power plant; and
- Modifies the negotiating procedures for electric utilities under the eminent domain law.

Submitted as:
Wisconsin
Act 89 of 2003
Status: Enacted into law in 2003.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

This Act:

- allows income and corporate excise tax credit for agricultural producers and collectors of biofuel raw materials (including forest or agriculture-sourced woody biomass, oil seed crops, grain crops, grass or wheat straw and animal rendering byproducts) used to produce fuel in Oregon. Specifies amount of credit per type of biomass;
- allows income tax credit for consumers who purchase ethanol blended at 85 percent ethanol concentration and biodiesel blended at 99 percent biodiesel concentration for use in alternative fuel vehicles;
- allows consumer tax credits for purchase of forest or agriculture waste or residue solid biofuel that contains 100 percent biomass (pellets) and biodiesel for home heating at 20 percent concentration of biodiesel;
- sunsets the producer and consumer credits on January 1, 2013;
- expands local property tax exemption for energy production facilities that produce ethanol, biofuel or verified fuel additives;
- creates standards for biodiesel, ethanol and other renewable diesel to be monitored by Oregon Department of Agriculture. Requires Oregon Department of Agriculture to monitor biodiesel fuel production, and ethanol production capacity in Oregon to initiate minimum fuel blending requirements statewide for biodiesel and ethanol;
- requires retail sellers of gasoline to sell only gasoline that contains at least 10 percent ethanol within three months after Oregon production of ethanol reaches 40 million gallons per year. requires retail sellers of diesel to sell only diesel that contains at least two percent biodiesel within three months after production of biodiesel in the state, using feedstocks from Oregon, Washington and Idaho, reaches five million gallons annualized for at least three months;
- requires retail sellers of diesel to sell only diesel that contains at least five percent biodiesel within three months after production of biodiesel in the state, using feedstocks from Oregon, Washington and Idaho, reaches 15 million gallons annualized for at least three months. Excludes diesel fuel sold for use by locomotives, marine engines or home heating from the biodiesel fuel content requirements;
- restricts proportion of methyl tertiary butyl ether (MTBE) and other gasoline additives;
- maintains exclusive farm use status for on-farm biofuel production facilities;
- requires state-owned structures to use biofuel or direct-application electricity generated from biofuel, where diesel is currently used, for stationary or back-up generation; and
- requires the Department of Energy to periodically conduct an impact study of the biofuels program.

Submitted as:
Oregon
HB 2210 (enrolled version)
Status: Enacted into law in 2007.

Comment:

Oregon Set to Adopt Aggressive Biofuels Incentives
Press Release from Stoel Rives, Portland, Oregon

Oregon continues to distinguish itself in the renewable energy sector as it breaks ground in the area of biofuels. On June 20, the Oregon legislature passed one of the most aggressive biofuels incentive packages in the United States. It sets renewable fuel standards and provides major tax and production incentives for fuel retailers and processors to produce and sell biofuels and biomass. When combined with Oregon's existing Business Energy Tax Credit, the new legislation will result in one of the most robust incentive packages in the nation for the development of ethanol and biodiesel. Governor Ted Kulongoski, an enthusiastic supporter of renewable fuels, is expected to sign the legislation shortly at SeQuential Biofuels' retail station in Eugene, Oregon.

Oregon's biofuels legislation goes beyond just setting mandates; it also provides state income tax credits for producing or collecting biomass to produce biofuels, property tax exemptions in designated rural renewable energy development zones and income tax credits for consumers using biofuel blends or solid biofuels.

The legislation guarantees a market for biofuels in Oregon by requiring Oregon petroleum dealers to add biofuels into diesel and unleaded gasoline as state biofuel producers reach certain critical levels of production. After Oregon production of biodiesel from sources in Oregon, Washington, Idaho, and Montana reaches 5 million gallons per year, the Oregon Department of Agriculture (the "Department") will mandate that state petroleum dealers blend at least 2 percent biodiesel into market petroleum diesel. Once Oregon biodiesel production from regional sources reaches 15 million gallons per year, the percentage increases to 5 percent. Biodiesel produced from palm oil does not apply toward these percentages. For the ethanol industry, after state ethanol production reaches 40 million gallons per year, the Department will mandate that state petroleum dealers blend 10 percent ethanol into their unleaded gasoline.

Oregon’s biofuels legislation goes beyond just setting mandates; it also provides state income tax credits for producing or collecting biomass to produce biofuels, property tax exemptions in designated rural renewable energy development zones and income tax credits for consumers using biofuel blends or solid biofuels. Farmers and biomass collectors may claim their credit for the tax year in which they transfer the biomass to biofuel producers. The legislation provides a carryforward period of up to four years. Once the tax credit is claimed, the taxpayer may choose to use the credit or sell it to another taxpayer by a simple notice filed with the Department of Revenue. To be eligible for the tax credit, biomass must be produced or collected and used in Oregon as a feedstock for bioenergy or biofuel production. Biomass includes, but is not limited to, woody mass, canola, wheat, barley, triticale, straw, grass, camelina, flax, cooking oil or waste grease, yard debris, animal manure, and wastewater solids.

Producers of biofuels will receive state tax credits that can be used to finance up to 35 percent of a facility’s capital costs through the recently amended Oregon Business Energy Tax Credit ("BETC") program. On June 25, the legislature passed HB 3201 that would increase the BETC to finance up to 50 percent of a facility's capital cost, up to a maximum BETC of $10 million. The producer eligible for a BETC may choose instead to sell the BETC to another taxpayer for cash. Senate Bill 819, which was passed by the Oregon legislature on June 23 and is expected to soon be signed by Governor Kulongoski, is intended to revive the market for the sale of these credits, helping producers that need to monetize the BETC.

The biofuels legislation also expands local property tax exemptions within a rural renewable energy development zone from $100 million to $250 million. Projects for the production of ethanol, biofuel or a verified fuel additive within the zone are eligible for the property tax exemption. No carryforward is allowed.

Individual consumers of biofuels are eligible for the Biofuel Consumer Income Tax Credit ("BCITC"), which allows an income tax credit of $0.50 per gallon of biodiesel (B99) or ethanol (E85) blended fuel up to a maximum of $200 per year for each Oregon registered vehicle owned or leased by the taxpayer. Individual taxpayers may also receive a BCITC of up to $200 per year for their purchase of biosolids prepared from forest, rangeland, or agriculture waste or residue. The BCITC is also available to consumers who purchase certain biodiesel blend fuels for home heating.

The legislation also sets technical standards for the composition of biodiesel and ethanol. In two years, the Oregon Department of Energy will conduct an impact study of the biofuels program, focusing on work force, environmental, and economic effects.

Oregon Governor Kulongoski Signs Biofuels Legislation
Mon, 07/09/2007 - 12:17 — admin
Biofuels bill encourages renewable energy production and use throughout the state

July 3, 2007 -- Eugene – Kicking off Energy Independence Month, Oregon Governor Ted Kulongoski today was joined by legislators, environmental and agricultural leaders at a biofuels facility in Eugene to sign House Bill 2210, which creates a Renewable Fuel Standard and tax incentives for both consumers and producers of biofuels.

“These bills will not only create financial opportunities for Oregon’s agricultural sectors, but it will help reduce our green house gas emissions while creating thousands of jobs in rural Oregon,” said Governor Kulongoski. “Today is about signing legislation that creates a lasting environmental legacy for future generations.”

The Biofuels Bill was developed by the Biofuels Subcommittee of the Governor’s Renewable Energy Work Group that convened during the summer of 2006 and was part of the Governor’s energy independence agenda for the 2007 legislative session. House Bill 2210, coupled with Senate Bill 838, the Governor’s Renewable Portfolio Standard of 25 percent of Oregon’s electricity coming from renewable sources by 2025, will make Oregon’s commitment to renewable and alternative energy among the most ambitious in the nation.

“House Bill 2210 will do for the fuel sector what SB 838 will do for the electricity sector,” the Governor said referring to the renewable energy standard. “It will move Oregon significantly down the road to a renewable energy future, creating hundreds of millions – if not billions – of dollars of investment, and thousands of new high quality jobs around the state. And it will help Oregon reduce our greenhouse gas emissions and tackle global warming.”

The major components of House Bill 2210 include:

Renewable Fuels Standard:

All gasoline sold in the state must be blended with 10 percent ethanol after Oregon production of ethanol reaches 40 million gallons per year. All diesel fuel sold in the state must be blended with two percent biodiesel when the production of biodiesel from sources in the Pacific Northwest reaches a level of at least 5 million gallons per year. The biodiesel blending

requirement increases to 5 percent when annual production reaches a level of at least 15 million gallons per year.

Tax Incentives:

For producers or collectors of biofuels feedstock: Including forest or agriculture-sourced biomass, oil seed crops, grain crops (excluding corn), grass or wheat straw and animal rendering byproducts.

For consumers of biofuels: Oregonians who purchase gasoline blended with an 85 percent ethanol concentration or biodiesel blended with a 99 percent concentration qualify for this tax credit. Additionally, Oregonians who use agriculture or forest waste pellets for home heating containing 100 percent biofuel also qualify.

This is in addition to the business energy tax credit available for biofuels refineries and farm based equipment.

The Governor also declared July as "Energy Independence Month" and encouraged Oregonians to reduce their carbon footprint. Leading by example, the Governor filled his alternative fuel state vehicle with E-85 biodiesel at SeQuential Biofuels Station, a Eugene gas station that offers biofuel blends for all gasoline and diesel-powered vehicles.

The Governor also highlighted that that since taking office, the state fleet has transitioned to more than 300 hybrids (close to 10% of its sedan fleet), 577 flex fuel vehicles that can run on E-85 and 178 compressed natural gas vehicles, comprising approximately 1/3 of the state motor pool. Under the Governor's direction, the state also has committed to using a minimum 10 percent blend of biodiesel for its diesel fuel use with the Oregon Department of Transportation leading the way by using a B-20 blend in the Portland Metro area

"Today marks another step forward, but it is not the end," the Governor continued. "We must build on the momentum of this year and create a truly more energy independent and renewable energy future for Oregon – both in the public and private sectors."

A copy of the enrolled bill language can be found here:
http://landru.leg.state.or.us/07reg/measures/hb2200.dir/hb2210.en.html

Other energy and climate change bills passed this session include:

Renewable Energy Standard: A Bold, Achievable Goal of 25% by 2025. The Governor won approval of his Renewable Portfolio Standard to require 25 percent of Oregon's energy to come from renewable sources by 2025 – one of the most ambitious standards in the nation. [SB 838]

Alternative Energy Development: Investing in Oregon's Future. The Legislature approved the Governor's proposal to boost the Business Energy Tax Credit (BETC) on renewable energy systems from 35 percent to 50 percent and increase the credit cap from $10 million to $20 million. The BETC has been integral to attracting new energy projects to the state like Solarworld AG and Solaicx. The Governor also expanded the Residential Energy Tax Credit to encourage greater adoption of renewable energy technologies. [HB 2211, 2212]

Clean Diesel: Reducing Diesel Engines Pollution. The Governor's proposal to fund the upgrading of old polluting diesel school bus and truck engines became a reality. The legislation provides millions of dollars to replace old diesel engines, reducing emissions and creating cleaner air. It

also establishes a first-in-the-nation goal of reducing cancer risk from diesel emissions to less than one in a million. [HB 2172]

Climate Change: Combating Global Warming. The Governor supported and signed into law legislation that creates aggressive greenhouse gas reduction goals of 10% below 1990 levels by 2020; and 75% below 1990 levels by 2050. It also creates a Global Warming Commission and a university-level climate research center.[HB 3543]

A copy of the Governor's proclamation for Energy Independence Month can be found here: http://governor.oregon.gov/Gov/pdf/energymonth.pdf

Source: Oregon Governor

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

This Act creates the Office of Energy Independence, the position of Director of the Office of Energy Independence, the Iowa Power Fund Board, a Due Diligence Committee, and the Iowa Power Fund. Duties for the office, director, board, and committee are specified. Grants, loans, and investments and other financial incentives made from the fund are subject to approval by the board.

