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State Trends in Energy Policy

Glen Andersen

Tuesday, September 17



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Energy Trends

- Renewable Energy
- Natural Gas Development
- Efficiency
- Energy Assurance



Renewable Energy

- Increasingly large part of many state energy portfolios -- 29 states with renewable electricity mandates working towards their goals.
 - 5 states get more than 10 percent of their electricity from wind
 - Texas is at 10 percent wind (peaked at 26 Percent on November 30 of last year)
 - Iowa, at 20 percent, is surpassed by South Dakota, at 22 percent.
- While providing new jobs and economic growth for rural areas, some states are discussing siting and costs.



Renewable Energy

- Efforts to Repeal, freeze, reduce renewable standards (more than 30 bills). All failed.
 - Repeal: Minnesota, North Carolina, Ohio, Oregon, Texas, West Virginia. Maryland introduced bill to repeal the solar set-aside.
 - Freeze: Delaware, Kansas.
 - 9 introduced bills to include Hydropower: Montana , Missouri, Oregon
 - Include some natural gas power from converted coal: Maryland
 - Allow nuclear energy: Wisconsin



Renewable Energy

- Efforts to Expand RPS (more than 30 bills) succeeded in 4 states:
 - Colorado doubled requirement for Cooperatives.
 - Minnesota created a 1.5 % solar carve out.
 - Maryland created an offshore wind carve-out.
 - SB 123 in Nevada: NV Energy required to eliminate 800 megawatts of coal and add 350 megawatts of renewable energy development.



Renewable Energy

Other Popular issues for 2013: tax incentives, siting, financing, renewable portfolio standards and net-metering

- Siting Renewable Energy
 - MN, IL and MA have introduced bills that create statewide siting rules address county and municipal authority to determine siting or prohibit installations.
 - IL and MA are considering minimum setbacks for turbines.
 - MD passed a bill requiring a minimum setback of 1.5 times the structure height; Ohio passed a bill requiring a minimum of 1.1 times the height of the turbine.
- Community (Virtual) Net Metering, Solar Gardens
 - Growing interest with bills in at least 8 states
 - Minnesota bill requires Xcel to allow Community Solar Gardens
 - NY SB 3217, "Virtual Net-metering"



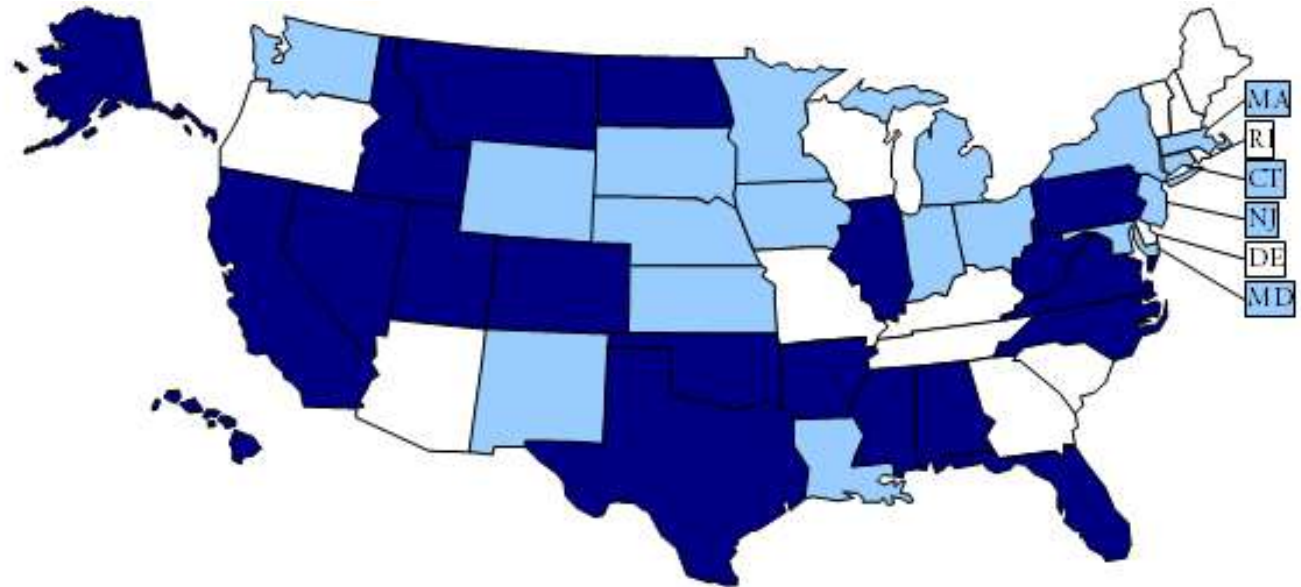
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HYDRAULIC FRACTURING

At least **225 bills in 37 states** have been introduced that address aspects of hydraulic fracturing.



