



2007
LEGISLATIVE ACTIVITIES REPORT

Southwest Energy Efficiency Project

June 11, 2007

2260 Baseline Road, Suite 212
Boulder, CO 80302
p: 303-447-0078
f: 303-786-8054
www.swenergy.org

2007 LEGISLATIVE ACTIVITIES

The state legislatures in the SWEEP region typically meet annually, during the first and second quarter of the year. SWEEP actively engages in the legislative process, working to advance energy efficiency through state legislation, where appropriate. These legislative efforts range from researching and writing bill language, to building coalitions in support of energy efficiency legislation, to testifying at committee hearings and advocating for the passage of bills.

2007 saw exciting gains on the legislative front, with bills that SWEEP actively supported becoming law in Colorado, New Mexico, and Utah (Arizona and Nevada still pending). In addition to these successes, other bill efforts did not result in changes to law. But as a result of these and other efforts, support for energy efficiency across the Southwest continues to grow.

Following is a rundown of SWEEP's 2007 legislative activities, which focused on the states of Arizona, Colorado, Nevada, New Mexico, and Utah.

ARIZONA

HOUSE BILL 2492: local development fees; energy credit

Sponsored by Rep. Lucy Mason (R-Prescott). Though introduced by Representative Mason and receiving assignment to three different committees, House Bill 2492 was never considered by the House of Representatives.

House Bill 2492 would have provided a financial incentive for builders of very energy-efficient homes, by reducing development impact fees 15% for builders or home developers that construct homes that are 50% more energy efficient than the International Energy Conservation Code.

HOUSE BILL 2493: energy production; tax credit

Sponsored by Rep. Lucy Mason (R-Prescott). House Bill 2493 passed both the House Water and Agriculture Committee (8-0-2) and House Ways and Means Committee (10-0-0), but was dropped from consideration and not included in the state budget that is now being considered by the House of Representatives.

House Bill 2493 would have provided a tax credit of 1.5 cents for each kWh produced for the production of electricity from efficient and clean Combined Heat and Power systems (CHP). HB 2493 included financial caps of \$2 million total per year and \$100,000 per installation. The bill would have allowed the tax credit to be claimed by a third party, such as the developer of the CHP project, for example, if the customer was a non-tax paying entity.

HOUSE BILL 2494: energy; water; savings loan fund

Sponsored by Rep. Lucy Mason (R-Prescott). House Bill 2494 passed the House Water and Agriculture Committee (7-1-2), and has been included in the state budget that is now being considered by the House of Representatives, though the amount of funding has been reduced from \$25 million to \$4 million.

Similar to the effective Texas Loan Star program, House Bill 2494 develops a revolving loan fund of \$4 million to assist existing state facilities and schools in implementing energy and water saving projects. State facilities and schools would repay the loans using their energy and water cost savings, and the funding would then be made available for other projects. HB 2494 allows state facilities and schools to retain up to 20% of the financial savings as an incentive.

HOUSE BILL 2495: schools; energy performance standards

Sponsored by Rep. Lucy Mason (R-Prescott). House Bill 2495 passed the House Water and Agriculture Committee (9-0-1), but was dropped from consideration and not included in the state budget that is now being considered by the House of Representatives.

House Bill 2495 would have implemented energy and water performance standards for all new public school projects approved after June 30, 2007. The bill would have required the School Facilities Board to consider the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) standards for new schools.

HOUSE BILL 2496: schools; energy and water efficiency

Sponsored by Rep. Lucy Mason (R-Prescott). House Bill 2496 passed the House Water and Agriculture Committee (8-1-1), the House Rules Committee (9-0-1), and the House of Representatives Committee of the Whole (56-3-1); the Senate Natural Resources and Rural Affairs Committee (6-0-1), and the State Senate Committee of the Whole (28-0-2). Governor Janet Napolitano signed the bill into law on May 1, 2007.

House Bill 2496 creates an energy and water savings fund to allow utility cost savings accounted for in the Maintenance & Operations portion of school budgets to pay for the capital investment in energy or water saving measures. This enables school districts to use utility and other sources of funding to invest in cost-effective energy and water saving measures. HB 2496 also allows schools to retain up to 20% of the cost savings as an incentive.