The director is required to develop an Iowa Energy Independence Plan, subject to approval by the board, with the assistance of the Department of Natural Resources (DNR) and in association with public and private partners selected by the director.

The Act specifies plan parameters, and provides that the options and strategies developed in the plan shall provide for achieving energy independence from foreign sources of energy, as defined in the Act, by the year 2025.

The Iowa Power Fund shall be used to further the goals of increasing the research, development, production, and use of biofuels and other sources of renewable energy, improve energy efficiency, and reduce greenhouse gas emissions, and shall encourage, support, and provide for research, development, commercialization, and the implementation of energy technologies and practices intended to reduce the state's dependence on foreign sources of energy and fossil fuels.

Moneys appropriated to the fund or otherwise deposited into the fund shall be used to provide financial assistance to entities in this state conducting business, research, or programs to accelerate research and development, knowledge transfer, technology innovation, and improve economic competitiveness, and to increase the demand for and educate the public about technologies and approaches, all in furtherance of the goals established for the fund. Eligibility criteria for grants or loans from the fund, to be established by the director, are set forth.

The director shall promote utilization across the state of the results of research, development, and commercialization activities receiving distributions from the Iowa Power Fund, and is authorized to negotiate provisions with fund applicants addressing issues relating to income generated from resulting patents, trademarks, licenses, or royalties.

The Act authorizes the Iowa Power Fund Board, with the assistance of the Office of Energy Independence and other appropriate state agencies, to provide financial incentives and adopt necessary rules for biomass, biorefinery, renewable energy, and energy efficiency projects. The incentives and rules must be primarily focused upon research, development, commercialization, and market development in connection with products from biorefineries and renewable energy products, and additionally upon implementation of technologies and practices that improve energy efficiency and public education efforts relating to energy efficiency projects. The Act authorizes the board, office, and other state agencies to cooperate with federal agencies and participate in federal biomass programs.

The Act additionally modifies provisions of state law to facilitate assistance from the DNR with the preparation of the Iowa Energy Independence Plan. Educational programs and assessments of consumers' needs for information that are conducted pursuant to energy efficiency programs offered by electric and gas public utilities pursuant to Code Section 476.6 need not be cost-effective. Energy efficiency programs offered by rate-regulated gas and electric utilities are subject to approval by the Iowa Utilities Board.

The Iowa Utilities Board is directed to establish two energy efficiency studies, one related to energy efficiency plans and programs offered by gas and electric utilities pursuant to Code

Section 476.6, and one related to consumer knowledge of energy use and energy efficiency and methods for increasing such knowledge and reducing consumer energy utilization.

Submitted as:
Iowa
HF 918 (enrolled version)
Status: Enacted into law in 2007.

Comment:

Wednesday, May 23, 2007
Governor Culver Signs Historic Power Fund Into Law
Governor signs Power Fund policy in Ames; signs Power Fund appropriations in Cedar Falls

(Des Moines) Today, Governor Chet Culver declared, "Our 21st Century Iowa Expedition starts now!" and signed the historic $100 million Iowa Power Fund into law.

The Governor signed the Power Fund Policy Bill (HF 918) in the Food Sciences Building at Iowa State University in Ames. Later this afternoon, the Governor signed the Power Fund Appropriations bill (HF 927) in the Center for Energy & Environment Education at the University of Northern Iowa in Cedar Falls.

"Today, I believe, is the time for Iowa to take the lead in the race to become the energy capital of the world," said Governor Culver. "The Power Fund is an exciting, forward-thinking plan that will coordinate our efforts as we explore our new energy frontier. By signing the Power Fund into law, we can create the jobs of the future in Iowa that will keep our kids at home where they belong. I believe the Power Fund is one of the most important pieces of legislation the Iowa legislature has passed in recent history, and I commend them for their efforts."

The goal of the Power Fund is to invest in cutting edge research and development that is required in the new energy economy. This will create the jobs of the future and work to wean ourselves off foreign oil. More specifics on the Iowa Power Fund are below:

THE IOWA POWER FUND (HF 918):

Establishes the Office of Energy Independence. The Director of the Office of Energy Independence is appointed by the Governor. This person will, among other things: 1) Coordinate administration of the Fund; 2) Coordinate existing state and Federal energy policy programs; 3) Pursue new research investment funds from public and private sources; 4) Establish renewable energy performance measures; 5) Develop an Iowa Energy Independence plan.

WHO CAN APPLY?

Anyone working to research, develop, commercialize and implement new ways to wean ourselves off foreign oil through: 1) New types of renewable energy; 2) Emerging biofuels such as cellulosic ethanol; 3) Energy efficiency.

POWER FUND DUE DILIGENCE COMMITTEE

Will consist of 7 members. These individuals will review recommendations that come before the Power Fund Board: Office of Energy Independence appointee with business expertise; Regents representative; DED representative; Iowa Energy Center representative; DED biotechnology commercialization representative; 2 members of the Power Fund Board.

POWER FUND BOARD

Will be made up of 11 members: IUB Chair or designee; DED Director or designee; DNR Director or designee; Secretary of Agriculture or designee; 7 appointees by the Governor (3-year terms; must be confirmed by Senate); In addition, there are 7 ex-officio members representing legislature, Regents, IA Association of Community College Presidents, and IA Association of Independent Colleges and Universities.

ESTABLISHES IOWA ENERGY INDEPENDENCE PLAN:

A Plan shall be developed by the Director of the Office of Energy Independence with the assistance of DNR and with public and private partners selected by the director. The plan shall provide options and strategies for reducing Iowa's consumption of energy, dependence on foreign sources of energy, use of fossil fuels, and greenhouse gas emissions. This plan shall provide for achieving independence from foreign sources by 2025. The plan shall be submitted to the Governor and General Assembly by December 14, 2007.

ESTABLISHES ENERGY EFFICIENCY STUDY:

The Iowa Utilities Board (IUB) shall conduct a study of energy efficiency plans and programs offered by all natural gas and electric utilities to determine the status and effectiveness of such programs. Results of the study should be made to the General Assembly by January 1, 2008.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-12 Wind or Solar Energy Systems Tax Credit LA

This Act provides an individual income tax credit for the installation of a wind or solar energy system which may be carried forward for 10 tax years.

Submitted as:
Louisiana
Act 371 of 2007
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-13 Nuclear Power Plants, Siting Permits, Property Tax Exemptions KS

This Act creates a property tax exemption for any new or expanded nuclear generation facility property. The property tax exemption applies from the time of purchase or commencement of construction through ten years after the completion of the new facility or expansion project. In order to qualify for the exemption, the construction must begin after December 31, 2006, and it must be within three miles of an existing nuclear reactor. For an expansion project, the capacity of the nuclear generation facility must be increased by at least 10.0 percent. This legislation removes the plant siting requirements for the construction of electric generation facilities, if the construction is within the three mile area surrounding an existing nuclear facility in the state.

The Department of Revenue indicates that the exemption in this Act would include land that may be purchased to construct a nuclear generation facility. If land that is currently on the tax rolls is purchased for the construction or expansion of a nuclear generation facility, then there would be a reduction in revenue during the exemption period for the statewide school levy and the state building levy. If no new land is purchased, then state revenues would not be affected, as the bill would exempt property that is not currently being taxed. The agency indicates that it is unable to estimate the potential fiscal effect on state revenue, because it does not know how much land would be purchased for the construction or expansion of a nuclear power generation facility.

Submitted as:
Kansas
HB 2038 (Enrolled version)
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-14 Lignite Development AR

This Act establishes a program at a university to:

- examine the feasibility of the use of lignite as a potential energy source;
- explore and utilize lignite as an energy resource including without limitation a synfuels-based research program;
- develop public and private partnerships with other entities to develop the untapped energy resource of lignite to stimulate the state's economy; and
- develop practical applications for the use of lignite resources as an alternative energy source.

Submitted as:
Arkansas
Act 641 of 2007
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-15 Sustainable Energy Utility DE

This Act creates the Delaware Sustainable Energy Utility (SEU), a competitively selected nonprofit under contract to the Delaware Energy Office, to coordinate and promote the sustainable use of energy in Delaware. The SEU will use competitive markets and leveraged private-financing to deliver cost-effective end-use energy services that allow Delawareans to save 30% of their annual energy usage. The SEU will coordinate services that target residential, commercial, industrial, and transportation energy end-users in all energy markets, including electricity, heating fuels, green buildings, clean vehicles, customer-sited renewable energy, and affordable energy. The SEU will serve as a comprehensive statewide information clearinghouse, or the "one-stop-shop" for sustainable energy services in Delaware. The SEU will use competitively selected Implementation Contractors to deliver services.

This Act creates a Fiscal Agent to serve, under contract to the Energy Office, as the SEU's "treasury." The Act also creates an Oversight Board to ensure that the SEU meets responsibilities and performance targets enumerated in its contract with the Energy Office.

This Act creates initial performance targets for the SEU as well as evaluation and monitoring mechanisms to ensure that SEU energy savings are verifiable. The SEU may receive performance incentives such that if it exceeds program targets by 120% it will receive a bonus, and if it achieves less than 80% of program targets it will be penalized.

This Act gives the Delaware Energy Office, on behalf of the SEU, the authority to raise a series of special purpose tax-exempt bonds with a total value capped of $30 million between 2007 and 2015. Any such bonds may only be used to fund SEU contractors and programs. The State of Delaware will not be liable for repayment of any such bonds.

Submitted as:
Delaware
SB 18
Status:
Jun 21, 2007 - SS 1 for SB 18 - Passed by House of Representatives.
May 10, 2007 - SS 1 for SB 18 - Passed by Senate.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ES-16 Renewable Diesel Standards CA

This bill would require at least 2% of all diesel fuel sold or offered for sale in the state for use in internal combustion engines to contain renewable diesel fuel, as defined, no later than one year after a specified determination is made by the state board, and, no later than 2 years after the implementation of the 2% standard, would require at least 5% of all diesel fuel sold or offered for sale in the state for use in internal combustion engines to contain renewable diesel fuel. The bill would require the state board to, if necessary, adopt regulations to meet these standards. The bill would also permit the State Energy Resources Conservation and Development Commission to temporarily suspend those standards if fuel supplies are shown to be inadequate, as provided.

Sumbitted as:
California
SB 140
Status:
TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 07/16/2007
LAST HIST. ACTION : From committee: Do pass, but first be re-referred to Com. on APPR. (Ayes 6. Noes 3.) Re-referred to Com. on APPR. Received July 13 pursuant to Joint Rule 61(a)(10).

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action
Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

This Act creates the Illinois Power Agency with the following goals::

(A) Develop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability, for electric utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois. The procurement plan shall be updated on an annual basis and shall include renewable energy resources sufficient to achieve the standards specified in this Act.

(B) Conduct competitive procurement processes to procure the supply resources identified in the procurement plan.

