

2012 LEGISLATIVE ACTIVITY REPORT

June 30, 2012

Southwest Energy Efficiency Project

2334 Broadway, Suite A
Boulder, CO 80304
p: 303-447-0078
f: 303-447-0185
www.swenergy.org

2012 Legislative Activities

In the Southwest region, the state legislatures in Arizona, Colorado, New Mexico and Utah met during the first and second quarter of 2012. 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 of three energy efficiency bills that became law. SWEET actively opposed eight bills that ultimately were defeated.

Milestones for energy efficiency in our region include the following:

- **Colorado HB 1028** extends funding for providing energy-related assistance to low-income households through direct bill payment assistance and home energy-efficiency improvements through 2018-19.
- **Colorado HB 1258** specifies that sellers of electricity as fuel for alternative fuel vehicles are not regulated as public utilities.

Even though other bills were not adopted, SWEET continues to work on advancing these measures in preparation for 2013 legislative sessions.

Details on SWEET's 2012 legislative efforts, along with information on the outcome of energy efficiency bills all four states, are described below.

ARIZONA

HB 2775	Swimming pool pumps; energy efficiency	Did not pass (SWEEP opposed)
HB 2789	Corporation Commission Rules; Legislative Approval	Did not pass (SWEEP opposed)
HB 2790	Corporation Commission; Energy Standards	Did not pass (SWEEP opposed)
SB 1215	Repeal; pool pump energy standards	Did not pass (SWEEP opposed)
SB 1343	Energy efficiency programs; exemption	Did not pass (SWEEP opposed)

HB 2775: swimming pool pumps; energy efficiency

Sponsor: Representative Pratt

Bill Summary: This bill would have made energy efficient portable electric spa, residential pool pumps and pool pump motors optional. SWEEP opposed this bill.

Bill Activity: HB 2775 was introduced in the House on February 7, and assigned to the Energy & Natural Resources Committee. House passed amended on a 19-2-0 vote on March 6, and the Senate passed amended on 22-8-0 vote on March 22. The bill died in conference committee awaiting House action on Senate amendments.

HB 2789: Corporation Commission Rules; Legislative Approval

Sponsors: Representatives Lesko, Fillmore, Barton, Brophy McGhee, Crandell, Fann, Gowan, Gray R., Harper, Judd, Kavanagh, McLain, Montenegro, Olson, Pratt, Reeve, Robson, Urie, Ugenti; Senators Burges, Klein, Smith, Allen, Barto, Griffen, Lewis, McComish, Melvin, Murphy, Nelson, Reagan, Yarbrough

Bill Summary: This bill would have created an environment of redundant regulation and more government by requiring a majority of the Arizona Legislature to approve any new rules established by the Arizona Corporation Commission. This would mean extra layers of bureaucracy, more government micromanagement, more delay, and more uncertainty for businesses. SWEEP opposed this bill.

Bill Activity: HB 2789 was introduced in House on February 7, and assigned to Government Committee. The House passed amended on 31-27-2 vote. The bill was introduced in Senate on March 6, assigned to Government Reform Committee, amended to address only the Renewable Energy Standard, and was held in the Senate.

HB 2790: Corporation Commission; Energy Standards

Sponsors: Representatives Lesko, Fillmore, Barton, Brophy McGhee, Crandell, Fann, Gowan, Gray R., Harper, Judd, Kavanagh, McLain, Montenegro, Olson, Pratt, Reeve, Robson, Urie; Senators Burges, Klein, Smith, Allen, Barto, Griffen, Lewis, McComish, Melvin, Murphy, Nelson, Yarbrough

Bill Summary: This bill would have changed how the Arizona Corporation Commission evaluates the cost effectiveness of energy efficiency programs, setting an arbitrary five-year time horizon that would unnecessarily limit the deployment of energy efficiency, the least expensive energy resource that delivers significant benefits for Arizona's homeowners and ratepayers. SWEEP opposed this bill.

Bill Activity: HB 2790 was introduced in the House on February 8, and assigned to Energy Committee. The bill died in committee.

SB 1215: Repeal; pool pump energy standards

Sponsor: Senator Biggs

Bill Summary: This bill repealed specific energy standards relating to electric spas, residential pool pumps and residential pool pump motors. SWEEP opposed this bill.

Bill Activity: SB 1215 was introduced in Senate on January 23, and assigned to Government Reform Committee. The Senate passed on 20-9-1 vote. The bill was introduced in the House on February 20 and assigned to Energy & Natural Resources Committee. The bill died in committee.

SB 1343: Energy efficiency programs; exemption

Sponsor: Senator Melvin

Bill Summary: This bill would have exempted large retail electric customers (at a voltage level of at least 46 KV) from requirements to participate in or fund energy efficiency programs provided by the utility. SWEEP opposed this bill.

Bill Activity: SB 1343 was introduced in the Senate on January 26, and assigned to the Veterans, Military & Government Affairs Committee. The bill died in committee.

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

Colorado

HB 12-1028	Continuing Energy-Related Assistance to Low-Income Households	PASSED
HB 12-1167	Special Fuel Inspection and Revenues	Did not pass (SWEEP opposed)
HB 12-1172	Prohibiting the PUC from considering a federal carbon tax and investor owned utilities from issuing tiered rates	Did not pass (SWEEP opposed)
HB 12-1258	Alternative Fuel Vehicle Charging Facilities	PASSED
HB 12-1315	Reorganization of Governor's Energy Office	PASSED

HB 12-1028: Continuing Energy-Related Assistance to Low-Income Households (PASSED)

Sponsor: Representative Gerou; Senator Steadman

Bill Summary: This bill extends funding for providing energy-related assistance to low-income households through direct bill payment assistance and home energy-efficiency improvements through 2018-19.

Bill Activity: HB 12-1028 was introduced in the House on January 11, and assigned to the Finance Committee. The House passed unamended on a vote of 49-16-0. In the Senate, the bill was assigned to the Committee on Health and Human Services, and passed the Senate unamended on a vote of 24-10-1. The bill was signed into law by the Governor on March 24.

HB 12-1167: Special Fuel Inspection and Revenues

Sponsor: Representative Fischer

Bill Summary: This bill would have modified the regulation of the fuel products by the division of oil and public safety in the department of labor and employment in a variety of ways. Among other measures, the bill would have imposed a tax on electricity sold to power electric vehicles. SWEEP opposed this bill, and provided the only testimony against the electricity tax portion of the bill.

Bill Activity: HB 12-1167 was introduced in House on January 20, and assigned to Committee on Agriculture, Livestock & Natural Resources. The bill died in committee.

HB 12-1172: Prohibiting the PUC from considering a federal carbon tax and investor owned utilities from issuing tiered rates

Sponsor: Representative Swalm

Bill Summary: SWEEP opposed this bill, which would hamper the PUC's ability to make strong and important decisions to help clean our air and lower Colorado's contributions to climate change.

Bill Activity: HB 1172 was introduced in the House on January 20, and assigned to Committee on Agriculture, Livestock & Natural Resources. The House passed unamended on a vote of 35-30-0. In the Senate, the bill was assigned to the Committee on State, Veterans & Military Affairs. The bill died in committee.

HB 12-1258: Alternative Fuel Vehicle Charging Facilities

Sponsors: Representative DelGrosso; Senator Jahn

Bill Summary: The bill specifies that sellers of electricity as fuel for alternative fuel vehicles are not regulated as public utilities. Generating electricity for sale as fuel for alternative fuel vehicles also does not make the seller subject to regulation as a public utility if the seller generates the electricity on the property where the fueling facilities are located and the electricity is generated from a renewable resource.

Public utilities must make commercially reasonable efforts to provide connection of electric and natural gas service to alternative fuel vehicle charging facilities. A public utility's right to make unregulated operating expenditures and investments via an unregulated subsidiary with regard to alternative fuel vehicle charging facilities is not limited.

Bill Activity:

HB 12-1258 was introduced in the House on February 7, and assigned to Committee on Transportation, which amended the bill. The House passed on vote of 60-3-2. In the Senate, the bill was assigned to Transportation Committee, and passed the Senate unamended on a vote of 33-0-2. The Governor signed the bill into law on May 3.

HB 12-1315: Reorganization of Governor's Energy Office

Sponsors: Representative Becker; Senator Steadman

Bill Summary: This bill changes the name of the office; expands the mission from promoting energy efficiency and renewable energy to the promotion of all Colorado energy sources; sets up two different funds: one for fossil fuels (funded by severance tax) and one for renewable energy

(funded mainly by gifts, grants and donations); repeals Clean Energy Development Authority; and makes the office's strategic plans subject to legislative approval. SWEEP advocated amending this bill.

Bill Activity: HB 12-1315 was introduced in the House on February 22, and assigned to Committee on Agriculture, Livestock, & Natural Resources which referred the bill amended to the Appropriations Committee. The amended bill passed the House on a vote of 49-16-0. In the Senate, the bill was referred to the Committee on State, Veterans & Military Affairs, which referred the bill amended to the Finance Committee. The bill passed the Senate on a vote of 35-0-0, and was signed into law by the Governor on May 24.

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

New Mexico

HB 22	Limited Motor Vehicle Tax Exemption	Did not pass
HB 119	Local Government Energy & Infrastructure Audits	Did not pass
HB 177	Energy Efficiency Home Purchase Tax Credit	Did not pass
SB 92	Residential Energy Conservation Program	Did not pass
SJM 20	Energy Industry for State Economic Development	Did not pass (SWEEP opposed)
SJM 42	Low Income Energy Assistance Task Force	Did not pass

HB 22: Limited Motor Vehicle Tax Exemption

Sponsor: Representative Trujillo

Bill Summary: This bill would have provided a motor vehicle excise tax exemption for qualified plug-in electric vehicles until 2016.

Bill Activity: HB 22 was introduced in House on January 17 and assigned to the Committee on Business & Industr, and the Committee on Taxation & Revenue. The amended bill passed the House on a 43-24-3 vote. In the Senate, the Committee on Corporations and Transportation recommended passage, but the bill died in the Finance Committee.

HB 119: Local Government Energy & Infrastructure Audits

Sponsor: Representative Vigil

Bill Summary: This bill would have expanded the purpose of the local government planning fund to include infrastructure and energy audits.

Bill Activity: HB 119 was introduced in the House on January 19. Action was postponed indefinitely.

HB 177: Energy Efficiency Home Purchase Tax Credit

Sponsor: Representative Egolf

Bill Summary: This bill would have created a one-time, short-term refundable tax credit for purchasers of eligible efficient homes (based on HERS rating).

Bill Activity: HB 177 was introduced in the House on January 24. It was assigned to the Consumer & Public Affairs Committee, and the Taxation & Revenue Committee. The Consumer & Public Affairs Committee recommended passage of an amended bill. The Taxation & Revenue

Committee replaced it with a substitute bill which passed the House on a 44-20-6 vote. In the Senate, the bill was assigned to the Corporations Committee and the Senate Finance Committee. The bill died in Finance Committee.

SB 92: Residential Energy Conservation Program

Sponsor: Senator Martinez

Bill Summary: This bill makes a \$1 million appropriation to expand low-income energy efficiency programs.

Bill Activity: SB 92 was introduced in the Senate on January 19. The bill was assigned to Conservation Committee, which recommended passage, but the bill died in the Finance Committee.

SJM 20: Energy Industry for State Economic Development

Sponsor: Senator Sanchez

Bill Summary: This joint memorial would have made the energy industry a central component of NM's economic development strategy. Energy industry is defined, and does not include EE or renewables. SWEEP opposed this bill.

Bill Activity: SJM 20 was introduced in the Senate on January 23 and assigned to Conservation Committee, where action was postponed indefinitely.

SJM 42: Low Income Energy Assistance Task Force

Sponsor: Senator Lopez

Bill Summary: This joint memorial would have created a task force to analyze low-income energy issues.

Bill Activity: SJM 42 was introduced in Senate on January 10. The bill was assigned to Corporations & Transportation Committee, which recommended passage, but further Senate action was postponed indefinitely.

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

Utah

HB 262	Building Code Amendments	Did not pass
SB 160	Construction Trades Licensing Amendments	Did not pass

HB 262: Building Code Amendments

Sponsors: Representative Fred Cox; Senator Ben McAdams

Bill Summary: This bill updates Utah's 6-year old energy conservation standards for new home construction through adopting the latest model energy code (2009 IECC), which protect consumers from sub-par construction, reduce energy waste and, save Utah families money, while also helping to improve Utah's air quality. HB 262 also clarifies language in statute regarding the process of providing energy performance ratings of site-built commercial windows.

SWEEP and UCE educated legislators about energy codes, tracked the bill and provided technical review as requested and also organized a media campaign during the Interim and General Legislative Sessions. This issue received coverage by several media outlets, including print media: Deseret News, Salt Lake Tribune; television: KSL and KUTV; and radio coverage: (KCPW, KRCL, and KUER).

Bill Activity: HB 262 was introduced in the House on January 23, and assigned to the Rules Committee. One February 10, the bill passed out of the House Rules Committee and was assigned to the House Political Subdivisions Committee, where it was held. On March 8 it was moved to the House file for defeated bills.

While the Utah legislature did not adopt HB 262, key decision-makers were educated about the importance of energy codes, new powerful alliances were forged. As a result, Utah builders, decision-makers, and policy makers are skipping the 2009 residential code and are currently evaluating the 2012 code for the residential and commercial sectors.

SB 160: Construction Trades Licensing Amendments

Sponsor: Senator Peter Knudson

Bill summary: This bill requires licensed residential HVAC technicians to complete fuel and electricity efficiency education, and modifies a provision relating to exemptions from licensure. Specifically, this bill amends Utah's Construction Trades Licensing Act to:

- Create a licensing requirement for individual residential HVAC Air System Technicians (similar to electricians and plumbers);

- Require HVAC Air System technicians to participate in industry-standard education, training and ongoing continuing education;
- Temporarily expand the scope of the Plumbers Licensing Board to oversee licensing requirements;
- Add members to the Plumbers Licensing Board; and
- Require licensed residential HVAC contractors to receive fuel and electricity efficiency education.

Bill Activity: SB 160 was introduced in the Senate on February 2, and assigned to the Business and Labor Committee, where it was held. On March 8 it was moved to the House file for defeated bills.

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