HOUSE BILL 2497: public buildings; energy savings goals

Sponsored by Rep. Lucy Mason (R-Prescott). House Bill 2497 passed the House Higher Education Committee (9-0-1) and House Government Committee (10-0-0), but was dropped from consideration and not included in the state budget that is now being considered by the House of Representatives.

House Bill 2497 would have extended and strengthened the energy savings goals for public buildings adopted in 2003 (which call for a 10% reduction in energy use per square foot of floor area by 2008, and a 15% reduction per square foot of floor area by 2011) by adding a provision to increase the energy savings percentage to 20% per square foot of floor area on or before July 1, 2015. HB 2497 would have also expanded the application of the energy savings goals in 2011 and 2015 to include community colleges. In addition, the bill would have clarified that the state requirement to purchase cost-effective ENERGY STAR or FEMP-designated products applies to all state agencies, universities, community colleges, and schools, and not solely to the state building systems currently listed in the state code.

HOUSE BILL 2638: local energy plans

Sponsored by Rep. Olivia Cajero Bedford (D-Phoenix). House Bill 2638 passed the House Water and Agriculture Committee (9-1-0), the House Rules Committee (9-0-1), and the House of Representatives Committee of the Whole (45-13-2); the Senate Government Committee (6-0-1), and the Senate Rules Committee. It is awaiting further action by the State Senate.

House Bill 2638 requires towns, cities, and counties with a population greater than 150,000 to adopt an energy element to their planning policies that will encourage and provide incentives for the efficient use of energy. The bill also requires that these general plans contain an assessment that identifies policies and practices that will provide for the greater use of renewable energy sources.

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

COLORADO**HOUSE BILL 1037: Natural Gas and Electric Utility Energy Efficiency**

Sponsored by Rep. Claire Levy (D-Boulder) and Sen. Joan Fitz-Gerald (D-Gilpin County). House Bill 1037 passed the House Transportation and Energy Committee (13-0-0), the House Appropriations Committee (12-0-1), the House of Representatives Committee of the Whole (50-15-0); the Senate State, Veterans, and Military Affairs Committee (3-1-1) the Senate Appropriations Committee (7-3-0), and the State Senate Committee of the Whole (24-11-0), in amended form. Repassed by the House Committee of the Whole (40-23-2), after concurrence with Senate amendments. Governor Bill Ritter signed the bill into law on May 22, 2007.

SWEEP worked very closely with Representative Levy to craft House Bill 1037, which is modeled on similar bills that were twice adopted by the General Assembly (in 2005 and 2006), and twice vetoed by former governor Bill Owens.

A significant amendment to HB 1037 was added in the Senate State, Veterans, and Military Affairs Committee. This amendment expands the scope of the bill to address not only natural gas demand-side management programs, but also electricity DSM programs.

HB 1037 will facilitate and expand energy efficiency programs implemented by natural gas and electric utilities in Colorado. HB 1037 directs the Public Utilities Commission (PUC) to establish a cost recovery mechanism so that utilities can recover prudent expenditures on energy efficiency programs, and provide utilities with positive financial incentives for implementing cost-effective efficiency programs for their customers. The bill also requires the PUC to establish energy savings goals for the utilities.

HOUSE BILL 1146: Energy Conservation Building Codes

Sponsored by Rep. Claire Levy (D-Boulder) and Sen. Ken Gordon (D-Denver). House Bill 1146 passed the House Transportation and Energy Committee(10-3-0), the House of Representatives Committee of the Whole (53-11-1); the Senate Local Government Committee (7-0-0), and the State Senate Committee of the Whole (28-7-0), in amended form. The First Conference

Committee passed the bill (6-0-0) in amended form, and both the State Senate and House of Representatives repassed the bill in this amended form. Governor Bill Ritter signed the bill into law on May 3, 2007.

SWEEP worked closely with Representative Levy to craft House Bill 1146. House Bill 07-1146 requires all cities and counties with building codes to adopt and enforce a relatively up-to-date building energy code. This will ensure that all new residential and commercial buildings in these jurisdictions are at least moderately energy efficient. Cities and counties without building codes are not affected. Twenty-one states including Kansas, Nebraska, New Mexico and Utah have adopted a mandatory building energy code statewide at least as stringent as the code specified in HB 1146.