C) Develop electric generation and co-generation facilities that use indigenous coal or renewable resources, or both, financed with bonds issued by the Illinois Finance Authority.

D) Supply electricity from the Agency's facilities at cost to one or more of the following: municipal electric systems, governmental aggregators, or rural electric cooperatives in Illinois.

The Act provides discounts, refunds, and other relief totaling $1 billion for residential, nonprofit and small business consumers electricity rates.

The Act replaces the state's reverse auction process concerning power. It encourages using new clean-coal technology that captures carbon, building renewable energy facilities, and building plants that use Illinois coal to produce electricity. The Act also encourages aggregated purchasing by municipalities on behalf of residents.

This Act prohibits power shut-offs for all-electric customers through Sept. 2007 and no shut-offs for all-electric customers in any year between Dec. 1 – March 31. It establishes certain Energy Efficiency Standards for utilities and financial penalties for failure to meet targets under the standards.

The Act directs that it is the policy of the state that electric utilities are required to use cost-effective energy efficiency and demand-response measures to reduce delivery load. It directs electric utilities to implement cost-effective energy efficiency measures to meet the following incremental annual energy savings goals:

(1) 0.2% of energy delivered in the year commencing June 1, 2008;
(2) 0.4% of energy delivered in the year commencing June 1, 2009;
(3) 0.6% of energy delivered in the year commencing June 1, 2010;
(4) 0.8% of energy delivered in the year commencing June 1, 2011;
(5) 1% of energy delivered in the year commencing June 1, 2012;
(6) 1.4% of energy delivered in the year commencing June 1, 2013;
(7) 1.8% of energy delivered in the year commencing June 1, 2014; and
(8) 2% of energy delivered in the year commencing June 1, 2015 and each year thereafter.

The Act permits utilities providing approved energy efficiency and demand-response measures in the state to recover costs of those measures through an automatic adjustment clause tariff filed with and approved by the state public service commission. The tariff shall be established outside the context of a general rate case.

Submitted as
Illinois
SB 1592
Status: Enacted into law as Public Act 095-0481 in 2007.

Comment: This bill is not in the bill packet because it is 210 pages.

NEWS ... from the Senate President, House Speaker & Attorney General
FOR IMMEDIATE RELEASE
July 23, 2007
President Jones, Speaker Madigan and Attorney General Madigan Discuss New Electric Rate Relief Package

PEORIA, IL --- Illinois officials Monday formally announced the details of an electric rate relief and reform package that will provide refunds and credits totaling $1 billion to consumers who were hard hit by increases after 10 years of frozen rates. In addition, a new agency will develop procurement plans and purchase electricity for utilities to ensure adequate, affordable, efficient and environmentally sustainable electric service for Illinois consumers.

The results of the negotiated settlement were presented in a series of news conferences throughout downstate Illinois led by Senate President Emil Jones, Jr., House Speaker Michael J. Madigan and Attorney General Lisa Madigan.

"After months of intense and often heated discussions with utility companies, generators, legislators, and the Attorney General's office, we can declare a victory for consumers," Senate President Emil Jones said. "That victory includes the continuation of reliable service in homes and businesses throughout Illinois and true rate relief."

"The compromise represents the end of a long debate and implements a series of reforms that should benefit consumers in every region of the state," Speaker Madigan said.

"This settlement includes significant rate relief for hard hit consumers, as well as long-term reforms that should help us protect Illinois consumers from future electric rate shocks," Attorney General Madigan said.

The agreement will lead to legislation that includes:

- refunds and other relief totaling $1 billion for consumers
- formation of the Illinois Power Agency to purchase electricity on behalf of utility customers and to create a public power system that sells electricity at cost to municipalities and rural electric coops
- incentives to produce electricity from renewable resources and Illinois coal at new, environmentally-friendly plants

For additional details, please see the attached one-page fact sheet.

For more information, please contact: Cindy Davidsmeyer at (217) 491-2023 for President Jones; Steve Brown at (847) 922-5361 for Speaker Madigan; and Robyn Ziegler at (312) 814-3118 for Attorney General Madigan. General inquiries can be directed to Michael Weir in Springfield throughout the day at (217) 782-4040.

RATE RELIEF & REFORM PACKAGE
Fact Sheet

► Customer Rate Relief—residential, nonprofit and small business customers
· $1 billion goes to rate relief for Illinois customers—½ in ComEd, ½ in Ameren service territories
Ameren: discounts on 2007 bills ranging from 40 – 70% off the increase from 2006 rates
· additional credits for "all-electric" (electric space heating) customers
· customers receive a lump-sum amount to reflect discounts going back to January 2007 and credits going forward until 2010, to phase in market rates
· based on usage—the more electricity you use, the more you paid, the greater your rebate going backward and your credit going forward
· most customers will receive rebate checks, those more than 60 days in arrears will have their rebates credited to their accounts
· Ameren will waive all late charges for customers from January to September 2007
· targeted programs for seniors, LIHEAP, small businesses
ComEd: discounts on 2007 bills approximately 45% off the increase from 2006
· customers will receive a lump-sum amount, credited on their bills, to reflect discounts going back to January 2007 and credits going forward until 2010, to phase in market rates
· discounts are based on usage so they are proportional
· targeted programs for summer cooling assistance, seniors, LIHEAP, small business
► Illinois Power Agency (IPA)
· replaces reverse auction
· independent agency, not utilities, control purchase of electricity
· IPA can build plants, or enter into agreements with private or governmental entities, to build plants and sell electricity at cost to governmental aggregators, municipalities, co-ops
· preference for (1) new clean-coal technology that captures carbon; (2) renewable energy facilities; and (3) plants that use Illinois coal
· construction of Illinois plants, using Illinois coal and indigenous renewable resources, means jobs
· encourages aggregated purchasing by municipalities on behalf of residents
► Shut-offs: no shut-offs for all-electric customers through Sept. 2007; no shut-offs for all-electric customers in any year between Dec. 1 – March 31
► Condo Rate Relief: Condo "common areas" will be charged at no higher than residential rate
► Renewable Portfolio Standard: IPA runs—mandated targets—cap on rate increase over previous year of 0.5%
► Energy Efficiency Standards: run by utilities and DCEO—financial penalties for failure to meet targets
► Utilities may build generation: (step toward re-integration) and sell into procurement process if least-cost alternative
► Declaration of Competitiveness: increases standard (33% of customers served by 3 or more ARES's)
· larger business customers (usage > 400 kw) automatically declared competitive (majority have already left & would be declared competitive by ICC, anyway); utilities may seek to have customers with usage over 100 kw and under 400 kw declared competitive through expedited ICC process
· ComEd customers over 100 kw but less than 400 kw and Ameren customers over 400 kw but less than 1 MW may continue to take service from utility through May 2010; ComEd customers over 400 kw and Ameren customers over 1 MW may continue to take service from utility through May 2008
· no residential, nonprofit or small business customer with demand < 100 kw may be declared competitive before 2012
► Ameren and ComEd may seek expedited ICC approval (continues process put in place in 1997) to merge, reorganize, or transfer assets
· terms and conditions of employment and, collective bargaining rights of employees are protected
· cannot affect safety, reliability of service, or increase rates

Disposition: 03-28ES-17

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action
Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

This Act:

- provides a sales tax credit for energy-efficiency projects;
- expands a coal tax credit to alternative fuel facilities and gasification facilities;
- increases a cap for a biodiesel credit,
- establishes tax credits for ethanol and cellulosic ethanol;
- provides administrative direction for the ethanol credits;
- provides for a transfer of cap among the ethanol credits;
- encourages the state Finance and Administration Cabinet to use the LEED or Green Globe rating systems and to incorporate ENERGY STAR products into state procurements;
- encourages a review of utility usage in state-owned property;
- requires a strategy for a cleaner state vehicle fleet;
- establishes a Governor's Office of Energy Policy;
- allow the Governor's Office of Energy Policy to expend state funds for preliminary work on sites;
- establishes the Kentucky Alternative Fuel and Renewable Energy Program and fund;
- directs the Kentucky Legislative Research Commission staff to conduct a study on energy-efficient building and design practices and a study on carbon dioxide management;
- establishes an energy technology career track program in schools;
- makes recommendations about creating a center for renewable energy research and environmental stewardship;
- appropriates money to the Kentucky Geological Survey for carbon sequestration and enhanced oil recovery research;
- appropriates money to a state Center for Applied Energy Research for alternative fuel production technology research;
- appropriate money to the Kentucky Department of Education for an energy technology career track program; and
- appropriates money to establish an energy projects economic development bond pool.

Submitted as:
Kentucky
HB 1
Status: Enacted into law in 2007.

Comment: This bill is not in the bill packet because it is 105 pages.

KENTUCKY VOICES
Energy legislation good for state's future
By Jody Richards

Last month, the future of Kentucky's energy policy was unclear. Gov. Ernie Fletcher had convened the General Assembly to pass a laundry list of items that were inappropriate for consideration in an extraordinary session. The House adjourned, insisting the session be limited to truly urgent matters that could not wait until January.

The House led the way to an agreement with Fletcher and the Senate to focus the session on one critical issue: energy independence. According to a recent poll commissioned by the Lane Report, most Kentuckians who expressed an opinion on the matter were pleased the House adjourned the scattershot session so the legislature could focus on the challenges of energy policy.

The result of these focused efforts was a one-week session during which the legislature passed House Bill 1, a visionary framework for energy policy in Kentucky. The bill, which overwhelmingly passed both chambers, will pioneer new frontiers in jobs and technology for Kentucky, while creating opportunities for private companies and state government to be more energy efficient.

Kentucky's bold new energy strategy is not unlike other landmark initiatives, such as education reform. It will move our state forward in countless innovative ways. Such significant legislation will always attract critics, but just as energy is an evolving industry, HB 1 is an evolving policy and will assuredly be updated and refined as warranted.

To understand the importance of this move, one has to look at the issue with a statewide historical perspective. For decades, traditional economic development incentives have attracted manufacturing jobs to Kentucky. Those incentives have been successful and will remain in place.

But luring a new type of industry, one that thrives in coal-dependent regions, requires a new, multi-faceted approach.

That's why the bill offers incentives for everything from coal gasification, ethanol and biofuels production to wind, solar and hydropower. Anticipating strict federal carbon dioxide mandates, the bill requires facilities to make plans to manage the carbon that will be released by their operation.

Our energy policy also encourages the hiring of Kentucky residents; forgives student loans of young people who obtain science and engineering degrees necessary to fill the jobs; advances research and development at our universities; and promotes the protection of our environment in the process.

And it does so in a manner that protects Kentucky's investment. HB 1 looks to the future of the energy industry by enabling cutting-edge research. It sets aside $7 million for the Kentucky Geological Survey and the Center for Applied Energy Research to perfect carbon dioxide capture management.

Contrary to some news reports, this bill is not about attracting one project or one company. It's about attracting a new industry to Kentucky by providing a framework that can be tailored to different types of investments.

Tax incentives must be approved by the Economic Development Cabinet and the Kentucky Economic Development Finance Authority. Any incentives received up front will be tied to hiring Kentucky workers, and funds will be recouped once the plant is operating.

Recognizing that government should lead by example, the bill contains provisions to begin replacing the state auto fleet with hybrids and other alternative-fuel-powered vehicles. The legislation also begins incorporating energy efficient design standards in state buildings and inclusion of more "green" products in state office procurements.

