

Southwest Energy Efficiency Project

# 2017 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](http://www.swenergy.org).

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## 2017 LEGISLATIVE ACTIVITY SUMMARY

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In the Southwest region, the state legislatures in Colorado, New Mexico, Nevada and Utah met during the first and second quarters of 2017. 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 twelve energy efficiency bills, six of which were signed into law. Five of the six bills were approved in Nevada. SWEET actively opposed two bills, neither of which were approved.

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

- In Colorado, **HB 1227** amends utility energy efficiency legislation adopted in Colorado in 2017, extending requirements for energy savings goals for electric utilities regulated by the Colorado PUC through 2028.
- In Nevada, **AB 223** allows the Public Utilities Commission of Nevada (PUCN) to approve energy efficiency programs as long as they are part of an overall energy efficiency plan that is cost effective; requires that at least 5% of total utility energy efficiency expenditures assist low-income households in saving energy; and directs utilities and the PUCN to account for non-energy benefits in energy efficiency program and plan benefit-cost analysis.
- In Nevada, **SB 150** requires the Public Utilities Commission of Nevada (PUCN) to establish energy savings goals for electric utility energy efficiency programs; requires each electric utility to implement an energy efficiency plan designed to be cost effective and meet the energy savings established by the Commission; allows the PUCN to approve energy efficiency programs as long as they are part of an overall energy efficiency plan that is cost effective; requires that at least 5% of total utility energy efficiency expenditures assist low-income households in saving energy; directs utilities and the PUCN to account for non-energy benefits in energy efficiency program and plan benefit-cost analysis; and allows the PUCN to adopt a rate adjustment mechanism so that utilities are not harmed financially due to energy efficiency improvements made by their customers.

Details on SWEET's 2017 legislative efforts, along with information on the outcome of energy efficiency bills all three states, are described below.

## ARIZONA

Nothing to report for the 2017 legislative session in Arizona.

## COLORADO

HB 17-1153	Highway Congestion Mitigation	Oppose	Did not pass
HB 17-1242	New Transportation Infrastructure Funding Revenue	Support	Did not pass
HB 17-1227	Electric Demand-side Management Program Extension	Support	PASSED
HB 17-1232	Public Utilities Alternative Fuel Motor Vehicles	Support	Did not pass
SB 17-188	Concerning the repeal of income tax credits for innovative motor vehicles for purchases and leases entered into on or after January 1, 2018	Oppose	Did not pass

### **HB 17-1153 - Highway Congestion Mitigation**

**Sponsors:** Representatives Williams and McKean; Senator Gardner

**Bill Summary:** This bill would mandate that High Occupancy Vehicle lanes and High Occupancy Toll lanes define HOV as 2 or more people in a car in perpetuity. It would mandate that the Colorado Department of Transportation prioritize the expansion of I-25 above all other projects; and would mandate that the state complete any federal environmental studies on I-25 in less than six months, and mandate the outcome of these studies.

SWEEP opposed this bill, as it would undermine the travel time advantage of HOV/HOT lanes, delay transit trips, undermine the state project selection process, and violate the National Environmental Policy Act.

**Bill Activity:** HB 17-1153 was postponed indefinitely in the House Committee on Transportation & Energy March 8, 2017.

### **HB 17-1242 - New Transportation Infrastructure Funding Revenue**

**Sponsors:** Representatives Duran and Bush; Senators Baumgardner and Grantham

**Bill Summary:** HB 17-1242 would refer a measure to the voters in November to raise sales taxes by 62 cents on a \$100 purchase, slightly reduce vehicle registration fees, and generate a net of

approximately \$630 million per year. The legislation does not actually increase the sales tax rate, it just allows the voters of Colorado to decide the question in November, 2017.

If the measure passes the legislature and voters approve it, \$300 million dollars a year would go to the Colorado Department of Transportation (CDOT), primarily for highway projects. The rest of the money would be allocated to cities and counties (70 percent or about \$230 million) and to a new multimodal transportation fund (30 percent or about \$100 million). The local government funding is flexible, and can be used for roads, public transit, and bicycle and pedestrian infrastructure.

SWEEP supported this bill.

**Bill Activity:** HB 17-1242 was introduced to the House and assigned to the Transportation & Energy Committee. The House approved the bill 41-24. But when introduced in the Senate, the was postponed indefinitely and then defeated in the Senate Finance Committee on April 27, 2017.

### **HB 17-1227 - Electric Demand-side Management Program Extension**

**Sponsors:** Representatives Winter and Lawrence; Senators Fenberg and Priola

**Bill Summary:** This bill amends utility energy efficiency legislation adopted in Colorado in 2017, extending requirements for energy savings goals for electric utilities regulated by the Colorado PUC through 2028.

SWEEP helped draft the bill and actively supported it.

**Bill Activity:** The bill was assigned to the House Transportation & Energy Committee. It and passed in Committee and was approved by the House. It then moved to the Senate where it was amended by the Senate Finance Committee. But the hostile amendments were removed when it was approved by the full Senate by a vote of 21-14-0 on May 9, 2017.