HB-1146 also authorizes to the Department of Local Affairs to provide grants to cities, counties, and non-profit organizations for training and technical assistance related to building energy codes and new construction that exceeds minimum energy code requirements.

SENATE BILL 51: High Performance State Buildings

Sponsored by Sen. Ken Gordon (D-Denver) and Rep. Claire Levy (D-Boulder). Senate Bill 51 passed the Senate Agriculture, Natural Resources, and Energy Committee (7-0-0), the State Senate Committee of the Whole (33-1-1) in amended form; the House Transportation and Energy Committee (13-0-0), and the House of Representatives Committee of the Whole (63-2-0), in amended form. The State Senate considered and approved the House amendments. Governor Bill Ritter signed the bill into law on April 16, 2007.

SB 51 requires state agencies or departments embarking upon a substantial renovation, design, or construction of a state-assisted facility of more than 5,000 square feet to pursue U.S. Green Building Council LEED Gold certification, as long as construction costs can be recouped from decreased operational costs within 15 years. SB 51 also requires new or substantially renovated buildings from 0-4,999 square feet in size to be built to LEED gold standards, though they will not be required to go through the certification process. The bill specifies that if the increased costs of construction are greater than 5%, the legislature's capital development committee shall examine the estimate prior to approving any appropriation. The bill also provides for the creation of a "State High Performance Certification Program," to be created by the Department of Personnel and Administration in conjunction with the Governor's Energy Office, the Office of the State Architect, the Department of Agriculture, and the Department of Natural Resources. Any state-developed program must meet a green building level equal to or greater than LEED gold.

SENATE BILL 246

Create Clean Energy Fund

Sponsored by Sen. Joan Fitz-Gerald (D-Gilpin County) and Rep. Bernie Buescher (D-Grand Junction). Senate Bill 246 passed the Senate State, Veterans, and Military Affairs Committee (3-2-0), the Senate Appropriations Committee (6-4-0), the Senate Committee of the Whole (22-10-3); the House Transportation and Energy Committee (9-4-0), House Appropriations Committee (10-3-0), and House Committee of the Whole (40-22-3) in amended form. The State Senate considered and approved the House amendments.

SB 246 creates a clean energy fund in the state treasury, using monies that accrue annually in the state's limited gaming fund and any fiscal year monies not expended by the Governor's Energy Office. The fund will be used to advance energy efficiency and renewable energy throughout Colorado, and is expected to fund such activities as providing home energy efficiency improvements to low-income households, attracting renewable energy industry investment in the state, assisting in technology transfer into the marketplace for newly developed energy efficiency and renewable energy technologies, and providing market incentives for the purchase and distribution of energy efficient and renewable energy products. It is expected that the Clean Energy Fund will see about \$7 million in funding for the 2007-2008 and 2008-2009 state fiscal years, with the chance that this pot will grow in future years.

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

NEVADA

ASSEMBLY BILL 178: Effective Ban on Incandescent Lights

Sponsored by Assemblymen Bobzien, (D-Washoe County), Assembly Bill 178 was approved by the Assembly in amended form on April 13 on a vote of 42-0, and adopted with further amendments by the State Senate on May 25 on a vote of 21-0; the Bill was adopted in Conference with further amendments on June 4. It was signed by Governor Jim Gibbons on June XX.

Assembly Bill 178 as introduced addressed net metering and the establishment of the Wind Energy Systems Demonstration Program. The Senate Commerce and Labor Committee added an amendment proposed by Senator Schneider (D-Clark County) with technical support from SWEEP. The amendment was also accepted by Assemblyman Bobzien. It will:

1. Establish a minimum energy efficiency standard of 25 lumens per watt for general-purpose lights sold in this State on and after January 1, 2012; and
2. Require the Director of the Office of Energy to establish a minimum energy efficiency standard greater than 25 lumens per watt for general-purpose lights sold in Nevada on and after January 1, 2016.

Senator Schneider's amendment, which was not affected by subsequent amendments to the bill, effectively bans today's general service incandescent bulbs. It calls for the Director of the Office of Energy to establish regulations for carrying out the provision of the law in an "attempt to minimize the overall cost to consumers for general purpose lighting, considering the needs of consumers relating to lighting, technological feasibility and anticipated product availability and performance."