Manufacturers are also eligible for tax rebates if they reduce energy consumption by 15 percent after the replacement of machinery.

It is imperative that the United States begin ending its reliance on foreign oil. Political instability in oil-producing nations and its potential for funding terrorism play into the uncertainties of staying the course on oil consumption.

This legislation allows Kentucky to be at the forefront of promoting energy independence, but to do so without protecting our environment would be at our own peril.

In addition to providing $5 million for research and requiring carbon-capture readiness of any new alternative-fuel facility seeking incentives, the legislation creates the Center for Renewable Energy Research and Environmental Stewardship. This collaborative effort will bring together various public and private interests to promote energy efficiency and protection of our most hallowed resource: our planet.

Source: Lexington Herald Leader, August 29, 2007.

This is merely a starting point. Future legislative sessions will continue improving on and expanding our policy as Kentucky leads the nation in the inevitable shift toward alternative and renewable fuels.

State Rep. Jody Richards is speaker of the House. This commentary was also signed by four other Democratic House leaders: Speaker Pro Tem Larry Clark, Majority Floor Leader Rocky Adkins, Majority Caucus Chairman Charlie Hoffman and Majority Whip Rob Wilke

ENERGY CONSERVATION
New Suggested State Legislation Docket Items

03-28ESC-01 Promote Municipal Energy Conservation ME

This Act establishes funding to provide grants to municipalities to identify cost-effective energy conservation measures and improvements to municipal buildings and municipal vehicle fleets to achieve energy savings. The bill provides for grants of up to $40,000 for 5 to 10 municipalities annually. The bill directs the state Municipal Bond Bank to administer the grants and directs the bank to develop criteria for the grants in consultation with the Public Utilities Commission and the Executive Department, State Planning Office. The bill requires that conservation measures and improvements in municipal buildings identified with grant funds be identified through a comprehensive energy audit performed by a licensed professional engineer. The bill requires the bank to report on the program every 2 years to the joint standing committee of the Legislature having jurisdiction over utilities and energy matters.

Submitted as:
Maine
LD 645
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-02 Energy Cities IA

According to the Sierra Club, this Act "Provides for the establishment by the department of natural resources of an energy city designation. The objective of the designation shall be to encourage cities to develop and implement innovative energy efficiency programs. To qualify for designation as an energy city, the bill provides that a city shall submit an application including the submission of community-based plans for energy reduction projects, energy-efficient building construction and rehabilitation, and alternative or renewable energy production; efforts to secure local funding for those plans; involvement of local schools and community organizations; any existing or proposed ordinances encouraging energy efficiency and conservation, recycling efforts, and energy-efficient building code provisions and enforcement; and the organization of an energy day observance and proclamation with a commemorating event and awards ceremony for leading energy-efficient community businesses, groups, schools, or individuals. The bill provides that the department shall establish designation criteria by rule, and shall identify and publicize state grant and loan programs relating to energy efficiency. Additionally, the department is directed to develop a procedure for coordinating with other state agencies preferences given in the awarding of grants or making of loans to energy city designated applicants."

Submitted as:
Iowa
HF 773
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-03A Appliance and Equipment Energy Efficiency Standards NY

New York Article 16, Sections 102 through 16-108 was established by Appliance and Equipment Energy Efficiency Standards Act of 2005. This Article sets energy efficiency standards for items such as ceiling fans and ceiling light kits; furnace air handlers; commercial washing machines; commercial refrigerators, freezers and icemakers; torchiere lighting fixtures; unit heaters; reflector lamps; large packaged air-conditioning equipment, and other commercial and household items.

This law directs that no person shall sell, offer for sale, or install in the state any new product of the types enumerated in the Article (a) the product meets minimum energy performance standards adopted pursuant to this Article upon the effective date of such standards; and, if required by regulations promulgated pursuant to this Article (b) the manufacturer of such product certifies that the product meets said minimum energy performance standards.

Submitted as:
New York
Article 16, Sections 102 through 108
Status: Established by legislation in 2005.

03-28ESC-03B Appliance and Equipment Energy Efficiency Standards AZ

The office of Energy Efficiency and Renewable Energy at the U.S. Department of Energy (DOE) sets energy efficiency standards for appliances including, clothes washers, clothes dryers, furnaces, pool heaters, water heaters, and refrigerators. Currently the DOE does not outline standards for the 15 appliances and related equipment specified in HB 2390 and, therefore, individual States can set energy efficiency standards. California, Connecticut, and Maryland have adopted minimum energy efficiency standards.

This Act establishes the minimum energy efficiency requirements for 12 specific appliances and supplies, including four that must meet the California minimum requirements. Specifically, this Act:

- provides pertinent definitions for specific appliances and related equipment;
- specifies that the provisions apply to the products sold, offered for sale or installed in this state;
- states that the provisions do not apply to products that are:
    1. manufactured in this state but sold outside the state;
    2. manufactured out-of-state and sold at wholesale in-state, for final sale and installation outside the state;
    3. installed in mobile homes at the time of construction;. and
    4. designed for installation and use in recreational vehicles.
    5. located in a laundry facility that is a part of an apartment complex or mobile home park;

- mandates that the following products' standards meet the energy efficiency requirements as adopted by the California Legislature;
    1. automatic commercial icemakers;
    2. commercial clothes washers;
    3. commercial refrigerators, freezers and refrigerator freezers, except pulldown refrigerators with transparent doors may meet a requirement five percent lower than California regulations; and
    4. single voltage external AC to DC power supplies;
- specifies that the energy efficient standards for the outlined products go into effect January 1, 2008 unless the product is a commercial refrigerator, freezer, or refrigerator freezer or large packaged air conditioning equipment. For these products the date is January 1, 2010;
- states that a person is guilty of deceptive trade practice if the person knowingly sells or installs an appliance that does not meet the applicable energy efficiency standards outlined in this bill;
- allows the Attorney General to enforce the provisions of this bill and assess a civil penalty of not more than $500 per violation;
- stipulates that the monies collected as civil penalties be deposited into the General Fund;
- requires the Department of Commerce Energy Office to conduct a comparative review of the standards outlined in the bill and those of other states. The findings and recommendations shall be reported to the Speaker of the House, President of the Senate, and the Director of the Arizona State Library, Archives and Public Records; and
- stipulates that manufacturers must provide written certification to the Department of Commerce stating that products sold meet efficiency standards outlined in this bill except for products already registered and published on a database in a state with like standards.

Submitted as:
Arizona
Chapter 226 of 2005
Status: Enacted into law in 2005.

Comment:

ALLIANCE TO SAVE ENERGY
State Energy Efficiency Index

Arizona - Arizona passed energy efficiency standards for twelve appliances and supplies, including four that must meet the California standards, on April 25, 2005. The standards take effect January 1, 2008.
Click here for more information.
http://www.azleg.state.az.us/DocumentsForBill.asp?Bill_Number=2390

California - California passed legislation in 2002 creating energy efficiency standards for 11 different products. The California Energy Commission established energy efficiency standards for 19 other products on December 15, 2004. The new standards will take effect in January, 2006 and

will apply to a wide range of appliances including hot tubs, external power supplies, swimming pool pumps, and general service incandescent light bulbs.
Click here for more information.
http://www.energy.ca.gov/appliances/index.html

Connecticut - In May 2004, Connecticut passed legislation establishing minimum energy efficiency standards for eight products.

Hawaii - Although there are currently no state energy-efficiency appliance standards in Hawaii, the state government does require the use of energy-efficient appliances and equipment in state facilities.
Click here for more information.
http://www.capitol.hawaii.gov/hrscurrent/Vol03_Ch0121-0200D/HRS0196/HRS_0196-0011.htm

Maryland - In January 2004, a bill regulating energy efficiency standards for appliances was enacted. Both the Maryland Senate and the House of Delegates voted to override Governor Ehrlich's (R) veto of the bill. The law establishes minimum energy efficiency standards for nine types of appliances, including ceiling fans and commercial clothes washers.
Click here for more information.
http://mlis.state.md.us/2003rs/billfile/hb0747.htm

Massachusetts - Massachusetts has established minimum energy-efficiency appliance standards for five appliances.
Click here for more information.
http://www.mass.gov/legis/laws/mgl/25b-1.htm

Minnesota - Minnesota has established minimum energy-efficiency standards for commercial heating, air conditioning, and ventilating equipment, motors, and fluorescent lamp ballasts.
Click here for more information.
http://www.revisor.leg.state.mn.us/arule/7676/

New Jersey - New Jersey passed legislation in March 2005 which sets energy efficiency standards on eight appliances.
Click here for more information.
http://www.njleg.state.nj.us/2004/Bills/PL05/42_.HTM

New York - A bill passed in July of 2005 sets minimum energy-efficiency standards for thirteen appliances.

Oregon - A law passed in July, 2005 establishing energy efficiency standards for eleven products, starting January, 2006.
Click here for more information.
http://www.leg.state.or.us/05reg/measures/hb3300.dir/hb3363.en.html

Rhode Island - A law passed in June, 2005 establishing minimum energy efficiency standards for thirteen appliances.

Click here for more information.
http://www.rilin.state.ri.us/Billtext/BillText05/HouseText05/H5307B.pdf

Washington - In May, 2005 Washington passed legislation creating state energy efficiency standards for twelve appliances, including commercial clothes washers and commercial refrigerators and freezers.
Click here for more information.
http://www.leg.wa.gov/wsladm/billinfo1/dspBillSummary.cfm?billnumber=1062
Analysis of the financial, energy and water benefits of these standards in Washington is provided in Section II of the following report:
http://www.cted.wa.gov/_cted/documents/ID_1872_Publications.pdf.
Legislation passed in April 2006 set minimum efficiency standards for eight additional types of commercial appliances, heating/cooling and lighting equipment sold within the state.
Click here for more information.
http://apps.leg.wa.gov/billinfo/summary.aspx?bill=6840&year=2006

Disposition: 03-28ESC-03A

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

Disposition: 03-28ESC-03B

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-04 Luminaires at State Agencies CT

This Act directs that no state funds shall be used to install or replace a permanent outdoor luminaire for lighting on the grounds of any state building or facility unless:

- the luminaire is designed to maximize energy conservation and to minimize light pollution, glare and light trespass,
- the luminaire's illuminance is equal to the minimum illuminance adequate for the intended purpose of the lighting, and
- for a luminaire with a rated output of more than one thousand eight hundred lumens, such luminaire is a restricted uplight luminaire.

The Act exempts state prisons.

Submitted as:
Connecticut
Public Act No. 06-86
Status: Enacted into law in 2006.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-05 Incentives for Installation of Renewable Energy Fixtures CO

The bill allows a county, city and county, or municipality to offer either a property tax or sales tax credit or rebate to residential or commercial property owners who install a renewable energy fixture on their property. It defines a renewable energy fixture as any fixture, product, system, device, or group of devices that produce electricity from renewable energy sources, including photovoltaic, solar thermal, small wind, biomass, and geothermal systems.

Submitted as:
Colorado
Chapter 130 of 2007
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-06 Energy Efficiency and Renewable Energy Bonding NM

This Act establishes up to $20 million in bonds to finance energy efficiency and renewable energy improvements in state government and school district buildings. The bonds are exempt from taxation by the state. Any type of renewable energy system and most energy efficiency measures, including energy recovery and combined heat and power systems, are eligible for funding.

Projects financed with the bonds will be paid back to the bonding authority using the savings on energy bills. A state energy efficiency plan will be developed by FY 2010 to identify the maximum on-site renewable energy generation possible (in combination with energy efficiency measures) to achieve a revenue-neutral plan.

