

Southwest Energy Efficiency Project

2016 LEGISLATIVE ACTIVITY



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About SWEEP: The Southwest Energy Efficiency Project is a public interest organization dedicated to advancing energy efficiency in Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming. For more information, visit www.swenergy.org.

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2016 LEGISLATIVE ACTIVITY SUMMARY

In the Southwest region, the state legislatures in Arizona, Colorado and Utah met during the first and second quarter of 2016. The Southwest Energy Efficiency Project (SWEET) actively engaged in each session to advance energy efficiency through sound and effective legislation. These efforts included researching and writing bill language, building coalitions, and testifying at committee hearings to advocate for the passage of energy efficiency legislation and, when necessary, opposing legislation that would hinder energy efficiency efforts.

Support for energy efficiency in the Southwest continues to grow as SWEET actively supported a total four energy efficiency bills, all of which were signed into law. SWEET actively opposed three bills, two of which were ultimately defeated.

Significant milestones for energy efficiency in our region include the following:

- In Colorado, HB 1332 simplifies the existing state tax credits to make them easier to understand by eliminating complex calculations. Tax credits with fixed values are easier for consumers to understand, better for dealers to advertise, clearer for Department of Revenue to administer, and more equitable for alternative fuel vehicles with different prices.
- In Utah, HB 316 made improvements to the energy codes adopted across the state. It adopted the commercial building requirements in the 2015 IECC without any weakening amendments, and an updated hybrid version of the IECC for new homes.
- In Utah, SB 115 provides a new funding mechanism for recovering the costs of Rocky Mountain Power's energy efficiency and load management programs. The bill also provides funding for utility investment in electric vehicle charging infrastructure.

In addition, SWEET was successful in helping to defeat some policy proposals that would have hurt to expand mass transit infrastructure in Colorado.

Although it was a relatively quiet year on the legislative front for energy efficiency, SWEET continues to work on advancing strong energy efficiency policies in preparation for the 2017 and 2018 legislative sessions.

Details on SWEET's 2016 legislative efforts, along with information on the outcome of energy efficiency bills all three states, are described below.

ARIZONA

HB 2130	municipalities; counties; energy use; reporting	Oppose	PASSED
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HB 2130: municipalities; counties; energy use; reporting

Sponsor: Representative Petersen

Bill Summary: HB 2130 prohibits cities and towns from providing building energy performance data to businesses and renters so that they can consider energy costs when they purchase or lease properties. This practice is called “energy benchmarking.”

SWEEP opposed the bill, with three main concerns:

1. HB 2130 would halt efforts to improve transparency in the market - making it more difficult for businesses to control energy costs and for renters to find cheap housing.
2. Arizona would save hundreds of millions of dollars if energy benchmarking is implemented.
3. HB 2130 would take away control and authority from our local communities by overruling local elected officials.

Bill Activity: HB 2130 passed the House on vote of 35-24-1, passed the Senate on vote of 18-11-1, and was signed into law by Governor Ducey on March 14.

For additional information regarding these bills, visit the website of the Arizona State Legislature, at <http://www.azleg.gov/>.

COLORADO

HB 16-1332	Simplified point-of-purchase incentives for alternative fuel vehicles	Support	PASSED
SB 16-011	Terminate Use of FASTER Fee Revenues For Transit	Oppose	Did not pass
SB 16-123	Free access to high occupancy vehicle lanes	Oppose	Did not pass
SB 16-210	Transportation Bonding	Oppose	Did not pass

HB 16-1332: Simplified point-of-purchase incentives for alternative fuel vehicles

Sponsors: Representatives Duran & Rankin; Senators Scott & Johnston

Bill Summary: This legislation simplifies the existing state tax credits to make them easier to understand by eliminating complex calculations. Tax credits with fixed values are easier for consumers to understand, better for dealers to advertise, clearer for Department of Revenue to administer, and more equitable for alternative fuel vehicles with different prices. The bill also gives consumers the option to assign the tax credits to the financing entity in exchange for a discounted price when purchasing the vehicle.

SWEEP proposed this concept and actively supported this bill.

Bill Activity: HB 16-1332 passed the House on a vote of 64-1-0, passed the Senate on a vote of 35-0-0, and was signed into law by Governor Hickenlooper on June 6, 2016.

SB 16-011: Terminate Use of FASTER Fee Revenues For Transit

Sponsors: Senator Neville, Representative Neville

Bill Summary: The Funding Advancement for Surface Transportation and Economic Recovery Act of 2009 (FASTER) requires that a portion of certain vehicle-related fees be used for transit projects. SB 16-011 would have removed this requirement and eliminated \$15 million in annual funds from transit projects and transit maintenance.

Alaska, representing the top end of state transit funding, spends \$150 per person annually, whereas Colorado only spends about \$3 per person. Our neighboring states, Wyoming and New Mexico, both spend more than Colorado on public transit.