SWEEP estimates that the effective ban on incandescent light bulbs will lead to the following savings for Nevadans, after all the old bulbs have burnt out and been replaced with new efficient ones:

1. 1,200 gigawatt-hours of electricity saved annually.
2. \$1.3 billion in net economic benefits for consumers over the lifetime of more efficient lamps installed through 2020.
3. An annual reduction in carbon dioxide emissions of 850,000 tons - the equivalent of removing 160,000 passenger cars from the road.
4. 300 MW of peak power avoided - the equivalent of 40% of one of the planned new coal-fired power plants in White Pine County.

With passage of AB 178, Nevada joined a growing number of organizations around the world that are backing an initiative to phase out inefficient incandescent light bulbs. Nevada is the first state to pass such legislation. At the time of passage, Australia and Canada had announced plans to phase out incandescent light bulbs within ten years. Several E.U. nations were considering the same, and similar bills to Nevada's were under consideration in California, North Carolina, South Carolina, Rhode Island, Connecticut, and Massachusetts.

ASSEMBLY BILL 481: Motor Vehicle Emissions and Fuel Efficiency

Sponsored by Assemblyman Ohrenschall (D-Clark County), Assembly Bill 481 died in committee. It failed to pass out of the Assembly Committee on Transportation by the April 13 deadline and no further action was allowed.

Assembly Bill 481 would have exempted the purchaser of a fuel-efficient vehicle from licensing and registration fees for 5 years; would have required the Department of Motor Vehicles to issue a decal or other identifier to the owner of a fuel-efficient vehicle to operate the vehicle in a lane designated for use by high-occupancy vehicles; would have exempted the driver of a fuel-efficient vehicle from certain public parking fees; would have exempted fuel-efficient vehicles from the governmental services tax for 5 years; would have exempted fuel-efficient vehicles from certain sales tax; would have required the State Environmental Commission to adopt by regulation the California emissions standards for motor vehicles; would have made it unlawful to transfer ownership of a vehicle that does not meet certain emissions standards; and would have provided a penalty for violations.

ASSEMBLY BILL 621: Changes in the Provision of Tax Abatements and Exemptions Based upon the Use of Energy

Sponsored by the Assembly Committee on Commerce and Labor, Assembly Bill 621 was approved by the Assembly in amended form on May 26 on a vote of 39-0, and adopted with amendment by the State Senate on June 1 on a vote of 20-1; the Assembly concurred with the Senate amendment on June 3. It was signed by Governor Jim Gibbons on June XX.

AB 621 was the highest visibility energy bill this session as legislators scrambled to contain the property tax loss to local governments created by tax incentives for green buildings enacted in 2005. AB 621 reduces the amount of the tax incentive for future projects and adds a minimum energy efficiency component to the current Leadership in Energy and Environment Design (LEED) requirement. It also streamlines the process for developers and provides greater control by the Governor's Energy Office.

AB 621 was developed in response to a growing awareness of the magnitude of the fiscal impact of provisions passed in AB 3 in 2005 that provide partial property tax relief for new or existing

buildings that meet LEED standards. The AB 3 provisions provide up to 50% abatement of property taxes for up to 10 years. The 2005 provisions for property tax relief have been so successful in stimulating energy efficient and sustainable building practices that property tax abatements in Nevada are estimate to total around \$1 billion over the next ten years, mostly resulting in reduced county revenues.

SWEEP worked with other non-governmental organizations in Nevada and provided testimony to support the continuation of meaningful incentives for energy-efficient development. The final bill reduces the amount of the tax incentive for future projects and superimposes a minimum energy efficiency component to LEED in a manner suggested by SWEEP and its colleagues. It also streamlines the process for developers and provides greater control by the Governor's Energy Office.

AB 621 cuts the amount of the tax incentive for future projects in about half and superimposes a minimum energy efficiency component to LEED, adding a minimum point requirement from energy conservation (3 LEED points to meet the LEED silver level, 5 points for the gold level, and 8 points for the platinum level). SWEEP believes that the revisions to the 2005 law still provide a meaningful incentive for transforming building practices in Nevada.