Submitted as:
New Mexico
HB 32 (enrolled version)
Status: Enacted into law in 2006.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-07 Replacing Incandescent Bulbs in State Buildings NJ

This bill requires the Director of the Division of Purchase and Property in the Department of the Treasury, the Director of the Division of Property Management and Construction in the Department of the Treasury, and any State agency having authority to contract for the purchase of goods or services, within three years after the date of enactment of this bill into law, to replace all incandescent light bulbs used in State-owned buildings with compact fluorescent light bulbs whenever possible. Commencing three years after the date of enactment of this bill into law, the bill requires the purchase of compact fluorescent light bulbs for use in State-owned buildings to the maximum extent practicable.

This bill requires the Board of Public Utilities, within 30 days after the date of enactment of this bill into law, to undertake a public education and awareness campaign to inform businesses and homeowners of the benefits of compact fluorescent light bulbs.

Submitted as:
New Jersey
Assembly No. 3983 (enrolled version)
Status:
3/15/2007 Passed by the Assembly (78-1-0)
6/21/2007 Passed Senate (Passed Both Houses) (37-0)

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-08 Tax Credits for Installing Alternative Energy Devices OR

This Act:

- expands and establishes new income tax credits;
- changes the corporate apportionment formula and exempts certain property from taxation;
- expands the residential energy tax credit to taxpayers who purchase large solar electric systems;
- increases the limit on the residential energy tax credit per solar electric system to $3 per watt of installed output, up to 2,000 watts ($6,000);
- limits the total amount of the tax credit for the electric solar systems to not exceed 50% of the installed cost of the solar electric system;
- retains the current law annual limit on the residential energy tax credit of $1,500;
- applies to tax credits beginning tax year 2006;
- places a 10 year sunset on the tax credits;
- provides a corporate sales throwback exemption for sales that are shipped from a public warehouse;
- narrows the scope of the sales throwback exemption to certain taxpayers with sole activity in the state being storage of goods in a public warehouse or storing goods in a public warehouse and the presence of employees within this state solely for purposes of soliciting sales;
- allows the Department of Revenue the ability to determine if a warehouse meets the definition of 'public warehouse' and is not used for tax avoidance purposes;
- applies to tax years beginning after January 1, 2006;
- increases the maximum amount of the research and development tax credit to $2 million beginning January 1, 2006;
- makes the state earned income tax credit refundable beginning January 1, 2006;
- increases the percentage of the federal earned income tax credit to 6% beginning January 1, 2008. places a 5 year sunset, January 1, 2011, on the refundability of the state's earned income tax credit;
- establishes a new personal income tax credit for volunteer emergency medical technicians (EMT) who have at least 20% of their total emergency medical technician services as a volunteer in rural areas service rural areas in the state;
- provides a new definition of rural (areas that are at least 25 miles from any city with a population of 30,000 or more) for the new EMT personal income tax credit. Restricts the EMT tax credit to $250;
- applies to tax credit certifications made by the Office of Rural Health beginning on or after January 1, 2006;
- requires the Office of Rural Health to provide a report, no later than October 1, 2006, to the House and Senate Interim Committees on Revenue. Place a 5 year sunset on the new income tax credit;
- changes the date reference for statute pertaining to the definitions of S corporations;
- adds a section on who can represent taxpayers in a conference with respect to taxes;

- specifies that the Department of Revenue's rules describing these individuals be consistent with federal law in effect on December 31, 2004;
- changes the definition of "Internal Revenue Code (IRC)" as the federal IRC as amended and in effect on December 31, 2004;
- re-establishes the state's automatic connection to the federal definition of taxable income beginning on or after January 1, 2005;
- connects the state definition for qualifying child to the federal definition for purposes of the working family child care and the personal exemption tax credit for a disabled child;
- requires personal income taxpayers who claim sales taxes in lieu of income taxes as a deduction on their federal income taxes to add back the sales tax deduction in computing state income taxes;
- requires the state to conform to federal law which does not allow a dividend deduction for certain dividends received;
- conforms the state's tax treatment of dividends received from foreign controlled corporations with federal law under the 2004 American Jobs Creation Act as well as in the future;
- disconnects Oregon tax law from a provision contained in the 2004 American Jobs Creation Act, the qualified production activities subtraction;
- disconnects Oregon tax law from the income exclusion of the federal subsidies for prescription drug plans contained in the 2003 Medicare Prescription Drug Act beginning January 1, 2008;
- cancels interest or penalties for taxpayers with tax deficiencies that are attributable to the federal law connection changes in this Act;
- specifies that if a refund is due, it will not be paid with interest;
- allows amended returns for changes in Oregon's law due to federal tax law changes for tax years before January 1, 2005; and
- takes effect 90 days after the end of the legislative session.

Submitted as:
Oregon
SB 31
Status: Enacted into law in 2005.

Comment:

According to the Database of State Incentives for Renewables & Efficiency, this Act:

"Enables homeowners and renters who pay Oregon income taxes are eligible for the Residential Energy Tax Credit if they purchase premium-efficiency appliances, heating and cooling systems, duct systems, closed-loop geothermal space or water heating systems, solar water and space heating systems, photovoltaics, wind, fuel cells, and alternative fuel vehicles and charging or fueling systems.

Renewable Energy Incentives

Photovoltaic (PV) systems are eligible for $3 per peak watt with a maximum limit of $6,000, up to 50% of the installed cost. (The maximum credit was increased from $1,500 as a result of SB 31, enacted in September 2005.) However, the amount claimed in any one tax year may not exceed $1,500 or the taxpayer's tax liability, whichever is less. Unused credits may be carried forward for five years.

Solar space and water heating systems, wind systems, and fuel cells are eligible for a credit of 60 cents per kWh saved during the first year, up to $1,500.

Spa and pool heating systems are eligible for a tax credit of 15 cents per kWh saved, up to 50 percent of the cost, with a maximum tax credit of $1,500.

Closed-loop geothermal systems for space or water heating are eligible for $300 to $900.

Energy Efficiency Incentives

Only appliances recognized as premium efficiency by the Oregon Department of Energy are eligible for the tax credit. The Oregon Department of Energy keeps a list of qualifying appliances. The tax credit is the lesser of: (1) the amount listed for qualifying models, or (2) 25% of the net cost of the appliance.

Performance-tested duct systems qualify for a tax credit of 25% of the cost of the work, not to exceed $250. The testing must be performed by a contractor certified by the Oregon Department of Energy.

Qualifying air-source heat pump systems are eligible for a tax credit of $300 to $500 when installed by a contractor from the list of certified contractors available from the Oregon Department of Energy.

Qualifying condensing furnaces and boilers are eligible for tax credits of $350 and $225. If the heat pumps and furnaces are connected to a performance-tested duct system, they are eligible for an additional $150 tax credit.

Alternative Fuel Vehicles Incentive

Vehicles that run on alternative type of fuels qualify for a tax credit. Examples are electricity, natural gas, methanol, propane and hydrogen. Vehicles must be registered in the state of Oregon to operate on public roadways. An additional tax credit is available for installing a home charging or fueling system. The tax credit is 25 percent of the cost of the vehicle or device, not to exceed $750. The tax credit may be claimed for a vehicle and a charging or fueling system, for a total of $1,500.

This tax credit sunsets on December 31, 2015."

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

The purposes of this Act are to bolster investments in renewable power, increase energy conservation and decrease the state's contribution to global warming. In addition, the law establishes two overall energy goals for the state: to reduce per capita use of fossil fuels by 15 percent by 2015, and to derive 25 percent of the total energy used in the state from renewable power sources by 2025.

Global warming mitigation

Effective Aug. 1, 2007, the law calls for cutting the state's greenhouse gas emissions to 15 percent below 2005 base levels by 2015, 30 percent by 2025 and 80 percent by 2050. The law requires several state agencies and a wide array of stakeholders to work together to come up with a "climate change action plan" that will identify and evaluate a broad range of greenhouse gas reduction strategies, assess the potential costs and benefits of the various options, including the potential cost to consumers, and recommend a course of action to the Legislature by Feb. 1, 2008.

The plan must also make recommendations on a proposed cap-and-trade system, whereby a cap would be placed on overall greenhouse gas emissions and power companies assigned "allowances" of emissions that they could trade with one another.

In addition, the law prohibits the construction of any power plants that would produce a net increase in carbon emissions after Aug. 1, 2009. The law states that unless "a comprehensive state law or rule … that directly limits and substantially reduces greenhouse gas emissions" is enacted and is in effect by that date:

- no large fossil fuel-fired powerplant can be built in Minnesota;
- no utility can import electricity from a large fossil fuel-fired powerplant built in another state that was not operating on Jan. 1, 2007; and
- no Minnesota utility can purchase electricity from an outstate utility under a contract that exceeds 50 megawatts for a term of five years.

Energy conservation

The conservation portion of the law, which takes effect July 1, 2007, aims to save Minnesotans money while reducing the environmental impacts of energy consumption. The law contains a five-part conservation and efficiency strategy:

- establishing a statewide energy conservation goal of 1.5 percent of annual retail electric and gas sales;
- expanding and improving the state's conservation improvement program;
- providing research and development and technical assistance to utility companies through the Department of Commerce;
- increasing energy efficiency in state buildings; and
- removing financial disincentives for utility companies to promote energy conservation by "decoupling" a utility's revenue from its changes in energy sales.

Community-based energy development

The law also overhauls the state's Community-Based Energy Development (C-BED) statutes by making a number of changes, including:

- expanding the types of projects that qualify for the program from wind only to include all renewable energy technologies, effective July 1, 2007;
- increasing the financial benefits for communities that invest in renewable power by stipulating that at least 51 percent of the gross revenues from any power purchase agreement flow to owners and qualifying local entities;
- encouraging utilities to make use of C-BED projects in meeting the state's renewable energy standard; and
- removing a 2.7 cents per kilowatt hour cap on the price utilities pay for energy from C-BED projects.

Other changes made include a statewide study of dispersed generation potential, a study of wind development property agreements and the establishment of a C-BED Advisory Task Force to be appointed by the Legislative Electric Energy Task Force.

Effective July 1, 2007, landlords are required to make sure residential for-rent properties are fitted with weather stripping, caulking, storm windows, and storm doors when any such measure "will result in energy procurement cost savings … that will exceed the cost of implementing that measure."

Also included in the law is a study to be conducted by the Legislative Electric Energy Task Force on the potential economic and environmental costs of constructing a new nuclear power plant in the state. The study must compare those costs with the costs of constructing a coal power plant fitted with state-of-the-art carbon capture and sequestration technology. A report is due to the Legislature by March 1, 2008. This provision of the law is effective July 1, 2007.

Submitted as:
Minnesota
Chapter 136 of 2007
Status: Enacted into law in 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-10 Solar Energy Technologies in Public Buildings OR

This Act requires that public construction and reconstruction projects dedicate at least 1.5 percent of the total contract price for the use of solar energy technology. This applies to projects that exceed 50 percent of the value of the public building and only on projects where state funds are used either directly or indirectly. The measure directs contracting agencies, prior to entering into a public improvement contract, to prepare a written determination of whether the inclusion of solar energy technology on the project is appropriate. If the contracting agency determines that it is inappropriate, then the amount otherwise used for solar technology would be dedicated to a future public building project in addition to the 1.5 percent required by this measure.