### **HB 17-1232 - Public Utilities Alternative Fuel Motor Vehicles**

**Sponsors:** Representative Danielson; Senator Priola

**Bill Summary:** HB 1232 authorizes public utilities to rate base investments in alternative fuel vehicle infrastructure, such as electric vehicle (EV) charging stations and compressed natural gas fueling stations. It also sets out the criteria that the Public Utilities Commission would use to evaluate an infrastructure plan submitted by a utility.

SWEEP actively supported HB 1232.

**Bill Activity:** HB 1232 passed in the House on a vote of 36-28-0 on March 29, 2017. In the Senate it was referred to the Committee on State, Veterans, & Military Affairs where it was postponed indefinitely on April 26, 2017.

**SB 17-188 - Concerning the repeal of income tax credits for innovative motor vehicles for purchases and leases entered into on or after January 1, 2018**

**Sponsors:** Marble, Baumgardner, Cooke, Holbert, Lundberg, Neville T., Sonnenberg

**Bill Summary:** This bill would have eliminated tax credits for purchases of electric and other clean-fueled vehicles.

SWEEP opposed this legislation.

**Bill Activity:** This bill was assigned to Senate Finance on April 25, 2017; Senate Finance laid over the bill to May 11, 2017 (the day after the CO session was scheduled to end).

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

## **NEVADA**

AB 223	AN ACT relating to energy efficiency programs; requiring an electric utility to submit to the Public Utilities Commission of Nevada an energy efficiency plan designed to be cost effective; prescribing the contents of such a plan; requiring the Commission	Support	PASSED
AB 5	Provides for the creation of certain local improvement districts	Support	PASSED
SB 65	Revises provisions related to the filing by certain electric utilities of an integrated resource plan	Support	PASSED
SB 150	AN ACT relating to energy efficiency programs; requiring the Public Utilities Commission of Nevada to establish for each electric utility and each provider of electric service in this State annual goals for energy savings resulting from the implementation	Support	PASSED
SB 17-145	AN ACT relating to energy; establishing as part of the Solar Energy Systems Incentive Program a program for the payment of incentives for the installation of certain energy storage systems; creating the Electric Vehicle Infrastructure Demonstration Program.	Support	PASSED

**AB 223 - AN ACT relating to energy efficiency programs; requiring an electric utility to submit to the Public Utilities Commission of Nevada an energy efficiency plan designed to be cost effective; prescribing the contents of such a plan; requiring the Commission**

**Sponsors:** Assembly (wo)men McCurdy, Brooks, Jauregui, Monroe-Moreno, Watkins, and Yeager; Senators Cannizzaro and Segerblom

**Bill Summary:** AB 223 allows the Public Utilities Commission of Nevada (PUCN) to approve energy efficiency programs as long as they are part of an overall energy efficiency plan that is cost effective; requires that at least 5% of total utility energy efficiency expenditures assist low-income households in saving energy; and directs utilities and the PUCN to account for non-energy benefits in energy efficiency program and plan benefit-cost analysis.

SWEEP helped to draft and actively supported this bill.

**Bill Activity:** AB 223 passed the Assembly on a vote of 42-0-0 on April 25, 2017, passed the Senate of a vote of 21-0-0 on May 19, 2017, and was signed into law by Governor Sandoval on May 26, 2017.

**AB 5 - Provides for the creation of certain local improvement districts**

**Sponsors:** Government Affairs

**Bill Summary:** AB 5 provides for the creation of certain local improvement districts that include an energy efficiency improvement project or a renewable energy project; and providing other matters properly relating thereto. It enables use PACE (Property Assessed Clean Energy) financing for energy efficiency and renewable energy projects in commercial buildings.

**Bill Activity:** AB 5 passed the Assembly on April 25, 2017 on a vote of 34-8-0, passed the full Senate on May 23, 2017 on a vote of 21-0; Senate sent the bill back to the Assembly to reconcile on May 24, 2017.

**SB 65 - Revises provisions related to the filing by certain electric utilities of an integrated resource plan**

**Sponsors:** Senate Committee on Commerce, Labor and Energy

**Bill Summary:** SB 65 requires investor-owned utilities to provide an overview of the utility's resource plan or any amendment to the resource plan at least 4 months before filing the plan or within a reasonable period before filing the amendment; requires the PUCN to give preference to certain measures and sources of supply when determining the adequacy of a resource plan; requires the PUCN to consider the cost of such measures and sources of supply to the utility's customers when making such a determination; and requires the PUCN to include its justification for

the preferences given to such measures and sources of supply in orders approving or modifying a resource plan or an amendment to such a plan.

SWEEP supported this bill.

**Bill Activity:** SB 65 passed the full Senate on April 25, 2017 on a vote of 21-0, passed the Assembly on May 17, 2017 on a vote of 41-0-1.

**SB 150 - AN ACT relating to energy efficiency programs; requiring the Public Utilities Commission of Nevada to establish for each electric utility and each provider of electric service in this State annual goals for energy savings resulting from the implementation.**

**Sponsors:** Senator Spearman

**Bill Summary:** SB 150 requires the Public Utilities Commission of Nevada (PUCN) to establish energy savings goals for electric utility energy efficiency programs; requires each electric utility to implement an energy efficiency plan designed to be cost effective and meet the energy savings established by the Commission; allows the PUCN to approve energy efficiency programs as long as they are part of an overall energy efficiency plan that is cost effective; requires that at least 5% of total utility energy efficiency expenditures assist low-income households in saving energy; directs utilities and the PUCN to account for non-energy benefits in energy efficiency program and plan benefit-cost analysis; and allows the PUCN to adopt a rate adjustment mechanism so that utilities are not harmed financially due to energy efficiency improvements made by their customers.

SWEEP helped to draft and actively supported this bill.

**Bill Activity:** SB 150 passed the State Senate on April 25, 2017 on a vote of 21-0. It then passed the full Assembly on June 2, 2017 on a vote of 34-5-3. It was signed into law by Governor Sandoval on June 15, 2017.

**SB 17-145 - AN ACT relating to energy; establishing as part of the Solar Energy Systems Incentive Program a program for the payment of incentives for the installation of certain energy storage systems; creating the Electric Vehicle Infrastructure Demonstration Program.**

**Sponsors:** Senator Pat Spearman

**Bill Summary:** SB 17-145 establishes a statewide policy to expand the use of electric vehicles and creates an Electric Vehicle Demonstration Program. The legislation also requires utilities to submit plans to the Public Utilities Commission of Nevada showing how they will invest in charging stations and other infrastructure for electric cars. The measure further directs the PUCN to instruct utilities to otherwise support customer adoption of electric vehicles.

SWEEP supported this bill.

**Bill Activity:** This bill passed the Senate on April 21, 2017 on a vote of 20-1 and passed the Assembly on May 22, 2017 on a vote of 36-5-1. It was signed into law on May 31, 2017 by Governor Sandoval.

For additional information regarding these bills, visit the website of the Nevada General Assembly, at <https://www.leg.state.nv.us/>

## **NEW MEXICO**

HB 275	Public-Private Partnerships Act	Supports	Did not pass
SB 143	NM Infrastructure Investment Act	Supports	Did not pass
SB 215	Energy and Water Project Financing	Supports	Did not pass

### **HB 275 - Public-Private Partnerships Act**

**Sponsors:** Representatives Larranaga and Cisneros

**Summary:** HB 275 allows public buildings to enter into long-term public-private partnerships to enable energy efficiency (and other) upgrades. This is the House version of SB 143. As introduced, the language is identical.

SWEEP supported both versions of this bill.

**Bill Activity:** Introduced in the House and assigned to Transportation, Public Works and Capital Improvements Committee that passed the bill on Feb. 17, 2017. However, the bill did not advance further.

### **SB 143 - NM Infrastructure Investment Act**

**Sponsors:** Senator Michael Padilla

**Summary:** SB 143 allows public buildings to enter into long-term public-private partnerships to enable energy efficiency (and other) upgrades. This is the Senate version of HB 275. As introduced, the language is identical.

SWEEP supported both versions of this bill.

**Bill Activity:** This bill was introduced in the Senate on Jan. 23, 2017, assigned to Corporations & Transportation Committee; Committee recommended a Do Pass recommendation on Committee Substitution on Feb. 2, 2017; Judiciary Committee reported Do Not Pass but with a Do Pass recommendation on Committee Substitution; referred to Finance Committee on Feb. 14, 2017 but did not advance further.

### **SB 215 - Energy and Water Project Financing**

**Sponsors:** Peter Wirth

**Summary:** SB 215 makes changes to the lien priority under the PACE enabling language to allow residential PACE programs in NM.

SWEEP supported this bill.

**Bill Activity:** This bill was assigned to Senate Conservation Committee; Conservation Committee recommended Do Pass with amendment(s); referred to Corporations & Transportation Committee on Feb. 9, 2017. It was tabled by this committee on Mar. 5, 2017.

For additional information regarding these bills, visit the website of the New Mexico Legislature, at <https://www.nmlegis.gov/>

## **UTAH**

HB 29	Energy Efficient Vehicle Tax Credit Amendments	Support	Did not pass
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### **HB 29 - Energy Efficient Vehicle Tax Credit Amendments**

**Sponsors:** Representative Handy

**Bill Summary:** HB 29 allows a tax credit of \$1,500 for the purchase of a qualifying "long-range" electric vehicle (EVs with batter capacity of 10 kwh or more) and \$1,000 for qualifying "short-range" electric vehicles (EVs with battery capacity of less than 10 kwh); extends the tax credit through 2021; and creates an option for the tax credit to function as an up-front rebate (by allowing the vehicle buyer to assign the tax credit to the dealer/dealer's financing entity).

SWEEP and its partner Utah Clean Energy actively supported this bill.

**Bill Activity:** HB 29 was introduced to the house and referred to the Revenue & Taxation Committee. The bill failed in the House on Feb. 28, 2017 on a vote of 37-38-0.

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

## WYOMING

Nothing to report for the 2017 legislative session in Wyoming.