SENATE BILL 422: Greenhouse Gas Emission Allowances and Cap for Utilities

Sponsored by Senator Titus (D-Clark County), Senate Bill 422 was approved by the Senate in amended form on May 24 on a vote of 21-0, and adopted with an amendment by the Assembly on May 31 on a vote of 41-0; the Senate concurred with the Assembly amendment on June 3. It was signed by Governor Jim Gibbons on June XX.

Senate Bill 422 as introduced would have required the State Environmental Commission to establish, by regulation, a statewide program for the control of six greenhouse gases emitted by any facility in Nevada for the generation of electricity that has a capacity of at least 25 megawatts. The program would have created allowances for carbon dioxide equivalent emissions from affected units and the manner in which the allowances must be banked and traded. The program would also have imposed a limitation on the annual amount of greenhouse gases that an affected unit may emit.

SB 422 was amended to strip it of the requirement to limit greenhouse gas emissions. The amended version instead establishes a statewide registry of greenhouse gases emitted in Nevada. It defines a “greenhouse gas” to mean carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulphur hexafluoride. And it requires the State Department of Conservation and Natural Resources to issue, by the end of 2008 and at least every 4 years thereafter, a statewide inventory of greenhouse gas emissions.

SENATE BILL 437: Assessing Energy Efficiency for Sale of Homes; Gas Decoupling

Sponsored by the Committee on Commerce and Labor, Senate Bill 437 was approved by the Senate in amended form on May 30 on a vote of 21-0, and adopted with an amendment by the Assembly on June 4 on a vote of 42-0; the Senate concurred with the Assembly amendment on June 5. It was signed by Governor Jim Gibbons on June XX.

Senate Bill 437 is a compilation of energy initiatives. SWEEP supported four of the initiatives

initially introduced, two of which survived into the final Bill. The original provisions that SWEEP supported would have:

1. Required the Office of Energy to establish a program for evaluating and rating energy consumption of residential property in the state, and required that such an evaluation and rating be conducted upon the sale of any such property.
2. Required the Nevada Tax Commission to establish by regulation rules for the granting of an abatement of up to 50% of property tax for up to 10 years for single-family residences that meet the equivalent of LEED silver or higher.
3. Specified that bid evaluations for construction, repair, or reconstruction of public buildings be based on the sum of the construction cost plus an estimate of the cost to operate and maintain the building for its expected useful life.
4. Required the Public Utility Commission to adopt regulations for natural gas utilities to remove financial disincentives (lost revenues from reduced sales) to energy conservation.

SB 437 as it was passed includes two significant energy efficiency provisions:

1. The requirement for the Office of Energy to establish a program for evaluating and rating energy consumption of residential property in the state was changed to require evaluation only; the rating requirement has been dropped. The requirement that the evaluation be conducted upon the sale of any such property remains, although the provision is self-regulating and realtors no longer are required to play a role or have any responsibility.
2. The Public Utility Commission is required to adopt regulations removing the financial disincentives to energy conservation that currently inhibit natural gas utilities from helping customers use gas more efficiently. The primary disincentive that must be addressed is the lost revenue from reduced sales that accompanies successful DSM programs.

For additional information regarding these bills, visit the website of the Nevada State Legislature, at <http://www.leg.state.nv.us/>.

NEW MEXICO

HOUSE JOINT MEMORIAL 12: New Mexico as Energy Conservation Leader

Sponsored by Rep. Mimi Stewart (D-Albuquerque). House Joint Memorial 12 passed the House Consumer and Public Affairs Committee (5-0-2), the House of Representatives Committee of the Whole (57-7-0); the Senate Rules Committee (6-0-3), and the Senate Conservation Committee (7-2-0). The memorial was not considered by the State Senate Committee of the Whole.

While House Joint Memorial 12 did not pass the state legislature, House Memorial 64 – identical in language and intent to HJM 12 – did pass the House of Representatives, on a vote of 57-0. HM 64 urges the state to become a leader in reducing greenhouse gases through resource conservation and the use of alternative energy. In particular, the memorial encourages the installation of compact fluorescent light bulbs and programs to teach energy conservation, including a request for a “Get a Bright Idea” consumer education campaign.