Submitted as:
Oregon
HB 2620 (Enrolled version)
Status: Enacted into law as Chapter 310 of 2007.

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-11 Energy Conservation in State Buildings NC

This Act requires new State, university, and community college buildings and major renovations of these buildings to use energy and water efficient construction standards. The bill prohibits the state from acquiring by purchase buildings that did not meet applicable energy efficiency standards at the time of construction or renovation.

The Act Authorizes the Department of Administration to administer a program retrofitting existing state and university buildings with energy conservation measures that have a high return in energy savings and that require no significant expenditure of funds. It requires the Department to conduct energy audits every five years for State, and university buildings and require annual updates of state and university plans to manage utility use.

The bill requires life-cycle cost analysis to be commenced and certified at the schematic design phase of construction or renovation projects and be updated, amended and recertified as needed at later phases.

Submitted as:
North Carolina
SB 668
Status: 08/02/2007 [S] Pres. To Gov. 8/3/2007

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

03-28ESC-12A Limiting Restrictions on the Installation or Use of Solar Collectors NM

This Act prohibits a county or municipality from restricting the installation of a solar collector except that placement of solar collectors in historic districts may be regulated or restricted by a county or municipality.

The Act directs that a covenant, restriction or condition contained in a deed, contract, security agreement or other instrument, effective after July 1, 1978, affecting the transfer, sale or use of, or an interest in, real property that effectively prohibits the installation or use of a solar collector is void and unenforceable."

Submitted as:
New Mexico
SB 1031
Status: Enacted into law in 2007.

03-28ESC-12B Limiting Restrictions on the Installation or Use of Solar Collectors NC

This Act provides that city ordinances, county ordinances, and deed restrictions, covenants, and other similar agreements cannot prohibit or have the effect of prohibiting the installation of solar collectors not facing public access or common areas on detached single-family residences.

Submitted as:
North Carolina
Session Law 2007-279
Status: Enacted into law in 2007.

Disposition: 03-28ESC-12A

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

Disposition: 03-28ESC-12B

CSG policy task force recommendations to The Committee on Suggested State Legislation:
2008 Energy Supplement

( ) Include in Volume
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting:
2008 Energy Supplement

( ) Include in Volume
( ) Reject

Comments/Note to staff:

II. SUGGESTED STATE LEGISLATION DOCKET 29A

ITEM NO.	TITLE	SOURCE RECOMMEND
(01) CONSERVATION AND THE ENVIRONMENT		
01-29A-01A	Global Warming	MA
01-29A-01B	Global Warming	WA
01-29A-02	Greenhouse Gas Emission Inventory	WV
01-29A-03	Low Carbon Fuel Standard	CA
(02) HAZARDOUS MATERIALS/WASTE		
*02-28B-01	E-Recycling	WA
(28B-a) add the CSG Eastern Regional Model bill to next docket		
02-29A-01A	The Council of State Governments/Eastern Regional Conference · The Northeast Recycling Council, Inc. Model Electronic Recycling Legislation	ERC/NERC
02-29A-01B	Collection and Recycling of Covered Electronic Devices	CT
02-29A-02A	Metal Recycling Registry	AL
02-29A-02B	Purchasing Commodity Metals	CO

This Act sets strict greenhouse gas emissions limits for the entire Commonwealth: 20% below 1990 levels by 2020 and 80% below 1990 levels by 2050.

Specifically, this Act:

- charges the state environment department with monitoring, regulating, and reducing greenhouse gas emissions;
- directs the state environment department to adopt regulations that require the reporting and verification of statewide greenhouse gas emissions, by January 1, 2009;
- directs the state environment department to hold a public forum to determine what greenhouse gas emission levels were in 1990;
- directs the state environment department to adopt a greenhouse gas emissions limit that is equal to 20% below 1990 levels by 2020 and 80% below 1990 levels by 2050;
- directs the state environment department to make available to the public a list of discrete early emissions reduction measures that can be made prior to the measures adopted in Section 5 by July 31, 2008;
- directs the state environment department to adopt regulations to implement the measures on such list by January 1, 2009;
- directs the state environment department to develop a plan to achieve the greenhouse gas limits outlined above;
- requires the plant to identify direct emissions reduction measures, alternative compliance mechanisms, market-based mechanisms, and potential monetary incentives;
- directs the state environment department to evaluate total potential economic and non-economic benefits of adopting the plan for reducing greenhouse gas emissions;
- directs the state environment department to consult with other states, federal government, and other nations to identify the most effective strategies and methods for reducing greenhouse gas emissions;
- directs the state environment department, the Executive Office of Energy and Environmental Affairs (EOEEA), to ensure that rules, regulations and programs' direct investments are directed towards the most disadvantaged communities;
- enables the state environment department to include any regulations that use market-based compliance mechanisms to achieve the greenhouse gas emissions reduction limits sought by the bill;
- requires the state environment department to monitor compliance and enforce and rule, regulation, order, emission limitation, emission reduction measure, or market-based compliance mechanisms pursuant to the Act; and
- requires the state environment department to ensure that reductions are real, permanent, quantifiable, verifiable, and enforceable.

Submitted as:
Massachusetts
S534
Status: Enacted into law in 2007.
Comment:

This Act finds that:

- the state is especially vulnerable to climate change because of the state's dependence on snow pack for summer stream flows of the state's dependence on snow pack for summer stream flows and because the expected rise in sea levels threatens our coastal communities;
- the state's greenhouse gas emissions are continuing to increase;
- the state has been a leader in actions to reduce the increase of emissions, including the adoption of clean car standards, stronger appliance energy efficiency standards, increased production and use of renewable liquid fuels, and increased renewable energy sources by electrical utilities;
- the state has participated with other states in designing regional approaches to reduce greenhouse gas emissions;
- there is a need to assess the trend of emissions statewide over the next several decades, and to take sufficient actions so that the state meets its responsibility to contribute to the global actions needed to reduce the impacts and the pace of global warming;
- actions to reduce greenhouse gas emissions will spur technology development and increase efficiency; and
- numerous states and nations have adopted emission reduction goals to assist emission sources with planning for changes in practices and technologies.

The Act recognizes that companies that generate greenhouse gas emissions or manufacture products that generate such emissions are purchasing carbon credits from landowners and from other companies in order to provide carbon credits.

The bill intends to establish goals for the statewide reduction in greenhouse gas emissions and reduction in petroleum use, and to adopt a mechanism in an Executive Order to design and recommend a comprehensive set of measures to accomplish the goals.

The legislation declares that immediate actions be authorized in the electric power generation sector for the reduction of greenhouse gas emissions and to accelerate efficiency in the transportation sector.

The bill provides that the state climatologist has the following powers and duties:

- to serve as a credible and expert source of climate and weather information for state and local decision makers and agencies working on drought, flooding, climate change, and other related issues;
- to gather and disseminate, and where practicable archive, in the most cost-effective manner possible, all climate and weather information that is or could be of value to policy and decision makers in the state;
- to act as the representative of the state in all climatological and meteorological matters, both within and outside of the state, when requested by the legislative or executive branches of the state government;
- to prepare, publish, and disseminate climate summaries for those individuals, agencies, and organizations whose activities are related to the welfare of the state and are affected by climate and weather;
- to supply critical information for drought preparedness and emergency response as needed to implement the state's drought contingency response plan maintained by the state

department of ecology, and to serve as a member of the state's drought water supply and emergency response committees as may be formed in response to a drought event;

- to conduct and report on studies of climate and weather phenomena of significant socioeconomic importance to the state; and
- to evaluate the significance of natural and man-made changes in important features of the climate affecting the state, and to report this information to those agencies and organizations in the state who are likely to be affected by these changes.

Submitted as:
Washington
Chapter 307, Laws of 2007
Status: Enacted into law in 2007 (partial veto).

Comment: Partial Veto Summary: An unnecessary section, Section 6, is removed.

Veto message:

Engrossed Substitute Senate Bill 6001 entitled: "AN ACT Relating to mitigating the impacts of climate change."

Section 6 of this bill is unnecessary. It was inserted when the bill contemplated minor adjustments to the Energy Facility Site Evaluation Council's permit process. But those adjustments were ultimately removed from the bill. The Governor currently has ample existing authority without Section 6. For these reasons, I have vetoed Section 6 of Engrossed Senate Substitute Bill 6001. With the exception of Section 6, Bill 6001 is approved.

Other staff comments:

This Act defines Climate Change and Greenhouse Gases (GHG): The term "climate change" refers to any significant change in measures of climate, such as temperature, which last for decades or longer. Climate change may result from natural causes or human activities. The National Academy of Sciences, the Inter-Governmental Panel on Climate Change, and the United States' Climate Change Science Program have concluded that human activities, such as GHG production, are the likely cause of climate change during the last several decades.

GHG Emissions Targets: According to the Pew Center on Global Climate Change, 12 states have set GHG emissions targets, including Arizona, California, New Mexico, and Oregon. Most of the targets have been set by agencies or by executive order and typically use a 1990 baseline to measure reductions. The targets are usually characterized as "goals."

Governor Gregoire's Executive Order Setting GHG Emissions Goals: On February 7, 2007, the Governor issued an executive order establishing goals for GHG emissions reductions, for increasing clean energy sector jobs, and for reducing expenditures on imported fuel. The executive order also directs the Department of Ecology (DOE) and the Department of Community, Trade, and Economic Development (CTED) to lead stakeholders in a process that will consider a full range of policies and strategies to achieve the emissions goals.

GHG Emission Performance Standards: In 2006, the California Legislature enacted a law to prevent long-term investments in power plants with GHG emissions in excess of those produced

by a combined-cycle natural gas power plant. Among other things, the law prohibits electric utilities from making or renewing contracts of five years or longer for the purchase of baseload generation that does not comply with the GHG emissions performance standards to be established by the state Public Utilities Commission and the state Energy Commission.

Current Carbon Dioxide (CO2) Mitigation Requirements: In 2004, the Legislature established a policy to mitigate CO2 emissions from fossil-fueled thermal power plants with generating capacities of 25 megawatts or more. These power plants must mitigate 20 percent of their CO2 emissions over a period of 30 years. This requirement applies to: (1) existing plants that increase the production of CO2 emissions by 15 percent or more; or (2) new power plants seeking a site certificate through the Energy Facility Site Evaluation Council (EFSEC) or an order of approval under the Washington Clean Air Act.

Summary: I. Employment and GHG Emissions Goals: Establishing Goals to Reduce GHG Emissions: The following goals are established for statewide GHG emissions:

- by 2020, reduce emissions to 1990 levels;
- by 2035, reduce emissions to 25 percent below 1990 levels; and
- by 2050, reduce emissions to 50 percent below 1990 levels, or 70 percent below the state's expected emissions that year.

Establishing an Employment Goal: By 2020, increase the number of clean energy sector jobs to 25,000 from the 8,400 jobs the state had in 2004.

Requiring Emissions Reports: By December 31, 2007, DOE and CTED must report to the appropriate committees of the Legislature the total GHG emissions for 1990, and totals in each major sector for 1990. By December 31 of each even-numbered year beginning in 2010, DOE and CTED must report to the Governor and the Legislature the total GHG emissions for the preceding two years, and totals in each major source sector.

Requiring Policy Recommendations to Achieve GHG Emissions Reduction Goals: The Governor must develop policy recommendations on how the state can achieve the specified GHG emissions reduction goals. The recommendations must include such issues as how market mechanisms would assist in achieving the goals. The recommendations must be submitted to the Legislature during the 2008 Legislative Session.