Public transit is important to efforts to reduce vehicle miles travelled, and is an essential part of a sustainable, energy efficient transportation system.

SWEEP opposed SB 16-011.

Bill Activity: SB 16-011 passed the Senate on a vote of 18-16-1, but was defeated in the House Committee on Transportation & Energy.

SB 16-123: Free access to high occupancy vehicle lanes

Sponsors: Senator Lundberg; Representative Singer

Bill Summary: This legislation would have prohibited the Colorado Department of Transportation (DOT) from requiring the use of transponders by high occupancy vehicles (HOV) for toll-free access to high occupancy toll lanes. SWEEP opposed this bill because it would likely have degraded the operations of HOV lanes, slowing them down and removing much of the travel time advantage for both HOV users and bus passengers. In addition, passage of this bill would likely have incentivized the state DOT to build future projects simply as express toll lanes, with no free HOV access, thus reducing vehicle occupancy.

Bill Activity: SB 16-123 passed the Senate on a vote of 25-9-1, but was defeated in the House Committee on Transportation & Energy. However, a compromise that did not require legislation, which SWEEP supported, was negotiated.

SB 16-210: Transportation Bonding

Sponsors: Senator Baumgardner, representative DelGrosso

Bill Summary: SB 210 would have authorized the issuance of \$4 billion in bonds for transportation projects across the state. As amended by the state Senate, this would contain no transit or active transportation projects, and would have gone solely to expansion of highways across the state. This bill would have locked in out-of-date auto-only approaches to transportation, and would have harmed other state priorities by diverting general fund revenues to repay the bonds. SWEEP opposed this bill.

Bill Activity: The bill passed the Colorado Senate by a vote of 18-17, but failed in the House State Affairs Committee by a 4-5 vote.

For additional information regarding these bills, visit the website of the Colorado General Assembly, at <http://www.leg.state.co.us>.

UTAH

HB 87	Clean Fuel Conversion Amendments	Support	PASSED
HB 316	Building Code Review and Adoption Amendments	Support	PASSED
SB 115	Sustainable Transportation and Energy Plan Act	Support	PASSED

HB 87: Clean Fuel Conversion Amendments

Sponsors: Representative Steve Handy and Senator Weiler

Bill Summary: HB 087 reauthorizes the tax credit for certain alternative fuel vehicles through 2020 and continues a state rebate for alternative fuel vehicle conversions. However, this bill was amended so that it does not extend the electric vehicle tax credit beyond 2016. SWEEP supported this bill, with amendments.

Electric vehicles reduce transportation related air pollution immediately, but are still more expensive than standard gasoline vehicles. Incentives for electric and alternative fuel vehicles help make these vehicles more affordable for Utahns.

Bill Activity: HB 87 passed the House on a vote of 48-21-6, passed the Senate on a vote of 25-2-2, and was signed into law by Governor Herbert on March 29, 2016.

HB 316: Building Code Review and Adoption Amendments

Sponsors: Representative Brad Wilson and Senator Stuart Adams

Bill Summary: HB 316 made improvements to the energy codes adopted across the state. It adopted the commercial building requirements in the 2015 IECC without any weakening amendments, and an updated hybrid version of the IECC for new homes. Although the bill includes amendments that weaken the residential requirements in the 2015 IECC, HB 316 results in meaningful energy savings in new homes relative to the previous statewide energy code. Utah Clean Energy estimates that the combination of improvements in the new residential code will capture 68% of the energy cost savings that would have been achieved if the 2015 IECC had been adopted without amendment. Among other key measures, HB 316 includes 2015 IECC prescriptive insulation and fenestration requirements and a modified version of the new Energy Rating Index compliance method that incorporates a consumer-friendly HERS rating option into the energy code for new homes.

Bill Activity: HB 316 passed the House on a vote of 40-22-13; passed the Senate, with amendments, on a vote of 25-3-1; and was signed into law by Governor Herbert on March 24, 2016.

SB 115: Sustainable Transportation and Energy Plan Act

Sponsor: Representative Lowry Snow and Senator Stuart Adams

Bill Summary: This bill provides a new funding mechanism for recovering the costs of Rocky Mountain Power’s energy efficiency and load management programs. The bill provides funding for a number of initiatives that would reduce air pollutant emissions, including utility investment in electric vehicle charging infrastructure. The bill also proposes changes in the energy balancing account for utility fuel and purchased power costs. SWEEP supported this bill, with amendments.

Bill Activity: SB 115 passed the Senate on a vote of 20-7-2, passed the House on a vote of 46-26-3, and was signed into law by Governor Herbert on March 29, 2016.

For additional information regarding these bills, visit the website of the Utah State Legislature, at <http://le.utah.gov/>.