SENATE MEMORIAL 31: Expand Energy and Energy Conservation Learning Opportunities

Sponsored by Sen. Cynthia Nava (D-Las Cruces). Senate Memorial 31 passed the Senate Rules Committee (5-0-4) and the State Senate Committee of the Whole (29-0).

Senate Memorial 31 encourages teachers to educate their students in energy and energy conservation.

HOUSE BILL 534: Sustainable Building Tax Credit

Sponsored by Rep. Peter Wirth (D-Santa Fe). House Bill 534 passed the House Business and Industry Committee (11-0-0), the House Taxation and Revenue Committee (10-0-6), and the House of Representatives Committee of the Whole (62-0-0). The bill was assigned to but never heard by the Senate Finance Committee.

While House Bill 534 was not adopted, the bill itself was incorporated into Senate Bill 463 during the legislative process, which was adopted by the State Legislature and signed into law by Governor Bill Richardson on April 3, 2007.

House Bill 534 creates a “sustainable building tax credit,” to be made available for the construction of a sustainable residential or commercial building, or the renovation of an existing building into a sustainable building. The amount of tax credit that building owners or purchasers can receive is to be calculated based on the certification level the building has achieved in the LEED green building rating system.

HOUSE BILL 825: Energy Efficiency Bonding and Fund

Sponsored by Rep. Mimi Stewart (D-Albuquerque). House Bill 825 passed the House Energy and Natural Resources Committee (12-0-2), the House Appropriations and Finance Committee (14-0-4) in amended form, and the House of Representatives Committee of the Whole (61-0-0); the Senate Conservation Committee (7-0-2) in amended form, the Senate Finance Committee (8-0-2), and the State Senate Committee of the Whole (37-0-0). New Mexico Governor Bill Richardson signed the bill into law on April 2, 2007.

House Bill 825 updates the Energy Efficiency and Renewable Energy Bonding Act of 2005. Efforts to utilize the bonding provisions of the 2005 Act have been hampered by the state's inability to fund the energy audits that would verify the payback for the bonds. This bill amends the Act by providing for assessments, creating a revolving fund, increasing the duration of installation contracts, and removing the requirement for a state plan. It also extends the contract period from four years to 10 years. Perhaps most importantly, HB 825 appropriates \$500,000 to a new Energy Efficiency Assessment Revolving Fund, which will allow the state to do energy assessments and thereby validate bond issuances.

SENATE BILL 542: Energy-Efficient Appliance Tax Credit

Sponsored by Sen. Dede Feldman (D-Albuquerque). Senate Bill 542 passed the Senate Corporations and Transportation Committee (7-0-0). The bill was never heard by the Senate Finance Committee, and thus was killed.

Senate Bill 542 would have provided state tax credits to New Mexico taxpayers for the purchase of energy-efficient heating, ventilating, and cooling equipment. Applicable equipment included circulation fans, furnaces and hot water boilers, electric heat pumps, geothermal heat pumps, central air conditioners, evaporative coolers, and hot water heaters. The tax credits would have varied from \$25 - \$300, and would have been made available between 2007 - 2013. In addition, SB 542 would have provided a month-long “sales tax holiday” for the purchase of ENERGY STAR-qualified clothes washers, dishwashers, refrigerators, freezers, and water heaters, for the month of November.

SENATE BILL 981: Energy-Efficient Building Code Provisions

Sponsored by Sen. Dede Feldman (D-Albuquerque). Senate Bill 981 passed the Senate Conservation Committee (7-0-2). The bill was never heard by the Senate Finance Committee, and thus was killed.

If adopted, Senate Bill 981 would have authorized an appropriation of \$150,000 to the New Mexico Construction Industries Division for fiscal year 2008 to convene stakeholders to develop new building code provisions and programs to train contractors and inspectors in best practices for energy-efficient building construction, with the goal of achieving carbon-neutrality by 2030. In addition to the above-mentioned bills, energy efficiency funding was appropriated in the 2007 state budget as follows:

- \$2 million for “Energy Innovation” efforts
- up to \$2 million for energy-efficient, sustainable building elements for public schools
- four additional staff persons have been added to the Energy Conservation Management Division, bringing total staffing up to 15
- \$538,200 for occupancy sensor controls in the State Capitol building

For additional information regarding these bills, visit the website of the New Mexico State Legislature, at <http://legis.state.nm.us/lcs/>.

UTAH

HOUSE JOINT RESOLUTION 2: Resolution Supporting Energy Efficiency

Sponsored by Rep. Ralph Becker (D-Salt Lake City). House Joint Resolution 2 passed the House Political Subdivisions Committee (10-0-1), and the House of Representatives Committee of the Whole (70-0-5). Though introduced in the State Senate, it was never heard, and thus was defeated.

House Joint Resolution 2 had asked the Utah State Legislature to express its support for Governor Jon Huntsman’s Energy Efficiency Goal of increasing energy efficiency in Utah twenty percent by 2015. The legislation did not appropriate monies, had no special clauses, nor did it include deliverables on behalf of the Legislature.

HOUSE BILL 110: State Fleet Efficiency Requirements

Sponsored by Rep. Fred Hunsaker (R-Logan). House Bill 110 passed the House Natural Resources, Agriculture, and Environment Committee (14-0-1), the House of Representatives Committee of the Whole (69-3-3); the Senate Transportation and Public Utilities and Technology Committee (5-0-1), and the State Senate Committee of the Whole (26-1-2). Governor Jon Huntsman signed the bill into law on March 9, 2007.

The primary goal of HB 110 is to achieve reductions in fuel use by the state vehicle fleet. The legislation will give state fleet managers a specific efficiency goal or objective and timetable to meet fuel efficiency goals, and then require them to devise a plan for accomplishing the goal. The plan might include: right-sizing vehicles, reducing idle time, driving fewer miles, avoiding rush hour traffic, using B5 and B20 bio-diesel, purchasing hybrids and alternative fuel vehicles, and other cost saving techniques.

HOUSE BILL 122: Clean Air and Efficient Vehicles Tax Credits

Sponsored by Rep. Roz McGee (D-Salt Lake City) and Sen. Greg Bell (R-Davis). House Bill 122 passed the House Revenue and Taxation Committee (11-0-4) and the House of Representatives Committee of the Whole (68-0-7). Though introduced in the State Senate, it was never heard, and thus was defeated.

HB 122 would have provided performance-based, fuel- and technology-neutral incentives for efficient and clean vehicles. Consumers who purchased eligible vehicles would have qualified for a tax credit for the purchase or conversion of a vehicle meeting air quality and fuel economy guidelines set by the United States Department of Energy and the Environmental Protection Agency. Currently, there is a state tax credit for up to half the incremental cost of an alternative fuel vehicle's powertrain and fuel system (i.e., the difference in cost between a traditional motor gasoline- or diesel-fueled vehicle and an alternative fuel vehicle of the same make and model). This 2007 legislation sought to build upon this law by making tax credits available to clean and efficient vehicles that pass the EPA's SmartWay Elite rating for fuel efficiency and air emissions. This would have enabled alternative fuel vehicles that may not have a traditional-fuel model on the market, i.e. the Toyota Prius, to receive the tax credit.

HOUSE BILL 351: Revolving Loan Fund for Certain Energy Efficient Projects

Sponsored by Rep. Roger Barrus (R-Centerville). House Bill 351 passed the House Natural Resources, Agricultural, and Environment Committee (12-0-3), the House of Representatives Committee of the Whole (70-0-5); the Senate Education Committee in amended form (4-1-3), and the State Senate Committee of the Whole (25-3-1). The House of Representatives concurred with the State Senate Amendments. Governor Jon Huntsman signed the bill into law on March 16, 2007.

HB 351 is designed to help remove the barrier of capital constraints for energy efficiency investments. The bill establishes a revolving loan fund to provide low-interest loans (2-3%) for energy efficiency projects to K-12 schools through a one-time appropriation of \$5 million. Loans would be provided for retrofit of existing buildings as well as energy efficiency upgrades to new buildings. In addition to loans, technical assistance would also be provided to help public agencies and school districts conduct energy audits, design and implement energy efficiency



projects, and maximize energy savings. This program would be modeled after successful loan funds created in Iowa (Iowa Energy Bank) and Texas (Texas Loan Star).

For additional information regarding these bills, visit the website of the Utah State Legislature, at <http://www.le.state.ut.us/>.