II. GHG Emissions Performance Standard: Establishing a GHG Emissions Performance Standard: Beginning July 1, 2008, the GHG emissions performance standard for all baseload electric generation for which electric utilities enter into long-term financial commitments on or after such date is the lower of 1,100 pounds of GHG per megawatt-hour; or the average available GHG emissions output as updated by CTED.

In general, all baseload electric generation that begins operation after June 30, 2008, and is located in Washington, must comply with the performance standard. The following facilities are deemed to be in compliance with the performance standard:

- all baseload electric generation facilities in operation as of June 30, 2008, until they are the subject of long-term financial commitments;
- all electric generation facilities or power plants powered exclusively by renewable resources; and

- all cogeneration facilities in the state that are fueled by natural gas or waste gas in operation as of June 30, 2008, until they are the subject of a new ownership interest or are upgraded.

The following emissions produced by baseload electric generation do not count against the performance standard:

- emissions that are injected permanently in geological formations;
- emissions that are permanently sequestered by other means approved by DOE; and
- emissions sequestered or mitigated under a plan approved by the EFSEC, as specified in the Act.

Requiring Agency Action: By June 30, 2008, DOE and EFSEC must coordinate and adopt rules to implement and enforce the GHG emissions performance standard, including the evaluation of sequestration and mitigation plans. In addition, CTED must consult with specified groups, such as the Bonneville Power Administration, and consider the effects of the standard on system reliability and the overall costs to electricity customers. In order to update the standard, CTED must conduct a survey every five years of new combined-cycle natural gas thermal electric generation turbines commercially available and offered for sale by manufacturers and purchased in the United States. CTED must use the survey results to adopt by rule the average available GHG emissions output. The survey results must be reported to the Legislature every five years, beginning June 30, 2013.

Enforcing the GHG Emissions Performance Standard: Electric utilities may not enter into long-term financial commitments for baseload electric generation unless the generation complies with the performance standard. For an investor-owned utility (IOU), the Washington Utilities and Transportation Commission (WUTC) must review a long-term financial commitment in a general rate case. The WUTC must also review an IOU's proposed decision to acquire electric generation or enter into a power purchase agreement for electricity, upon application of the utility. The process for reviewing proposed decisions must be specified in rule and conducted under the Administrative Procedures Act. The WUTC must consult with DOE when verifying compliance with the performance standard. The WUTC must adopt all implementing rules by December 31, 2008.

For a consumer-owned utility, the governing board must review a long-term financial commitment in consultation with DOE, after which the State Auditor is responsible for auditing compliance with the performance standard and the Attorney General is responsible for enforcing compliance. The WUTC or the governing board of a consumer-owned utility, whichever is appropriate, may exempt a utility from the performance standard for unanticipated electric system reliability needs, catastrophic events, or threat of significant financial harm arising from unforeseen circumstances.

Allowing Cost Deferrals: An IOU may defer up to 24 months the costs associated with a long-term financial commitment for baseload electric generation.

Requiring Periodic Reviews of the GHG Emissions Performance Standard: DOE, in consultation with CTED, EFSEC, the WUTC, and the governing boards of consumer-owned utilities, must review the GHG emissions performance standard no less than every five years or upon the

implementation of a federal or state law or rule regulating CO2 emissions of electric utilities, and report to the Legislature.

Requiring a Tax Incentive Report: By December 31, 2007, the Governor must report to the Legislature the potential benefits of creating tax incentives to encourage baseload electric facilities to upgrade their equipment to reduce CO2 emissions, the nature and level of tax incentives likely to produce the greatest benefits, and the cost of providing such incentives.

Definitions: Various terms are defined. For example, "baseload electric generation" means electric generation from a power plant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60 percent. "Electric utility" covers investor-owned and consumer-owned utilities. "Long-term financial commitment" means: (1) either a new ownership interest in baseload electric generation or an upgrade to a baseload electric generation facility; or (2) a new or renewed contract for baseload electric generation with a term of five or more years for the provision of retail power or wholesale power to end-use customers in this state. "Renewable resources" means electricity generated from water, wind, and solar energy, among other things.

Findings: Various findings are made, including the vulnerability of the state to climate change, the evidence of the warming climate, and a recognition of Washington's pioneering efforts in adopting a carbon dioxide mitigation program for thermal power plants.

Disposition: 01-29A-01A

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject

Comments/Note to staff:

Disposition: 01-29A-01B

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject

Comments/Note to staff:

01-29A-02 Greenhouse Gas Emission Inventory WV

This Act establishes a program to inventory emissions, reductions and carbon sequestrations of greenhouse gases; creating a voluntary registry for the reporting of voluntary reductions of greenhouse gas emissions if the reductions are made before they are required by law; clarifying that certain industries are exempt from reporting; providing public recognition of voluntary reduction or avoidance of greenhouse gases; providing definitions; and providing consideration of the reductions under future federal greenhouse gas emission reduction programs.

Submitted as:
West Virginia
SB337 SUB2 ENR
Status: Enacted into law in 2007.

Comment:

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject

Comments/Note to staff:

01-29A-03 Low Carbon Fuel Standard CA

This bill would require the state air resources board to adopt, implement, and enforce a low-carbon fuel standard that achieves the maximum technologically feasible and cost-effective greenhouse gas emissions reductions, and at least a 10% reduction in, life cycle greenhouse gas emissions. The state air resources board, in consultation with other specified state agencies would be required to develop environmental reporting requirements to be imposed upon those subject to the low-carbon fuel standard. The California Environmental Protection Agency, in partnership with, and in consultation with, other state agencies would be required to issue an assessment on the actual and expected environmental impacts associated with implementation of the low-carbon fuel standard, and would be required to promulgate best management practices, standards, incentives, regulations, or certification programs to avoid or reduce to the maximum extent practicable negative environmental impacts associated with implementation of the low-carbon fuel standard. The bill would provide that fuel produced from biomass that is derived from certain sources would not meet the low-carbon fuel standard.

Submitted as
California
SB210
Status:
TYPE OF BILL :
Active
Non-Urgency
Non-Appropriations
Majority Vote Required
State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 07/16/2007
LAST HIST. ACTION : From committee: Do pass, but first be re-referred to Com. on APPR.(Ayes 6. Noes 3.) Re-referred to Com. on APPR. Received July 13 pursuant to Joint Rule 61(a)(10).
Disposition:

Comment:

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
( ) next task force mtg.
( ) next SSL mtg.
( ) next SSL cycle
( ) Reject

Comments/Note to staff:

This Act establishes a system for collecting, transporting, and recycling unwanted "covered electronic products" (CEPs) that is implemented and financed by product manufacturers. CEPs include most computer monitors, desktop computers, laptop or portable computers, and televisions.

Households, charities, school districts, and small businesses and governments may discard CEPs free of charge at collection centers throughout the state. Manufacturers may not sell CEPs in Washington unless they participate in the system, which must be operational by 2009.

Beginning January 1, 2007, no person may sell or offer for sale an electronic product in Washington unless the manufacturer's brand is permanently affixed and readily visible. In-state retailers possessing unlabeled products on that date may exhaust their stock through sales.

CEP manufacturers, collectors, transporters, and processors must annually register with and provide information to the state department of energy (DOE). Retail sellers may register and be held accountable as manufacturers.

Manufacturers must participate in plans to implement and finance handling of their "equivalent share" of CEPs, as determined by DOE. A plan using nonprofit organizations for CEP collection will be given a 5 percent credit applied to its collective equivalent share for pounds received from those organizations.

A manufacturer must participate in the standard plan developed by the Washington Materials Management and Financing Authority (Authority) unless it obtains DOE approval to participate in an independent plan. An independent plan may be submitted to DOE by a manufacturer or group of manufacturers representing at least a 5 percent share of CEPs; participants may not be new entrants or white box (unbranded product) manufacturers.

Plans must provide for convenient urban and rural collection services, with at least one collection site or alternate service for municipalities with populations greater than 10,000.

Plans may limit the number of CEPs accepted per customer per day. Plans must sample CEPs entering their programs and note information needed to calculate equivalent share. If costs are passed on to consumers, manufacturers may not charge a fee when an unwanted product is delivered or collected for recycling. Collectors providing premium or curbside services may charge a fee for their additional collection costs.

All plans must be submitted to DOE for review and approval, be operational by 2009, and updated at least every five years.

This Act establishes a state Materials Management and Financing Authority and directs the Authority to devise and implement a standard plan responsible for handling the collective equivalent shares of its participating manufacturers. The Authority is governed by a board of directors (board) appointed by the Director of DOE, comprised of 11 representatives of participating manufacturers. The Directors of DOE, the Department of Community, Trade and Economic Development, and the State Treasurer serve as ex-officio members. The board must select a chair, create bylaws, and adopt a general operating plan, conducting at least one public hearing on that plan.

Participating manufacturers must pay the Authority's administrative and operational costs based on an equitable method reviewed and approved by DOE. If a manufacturer has not met its financial obligations, the Authority will notify DOE that the manufacturer is no longer participating in the standard plan.

A participating manufacturer may appeal an assessment of charges or apportionment of costs to the Director of DOE, whose decision can be reviewed by an arbitration panel, with subsequent limited Superior Court review.

Plans must ensure that processors document compliance with environmental performance standards, nonrecycled residual disposal guidelines, and international export limitations. DOE may audit processors. Plans may not use prison labor for processing.

International export of electronic waste to certain nations by processors is prohibited, under certain circumstances, if the waste violates federal hazardous waste standards. Products exported into certain nations for reuse must be tested and labeled as fully functional or needing only minor repairs.

Plans must annually report to DOE regarding total weight of CEPs recycled by county, collection services by county, weight of CEPs processed by each processor, compliance with processing standards, educational and promotional efforts, sampling results, and other information deemed necessary by DOE. Nonprofit organizations collecting CEPs must report the weight of CEPs they collected during the previous year. Financial and proprietary information is exempt from public records disclosure requirements.

Plans must inform consumers about where and how to recycle their CEPs. DOE and local governments must promote recycling. Retailers must provide pertinent information.

The Department of General Administration (GA) must adopt purchasing preferences for electronic products meeting environmental standards for reducing or eliminating hazardous materials. GA must ensure that surplus products are managed only by registered transporters and processors and directed to legal secondary materials markets.

DOE must establish registration and plan review fees based on a sliding scale representing annual sales of CEPs in Washington.

DOE must send a written warning to manufacturers not participating in an approved plan. After the initial warning, DOE will assess a noncomplying manufacturer a penalty of up to $10,000 per violation. If the Authority or an independent plan fails to implement an approved plan, DOE will assess a penalty of up to $5,000 for the first violation and up to $10,000 for subsequent violations.

Persons not complying with manufacturer registration, education and outreach, reporting, labeling, retailer responsibility, collector and transporter registration, or processing requirements will receive a written warning. Noncomplying persons will be assessed a penalty of up to $1,000 for the first violation and up to $2,000 for subsequent violations.

The electronic products recycling account is created to accept manufacturer fees, payments from plans not handling their collective equivalent share, and penalties. Moneys may be used solely by DOE to fulfill agency responsibilities under the act and for expenditures to plans exceeding their collective equivalent share.

The Act is void if federal law establishes a national electronic waste collection and recycling system that substantially meets the scope and intent of the Act.

Partial Veto Summary: The Governor vetoed restrictions regarding international export of electronic waste.