NCSL Research as of September 13, 2013

-  Enacted Legislation in Current Session
-  Introduced Legislation in Current Session



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LEGISLATIVE TRENDS

States are working to alleviate public health and environmental concerns, while also taking advantage of the economic potential.

- At least **24 states** have proposed legislation to impose new or amend existing severance taxes or fees on production.
- At least **16 states** have proposed new or additional chemical disclosure requirements.
- At least **13 states** have proposed hydraulic fracturing suspensions, moratoria or studies to investigate potential impacts.
- **Many states** have proposed casing integrity, well spacing, setback, water withdrawal, flowback, or waste regulation requirements, or other measures to protect water resources.



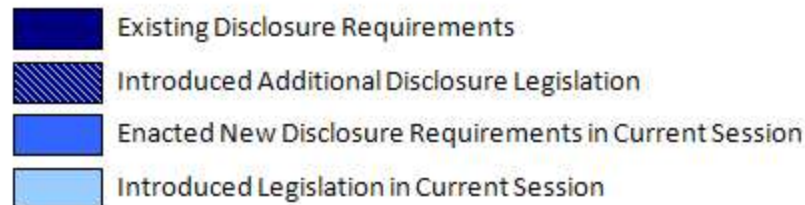
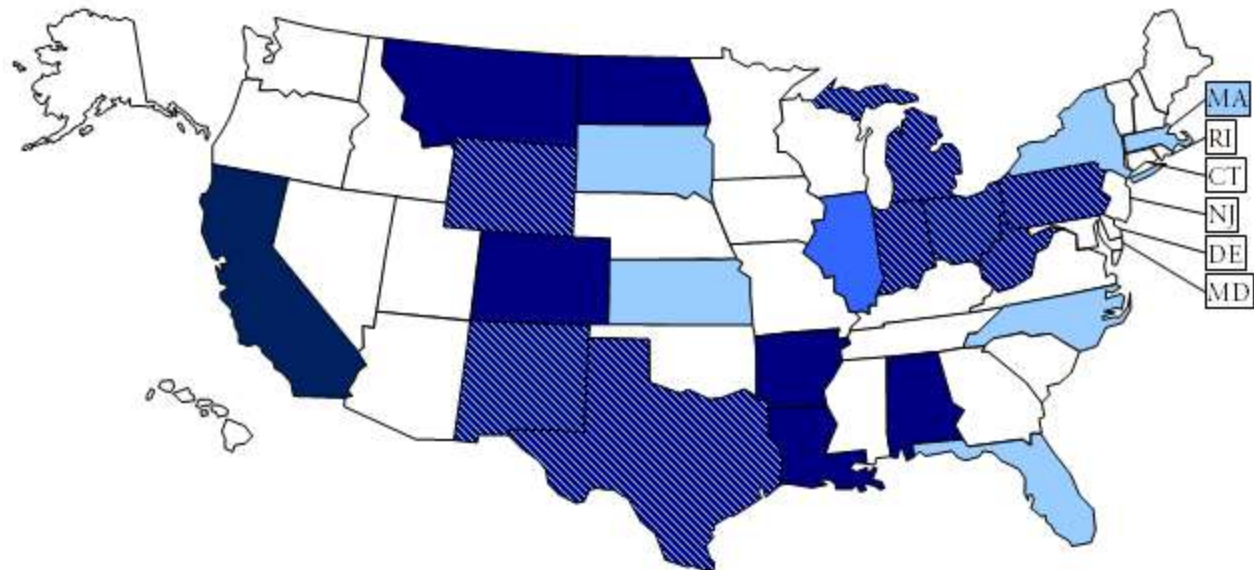
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FLUID DISCLOSURE

- In June, **Illinois** approved S.B. 1715, which requires drillers disclose the chemicals they use.
- **15 states** (including Illinois) have disclosure requirements and at least **16 states** are considering disclosure related bills this session .





Drilling Moratoria or Studies

- **Connecticut H.B. 5330** (failed) would have imposed a moratorium until the Connecticut Council on Environmental Quality advises that federal or state laws or regulations are sufficient to protect public health.
- **At least 5** pending bills in **New Jersey** would prohibit hydraulic fracturing in the state.
- **New York's S.B. 4276 and A.B. 5974** would establish a 5 year moratorium on high-volume hydraulic fracturing.
- **Maryland's S.B. 514** (failed) would have prohibited a person from engaging in the hydraulic fracturing of a well for the exploration or production of natural gas in the State.
- A bill to lift **North Carolina's** moratorium in 2015 failed.



Energy Efficiency

- Combined Heat and Power
 - Natural gas or Biomass powered
 - Generates electricity and heat for high efficiency
 - Aids in energy security and energy assurance
- 23 states encourage cogeneration technology development: rebates, grants and loan programs
 - Other incentives include net-metering and inclusion in renewable electricity standards
- In 2013, 45 bills were introduced in 18 states.
 - 10 bills were enacted: AR, CT, MN, NH, TX, VA
 - AR and TX clarify that CHP facilities can sell electricity and heat to multiple users without being designated an electric utility.
 - MN and VA incorporate certain forms of thermal energy in energy savings goals or credits.



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Energy Efficiency

Net zero buildings

- CA, MA, NC introduced legislation on "net zero" buildings
- CA would require state agencies to consider net zero energy buildings when evaluating construction of new buildings.
- MA would establish a net zero energy building standard for new residential and commercial construction.
- NC would require net zero energy school facilities.



Energy Efficiency

Financing

- 44 bills enacted in 2013
 - Tax credits, tax incentives, rebates: 50 bills introduced
 - Grants and loans: 7 bills enacted
 - AR, CA, CO, HI, OR, UT, VT
 - On-bill financing: IL and NY enacted
 - PACE: 4 bills enacted, 4 bills pending
 - RI and TX: Created PACE programs
 - Energy Savings Performance Contracts: 10 bills enacted
 - AR, FL, MD, NV, NJ, NC, OR, TX



Energy Assurance

- At least 8 states introduced bills that revise energy emergency preparedness plans
- At least 15 bills in 7 states would consolidate state agencies to improve coordination during emergencies
 - Connecticut's H.B. 6653 (enacted) streamlines regulations within the Department of Energy & Environmental Protection



Energy Assurance

New Jersey has introduced more than 16 bills since late 2012

- SB 26, Reliability, Preparedness, and Storm Response Act
 - Requires development and enforcement of performance benchmarks for service reliability, service disruption preparedness, service restoration, and communications for electric public utilities in the state.
- Other NJ bills address:
 - Requires utility infrastructure map availability for emergency planners and responders (NJ S 2411).
 - Backup power generator requirements (NJ S 2420) for first aid, ambulance, rescue squads, pharmacies, firehouses, boarding houses, newly constructed grocery stores, and gas stations. Provides tax deductions.



Energy Assurance

- At least 8 other states have introduced bills requiring backup generators for gas stations, medical facilities and other buildings
 - CT HB 5375 (2013) Requires backup generators for public water supply systems including public community well water systems private homeowners association systems.
 - Florida and Louisiana already require service stations to have access to backup power. NY and NJ have pending legislation.



Terrorism and Cyber Security

- 6 States considered legislation to protect energy infrastructure resulting from terrorism – 1 bill passed
- 5 states considered bills to mitigate energy system cyber security vulnerabilities.
 - New Jersey—A.B. 3079 would establish a Cyber Security Bureau focused on indentifying and mitigate vulnerabilities, responding to cyber events and promoting cyber security awareness.



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Contact Information

Glen Andersen

7700 East First Street

Denver, CO 80230

Phone (303) 364-7700



Email: glen.andersen@ncsl.org

Web Site: www.ncsl.org/programs/energy/energy2.htm