Submitted as:
Washington
Chapter 183, Laws of 2006 (partial veto)
Status: Enacted into law in 2006.

Comment:
(28B-a) add the CSG Eastern Regional Model bill to next docket

Office of Governor Chris Gregoire
FOR IMMEDIATE RELEASE - March 24, 2006
Contact: Governor's Office, 360-902-4111

Governor Gregoire Signs Landmark E-Recycling Bill
Bill will allow Washington consumers to recycle computers and televisions for free

OLYMPIA – Governor Chris Gregoire today signed into law a measure that will allow Washington consumers to recycle their old computers, monitors and televisions at no cost (SB 6428).

"This bill puts our market-based economy to work for the environment," said Governor Gregoire. "It's a responsible step in the best interests of the public, because no matter who owns the equipment at the end of its life, it will be recycled - free of charge."

Used and unwanted computers, monitors and televisions contain materials that can be recovered and reused, but if simply discarded they can release hazardous substances into the environment. This bill creates a system to collect, recycle and properly dispose of these items.

Household consumers, schools, charities, small governments and small businesses will be able to dispose of their used products without charge. The cost of the program will be distributed among the manufacturers.

The Governor issued a partial veto on the bill, on Section 26, which would have restricted the export of e-waste to certain other countries. The federal government, not Washington, has the authority to restrict these exports.

VETO MESSAGE ON ESSB 6428
March 24, 2006
To the Honorable President and Members, The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to sections Section 26, Engrossed Substitute Senate Bill No. 6428 entitled: "AN ACT Relating to providing electronic product recycling through manufacturer financed opportunities." This bill creates a recycling program for "electronic wastes," which includes used and unwanted computers and televisions.

Section 26 of the bill would prohibit the export of these wastes to certain other countries. XI regret that, based on legal advice, the State of Washington does not have the necessary authority to prohibit the export of electronic waste. Accordingly, I will not put the entire bill at risk because of this section alone. However, I believe that the section represents good environmental policy. I will therefore call on the President and Congress to take up this issue and enact legislation that

prohibits the export of our hazardous wastes to third world countries that are not prepared to manage them.

Once enacted by the federal government, I recognize this might affect our options for proper recycling and disposal of ewastes. To make sure we are ready, I hereby direct the Department of Ecology to evaluate alternatives to the export of these wastes and recommend actions as needed to ensure capacity for their proper management.

For the remainder of the bill, this is a new program for the state and it will take some time and experience to make sure it runs right. I am asking Ecology to work closely with all affected stakeholders to ensure that this bill is implemented in a fair and equitable manner.

Along that line, I am directing Ecology to take the following steps:

1. To adopt, within their new program rules, rigorous financial assurance requirements for new manufacturers, sufficient to ensure that they will be responsible for recycling their products and not leave them for others to clean up;

2. To evaluate alternatives for managing legacy e-waste products in a manner that does not create competitive differences between existing and new companies, including a way to distribute costs of recycling past products more fairly among all affected parties; and,

3. To evaluate the use of product toxicity in lieu of, or in addition to, product weight, when determining equitable cost shares. In addition, I am asking Ecology to provide annual reports on the progress, problems, and stakeholder concerns with implementation of this bill. The reports should include any needed changes to the statute to ensure fairness and clarity in the program.

For these reasons, I have vetoed Section 26 of Engrossed Substitute Senate Bill No. 6428. With the exception of Section 26, Engrossed Substitute Senate Bill No. 6428 is approved.

Respectfully submitted, Christine Gregoire, Governor

Disposition:

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject
Comments/Note to staff:

02-29A-01A The Council of State Governments/Eastern Regional Conference · The Northeast Recycling Council, Inc.
Model Electronic Recycling Legislation ERC/NERC

This model legislation establishes a comprehensive recycling system to ensure safe and environmentally sound management of electronic devices and components, encourages the design of electronic devices and components that are less toxic and more recyclable; and promotes the development of a statewide infrastructure for collection and recycling of end-of-life electronics.

Covered electronic devices (CEDs) the model addresses include desktop/personal computers, computer monitors, portable computers (laptops), CRT-based televisions, non-CRT-based televisions. The model does not address motor vehicle components; industrial, commercial, or medical equipment, including diagnostic, monitoring, or control equipment; clothes washer, clothes dryer, refrigerator, refrigerator and freezer, microwave oven, conventional oven or range, dishwasher, room air conditioner, dehumidifier, or air purifiers; or telephones of any type unless they contain a video display area greater than 4" measured diagonally. Covered electronic devices (CEDs) are those purchased at retail.

To help fund the program, all manufacturers are required to pay a $5,000 annual registration fee and additionally, manufacturers must either pay a fee to cover the cost of collection, transportation, and recycling of their total obligation, or collect, transport, and recycle the equivalent amount themselves.

To determine the manufacturer obligation (or share), the state environmental agency sets a State recycling rate. The State recycling rate is equivalent to the ratio of the weight of total overall returns of CEDs in the State to the weight of total overall sales of CEDs in the State during the previous calendar year.

A manufacturer is required to either (a) pay a fee calculated as the State recycling rate multiplied by the weight of the manufacturer's CEDs sold in the State during the previous calendar year, multiplied by no more than $0.50 per pound; or (b) collect, transport, and recycle a quantity of CEDs equal to the weight of the manufacturer's CEDs sold in the State during the previous calendar year, multiplied by the State recycling rate.

In order to be eligible for option "b", the manufacturer must submit a plan for such a program that is approved by the state environmental agency. If a manufacturer fails to comply with all of the terms of an approved plan, it must submit a payment to cover the cost of collecting, transporting, and recycling the unmet portion of its obligation, plus a 10% penalty. Manufacturers can obtain credits if they collect, transport, and recycle in excess of their obligation – and apply the credits to their obligation in the following year, or sell them. No end-of-life fees are permitted.

Manufacturers must annually report the total CEDS sold in State, by weight; pay an annual registration fee of $5,000 registration fee; pay an annual fee covering the cost of collection, transportation, and recycling of its obligation; or establish and implement a program that collects, transports, and recycles the total amount of its obligation. A manufacturer may establish a program in cooperation with other manufacturers.

Retailers can only sell products of manufacturers that are in full compliance with law and must post and provide public information that describes where and how to recycle the covered electronic device and opportunities and locations for the collection or return of the device.

Submitted as:
Model Legislation

ERC/NERC
Comment:

Northeast Regional Electronics Management Project

In February 2005, The Council of State Governments/Eastern Regional Conference (CSG/ERC) and the Northeast Recycling Council, Inc. (NERC) launched a collaborative project to develop a coordinated legislative approach to end-of-life electronics management in the Northeast. As part of the project, CSG/ERC and NERC facilitated an effort among state legislators, legislative and environmental agency staff from ten states, the U.S. Virgin Islands, Puerto Rico and Quebec to craft model legislation.

During the course of this effort, participants solicited input from nearly 100 stakeholders, including electronics manufacturers, retailers, recyclers, leasing companies, reuse organizations, environmental groups and local government representatives.

Following an intensive 14-month-long process, the group has released An Act Providing for the Recovery and Recycling of Used Electronic Devices.

As of February 2007, the CSG/ERC - NERC Model Electronics Legislation has been filed in the following states and territories:

- Connecticut: HB 7249
- New Jersey: A3572
- New York: A3200 / S7165
- Pennsylvania: HB7
- Puerto Rico: HB 2955
- Vermont: S.17

02-29A-01B Collection and Recycling of Covered Electronic Devices CT

This Act creates a mandatory recycling program for discarded computers and televisions. Starting January 1, 2009, manufacturers must participate in a program to implement and finance the collection, transportation, and recycling of these covered electronic devices (CEDs). They may participate in the statewide program or a private program.

It requires each CED manufacturer to register with the Department of Environmental Protection (DEP) and pay an annual registration fee, which DEP must use to administer the program. Each registered manufacturer also must pay recyclers the reasonable costs of transporting and recycling its CEDs. The Act sets a maximum transportation and recycling reimbursement rate of 50 cents per pound.

The Act prohibits, with some exceptions, retailers from selling CEDs manufactured by noncompliant manufacturers. It requires municipalities to provide for the convenient recycling of CEDs generated within their borders and arrange for bringing CEDs to DEP-approved recyclers.

The Act prohibits, starting January 1, 2011, anyone (1) from knowingly discarding a CED at a solid waste disposal facility other than a transfer station, and (2) charging a fee to state residents bringing seven or fewer CEDs to a collector (apparently a transfer station or solid waste hauler) at any one time.

It creates two separate, nonlapsing accounts within the Environmental Quality Fund. DEP must use funds from the (1) "electronic device recycling program account" to carry out the Act's provisions and (2) "covered electronic recycler reimbursement account" to reimburse recyclers for their unpaid qualified expenses.

The commissioner must adopt regulations to implement the Act. The regulations must include provisions establishing (1) annual registration and reasonable fees for administering the program; (2) a process for approving recyclers; (3) a table of qualified reimbursable costs for recyclers; (4) standards for the operation, accounting, and auditing of recyclers; (5) a list of CEDs not limited to those the Act specifies, such as printers; and (6) any other requirements needed to carry out the Act. The commissioner may help create and implement a regional, multi-state organization or compact to help carry out its provisions.

Submitted as:
Connecticut
Substitute HB 7249 / Public Act No. 07-189
Status: Enacted into law in 2007.

Comment:
As of July 2007, Connecticut was among the first (and possibly, only) state to enact the ERC/NERC model listed as 02-29A-01A on this docket.

Disposition: 02-29A-01A

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject

Comments/Note to staff:

Disposition: 02-29A-01B

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject

Comments/Note to staff:

02-29A-02A Metal Recycling Registry AL

This Act requires secondary metal recyclers to require identification and maintain a registry of additional information with regard to each purchase of ferrous or nonferrous metals including copper, brass, aluminum, bronze, lead, zinc, and nickel. This allows state and local law enforcement agencies to place a hold on metal purchases by a secondary metal recycler if the metal purchased is suspected of being stolen by secondary metal recyclers.

The bill provides criminal penalties for thefts of metals and for secondary metal recyclers who fail to comply with these requirements. This Act exempts certain charitable organizations from these requirements, and does not apply to purchases of aluminum cans.

Submitted as:
Alabama
Act 2007-451
Status: Enacted into law in 2007.

Comment:

02-29A-02B Purchasing Commodity Metals CO

The bill:

- specifies that commodity metals must be valued at 50¢ per pound or more;
- changes the penalties related to failure to keep the required records of metals transactions; requires a statement regarding the source of the metals;
- specifies the types of documents that may be used to verify the identity of metals sellers; and
- exempts recycling centers from the bill's provisions.

"Commodity metals" are defined as "metal containing brass, copper, copper alloy, aluminum, stainless steel, or magnesium or another metal traded on the commodity market."

Submitted as:
Colorado
HB 07-1141
Status: Enacted into law in 2007.

Comment:

Disposition: 02-29A-02A

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:
SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject

Comments/Note to staff:

Disposition: 02-29A-02B

CSG policy task force recommendations to The Committee on Suggested State Legislation: 2009A
( ) Include in Volume
( ) Defer consideration to next task force meeting
( ) Reject
( ) No action

Comments/Note to staff:

SSL Committee Meeting: 2009A
( ) Include in Volume
( ) Defer consideration
    ( ) next task force mtg.
    ( ) next SSL mtg.
    ( ) next SSL cycle
( ) Reject

Comments/Note to staff: