



2008
LEGISLATIVE ACTIVITIES REPORT

Southwest Energy Efficiency Project

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SWEEP Legislative Activities - 2008

In the Southwest region, the state legislatures in Arizona, Colorado, New Mexico and Utah met during the first and second quarter of the 2008. SWEEP actively engaged in each session to advance energy efficiency through sound and effective legislation. These efforts include researching and writing bill language, building coalitions, and testifying at committee hearings to advocate for the passage of energy efficiency legislation.

Support for energy efficiency in the Southwest continues to grow as SWEEP actively endorsed eight energy efficiency bills that became law in Colorado, New Mexico and Utah. Even though other bills were not adopted, SWEEP continues to work on advancing these measures in the next legislative sessions. The details on SWEEP's legislative efforts along with information on the outcome of energy efficiency bills in Arizona, Colorado, New Mexico and Utah are described below.

ARIZONA

- **HOUSE BILL 2307: Update Building Energy Codes**

Sponsored by Representative Sinema (D-District 15)

Last Action: Introduced in the House of Representatives on January 22, 2008

Bill Activity:

HB 2037 was introduced in the House of Representatives on January 22, 2008 and assigned to the House Committee on Counties, Municipalities, and Military Affairs (CMMA), House Committee on Government (GOV), House Committee on Natural Resources and Public Safety (NRPS), and House Committee on Rules. The bill did not received any consideration in the committees, but SWEEP redirected its efforts in support of another proposed bill, House Bill 2766, that also addresses improvements in building energy codes. Representative Sinema is also a co-sponsor of this alternative legislation.

Bill Summary:

HB 2307 would have directed each city and town to adopt and annually update a building energy code for residential and commercial construction that conforms to the International Energy Conservation Code adopted by the International Code Council.

- **HOUSE BILL 2618: Energy Savings Loan Fund for Schools**

Sponsored by Representative Mason (R-District 1) and Senator Allen (R-District 8)

Last Action: Sent to the House Appropriations Committee for consideration.

Bill Activity:

HB 2618 was introduced in the House of Representatives on January 31, 2008 and assigned to the House Water and Agriculture Committee, House Appropriations Committee and House Rules Committee. The House Water and Agriculture Committee passed the bill with a vote of 5-1-4. On June 27, 2008, the legislature adjourned and the bill was left in committee without receiving any further consideration.

Bill Summary:

HB 2618 would have created an Arizona Energy and Water Savings Loan Fund for improvement projects in school facilities that save electricity, natural gas, other energy fuels and water. The School Facilities Board would have administered and managed the fund. The program was scheduled to end on July 1, 2018.

- **HOUSE BILL 2619: Energy Standards for New Schools**

Sponsored by Representative Mason (R-District 1)

Last Action: Sent to the House Rules Committee for consideration.

Bill Activity:

HB 2619 was introduced in the House of Representatives on January 31, 2008 and assigned to the House Education (k-12) Committee, House Water and Agriculture Committee, and House Rules Committee. The House Education (k-12) Committee passed the bill on February 13, 2008 with a vote of 8-0-2. The House Water and Agriculture Committee passed the bill with amendments on February 21, 2008 and by a vote of 5-1-4. On June 27, 2008, the legislature adjourned and the bill was left in committee without receiving any further consideration.

Bill Summary:

HB 2619 would have directed projects approved after June 20, 2008 to conform to the energy and water performance standards approved by the School Facilities Board. HB 2619 also directed the School Facilities Board to consider and monitor energy and environmental design rating systems developed by the US Green Building Council that impact schools.

- **HOUSE BILL 2766: Omnibus Act of 2008**

Sponsored by Representatives Mason, Campbell CH, McClure, Sinema and Senators Aguirre, Blendu and O'Halleran.

Last Action: Sent to the full Senate for consideration.

Bill Activity:

HB 2766 was introduced in the House of Representatives on February 7, 2008 and assigned to the House Water and Agriculture Committee, which passed the bill on February 21, 2008 with a vote of 6-2-2. On March 19, 2008, the House Rules Committee passed the bill with a vote of 8-0-2. The full House passed the bill on March 27, 2008 with a vote of 43-13-4. HB 2766 was then introduced in the Senate on March 31, 2008 and assigned to the Senate Natural Resources and Rural Affairs Committee. It passed out of committee on April 9, 2008 with a vote of 6-1-0. The Senate Rules Committee passed the bill on May 19, 2008. On June 27, 2008, the legislature adjourned without the full Senate taking a vote on HB 2766.

Bill Summary:

House Bill 2766 would have required public buildings to reduce energy use by 20% per square foot of floor area in 2015 and 30% in 2020, and school districts to achieve energy use reductions of 10% by 2011, 15% by 2015 and 20% by 2020. State agency buildings built after July 1, 2009 were to adhere to LEED or equivalent green building standards. Energy efficiency appliance standards would also have been established and become effective in January 2011 for pool pumps, portable electric spas, and consumer audio and video equipment. The legislation would have set a policy goal for new residential and commercial buildings to be 15% more energy efficient in 2012, 30% in 2016, and 50% in 2020, relative to IECC 2006. In addition, the

bill addressed renewable energy goals for public utilities, engine idling, and requires a study of motor vehicle greenhouse gas emissions.

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

COLORADO

- **HOUSE BILL 1107: Energy Efficiency Programs of Cooperatives and Municipal Utilities**

Sponsored by Representative Claire Levy (D-Boulder)

Final Action: Sent and held in Senate Committee on State, Veterans, and Military Affairs.

Bill Activity:

HB 1107 was introduced in the House of Representatives on January 10, 2008 and assigned to the House Transportation and Energy Committee, which passed the bill with a vote of 8-5 on February 5, 2008. The bill was then passed by the House Committee on Appropriations on February 22, 2008 with a vote of 8-5. The full House passed the bill on February 26, 2008 with a vote of 33-32 and then sent it to the Senate. On March 4, 2008, HB 1107 was introduced in the Senate and assigned to the Committee on State, Veterans and Military Affairs. The bill failed to pass out of the committee; thus it was defeated.

SWEEP worked closely with Representative Claire Levy on researching and writing bill language, testifying in committee hearings and working with partners in building coalition. SWEEP will continue these efforts and build support for similar legislation in the 2009 Colorado Legislative Session.

Bill Summary:

HB 1107 would have directed cooperative electric associations and municipal utilities that serve 5,000 or more customers to engage in conservation and energy efficiency programs and to devote funding equal to 1% of sales revenue in their first year, and 2% in their second and subsequent years, to such efforts. It would have exempted a utility from the spending requirement in any year in which the utility's retail electricity sales, in megawatt-hours, fall at least 3% below its sales for the immediately preceding year. Periodic reports from the utilities to the governor's energy office would also have been required. Finally, it made clear that the act would not have extended the authority of the Public Utility Commission (PUC).

- **HOUSE BILL 1270: Removes Restrictions on Using Energy Efficiency Measures by Homeowners' Associations**

Sponsored by Representative Andrew Kerr (D – Lakewood)

Final Action: Governor signed bill into law on April 17, 2008.

Bill Activity:

HB 1270 was introduced in the House of Representatives on January 31, 2007 and assigned to the House Transportation and Energy Committee, which passed the bill with a vote of 8-5 on February 19, 2008. The full House passed the bill on February 27, 2008 with a vote of 45-20. On

March 3, 2008, HB 1270 was introduced in the Senate and assigned to the Local Government Committee, which passed the bill with amendments and with a vote of 8-5 on March 20, 2008. The full Senate then passed the bill with amendments on March 28, 2008 with a vote of 34-0-1. The House considered the Senate's amendments for HB 1270 and passed the bill on April 15, 2008. Governor Ritter signed the bill into law on April 17, 2008.

SWEEP worked with Representative Kerr in drafting the legislation and supported the bill through the legislature.

Bill Summary:

HB 1270 removes covenants and deed restrictions that limit the use of solar energy devices to include other energy efficiency measures, defined to include wind-electric generators, shade structures, shutters, attic fans, evaporative coolers, energy-efficient outdoor lighting devices, and retractable clotheslines.

- **HOUSE BILL 1350: Financing Energy Efficiency and Renewable Energy**

Sponsored by Representative Madden and Senator Romer

Final Action: Governor signed into law on May 27, 2008.

Bill Activity:

HB 1350 was introduced in the House of Representatives on March 3, 2008 and assigned to the House Transportation and Energy Committee, which passed the bill on April 4, 2008 with a vote of 12-0-1. The full House passed it on April 7, 2008 with a vote of 63-1-1. The bill was then introduced in the Senate on April 8, 2008 and assigned to the Local Government Committee. It was passed with amendments on April 29, 2008 with a vote of 5-1-1. The full Senate passed the bill with amendments on May 5, 2008. The House considered the Senate amended version and it was passed on May 6, 2008. Governor Ritter signed the bill into law on May 27, 2008.

Bill Summary:

HB 1350 expands the types of projects that may be financed by the Colorado Clean Energy Development Authority to include energy efficiency retrofits and the installation of renewable energy fixtures for private residences and commercial property. The bill also expands the types of capital improvement projects that counties and municipal districts may finance through assessments to include such energy efficiency and renewable energy improvements.

- **SENATE BILL 78: Energy Efficiency in Historical Preservation Grants**

Sponsored by Senator Renfro (R-District) and Representative Sonnenberg (R-District 65)

Final Action: Governor signed bill into law on March 19, 2008.

Bill Activity:

SB 78 was introduced in the Senate on January 16, 2008 and assigned to the Senate Committee on State, Veterans and Military Affairs, which passed the bill with amendments and a vote of 4-0-1 on January 23, 2008. The full Senate passed the bill by a vote of 29-0-4 on February 5, 2008. On February 6, 2008, SB 78 was introduced in the House of Representatives and assigned to the House Committee on Local Governments. The Committee passed the bill with a vote of 10-0-1 on February 26, 2008. The full House approved the bill by a vote of 63-0-2. Governor Ritter signed the bill into law on March 19, 2008.

Bill Summary:

SB 078 requires the standards used by the State Historical Society to distribute grants from the State Historical Fund to allow the use of energy efficient materials and technologies, as long the appearance and integrity of the historic property is not affected.

- **SENATE BILL 147: Increase Energy Efficiency in State Buildings**

Sponsored by Senator Gordon (D-District 35)

Final Action: Governor signed bill into law on May 12, 2008.

Bill Activity:

SB 147 was introduced in the Senate on February 6, 2008 and assigned to the Local Governments Committee, which passed the bill on February 21, 2008 with a vote of 6-0-1. The full Senate considered and passed the bill on February 26, 2008 with a vote of 30-0-5. Also on February 26, 2008, SB 147 was introduced in the House of Representatives and assigned to the House Transportation and Energy Committee. The Committee approved the bill with amendments on April 1, 2008 by a vote of 8-3-2. The full House passed the bill on April 9, 2008. On April 15, the Senate considered and passed the House amended version. Governor Ritter signed the bill into law on May 12, 2008.

Bill Summary:

SB 147 requires low-income housing and facilities constructed with state funds to be designed, constructed and renovated to a high performance standard certification program. The standard applies to new applications for publicly-assisted housing projects on or after January 1, 2009.

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

NEW MEXICO

- **HOUSE BILL 216: Energy-Efficient Appliances for Tax Credit**

Sponsored by Representative Roberto Gonzales (D-Taos)

Final Action: Sent and held in House Taxation & Revenue Committee.

Bill Activity:

HB 216 was introduced in the House of Representatives and assigned to the House Business and Industry Committee on January 17, 2008. The Committee passed the bill with a vote of 11-0 on January 24, 2008 and referred it to the House Taxation and Revenue Committee. Unfortunately, the legislature adjourned on February 14, 2008 without further consideration or action on the bill.

Bill Summary:

HB 216 would have provided an income tax credit for the purchase of certain energy-efficient appliances and heating, ventilating and cooling equipment installed in the taxpayer's residence in New Mexico from January 1, 2008 – December 31, 2014. The Energy, Minerals, and Natural Resources Department (EMNRD) would have administered the program, including verifying that the equipment met the requirements for the tax credit.

- **HOUSE BILL 246: Low Income Energy Efficiency Programs**

Sponsored by Representative Wirth

Final Action: Sent and held in House Appropriations and Finance Committee.

Bill Activity:

HB 246 was introduced in the House of Representatives on January 21, 2008 and assigned to the House Energy & Natural Resources Committee. On January 23, 2008, the Committee passed the bill with a vote of 8-0-7 on January 23, 2008, and referred to the House Appropriations and Finance Committee. The legislature adjourned on February 14, 2008 with the bill left in committee without receiving any further consideration.

Bill Summary:

House Bill 246 sought to appropriate \$3 million from the general fund to The Human Services Department to augment the low-income home energy assistance program. Another \$3 million would also have been appropriated to the New Mexico Finance Authority to support the weatherization-energy efficiency program.

- **HOUSE BILL 305: Utility Customer Load Management**

Sponsored by Representative Lujan

Final Action: Governor signed bill into law on February 27, 2008.

Bill Activity:

HB 305 was introduced into the House of Representatives on January 1, 2008 and assigned to the House Consumer and Public Affairs Committee, which passed the bill on January 24, 2008 with a vote of 6-0-1. The House Energy and Natural Resources Committee passed the bill with a vote of 13-0-1 on January 30, 2008, and the full House passed it by unanimous vote of 63-0 on February 1, 2008. HB 305 was introduced in the Senate and assigned to the Senate Conservation Committee, which passed the bill with a vote of 5-1-3 on February 5, 2008. The Senate Corporations and Transportation Committee considered and passed the bill with a vote of 6-0-3 on February 8, 2008. The full Senate then passed the bill with a vote of 22-15-5 on February 12, 2008. Governor Richardson signed the bill into law on February 27, 2008.

SWEEP worked closely with Representative Lujan and partners on building a coalition in securing the successful passage of HB 305.

Bill Summary:

HB 305 amends the Efficient Use of Energy Act of 2005 to provide for energy efficiency and load management for public utility customers. HB 305 directs electric and gas utilities to acquire all cost-effective and achievable energy efficiency resources. Electric utilities must achieve a five percent energy efficiency savings from 2005 electricity sales by 2014, and 10 percent by 2020. The Public Regulation Commission (PRC) can set alternative energy efficiency requirements if the electric utility demonstrates it cannot meet the minimum requirements.

HB 305 clarifies that PRC-approved energy efficiency programs must be cost effective, that is, less expensive than pursuing new sources of supply; allows the PRC to require utilities to solicit competitive bids from third party contractors for energy efficiency services; maintains the existing total per customer cost impact cap of \$75,000/year; strengthens the energy efficiency measurement and verification requirement; and requires a detailed assessment of the utility's energy efficiency programs every three years by an independent program evaluator.

- **SENATE BILL 35: Energy-Efficient Appliance Tax Credit**

Sponsored by Senator Dede Feldman (D-Albuquerque)

Final Action: Sent and held in the Senate Finance Committee.

Bill Activity:

On January 16, 2008, SB 35 was introduced in the Senate and assigned to the Senate Corporations and Transportation Committee, which passed the bill with a vote of 7-0-2 on January 21, 2008. The bill was then referred to the Senate Finance Committee. The legislature adjourned on February 14, 2008 with the bill left in committee without receiving any further consideration.

Bill Summary:

SB 35 would have provided an income tax credit for the purchase of certain energy-efficient appliances and heating, ventilating and cooling equipment installed in the taxpayer's residence in New Mexico from January 1, 2008 – December 31, 2014. The credit ranged from \$25 for energy-efficient circulation fan to \$300 for an advanced evaporative cooler. The Energy, Minerals, and Natural Resources Department (EMNRD) would have administered the program, including verifying that the equipment met the requirements for the tax credit.

- **SENATE BILL 36: Green Building Certification Program**

Sponsored by Senator Dede Feldman (D-Albuquerque)

Final Action: Sent and held in the Senate Finance Committee.

Bill Activity:

SB 36 was introduced in the Senate on January 16, 2008 and assigned to the Senate Conservation Committee, which passed the bill with a vote of 6-0-3 on January 22, 2008. The bill was sent to the Senate Finance Committee. On February 14, 2008, the legislature adjourned and the bill was left in committee without receiving any further consideration.

Bill Summary:

SB 36 sought to appropriate \$100,000 from the general fund to the Energy, Minerals and Natural Resources Department (EMNRD) for expenditure in fiscal year 2009 to develop training and educational programs for builders, architects, building inspectors and others in the building trades for certification of personnel in green building technologies and design.

- **SENATE BILL 210: Residential Energy Efficiency Loan Program**

Sponsored by Senator Martinez (D-Espanola)

Final Action: Sent and held in the Senate Finance Committee.

Bill Activity:

SB 210 was introduced in the Senate on January 17, 2008 and assigned to the Senate Conservation Committee, which passed the bill with a vote of 5-0-4 on January 24, 2008. The bill was sent to the Senate Finance Committee. On February 14, 2008, the legislature adjourned and the bill was left in committee without receiving and further consideration.

Bill Summary:

SB 210 sought to appropriate \$2.5 million dollars from the general fund to the Department of Finance and Administration in 2008 - 2010 for the New Mexico Mortgage Authority to create

and implement a residential energy efficiency improvement program for low- and moderate-income households. Energy improvements included renewable energy technologies to energy-efficient retrofits.

- **SENATE BILL 211: Residential Energy Conservation Program**

Sponsored by Senator Martinez (D-Espanola)

Final Action: Sent and held in the Senate Finance Committee.

Bill Activity:

SB 211 was introduced in the Senate on January 17, 2008 and assigned to the Senate Conservation Committee, which passed the bill with a vote of 5-0-4 on January 24, 2008. The bill was referred to the Senate Finance Committee and held without receiving any further consideration. The legislature adjourned on February 14, 2008.

Bill Summary:

SB 211 would have expanded the residential energy conservation program for low-income people by appropriating five million dollars from the general fund to the Department of Finance and Administration for 2009 and 2010. The New Mexico Mortgage Finance Authority would have administered the program to increase energy efficiency and reduce energy expenditures of homes occupied by low-income people.

- **SENATE BILL 403: Resource and Energy Efficient Buildings**

Sponsored by Senator Campos (D-District 8)

Final Action: Introduced in the Senate.

Bill Activity:

SB 403 was introduced in the Senate on January 30, 2008 without receiving a committee assignment. On February 14, 2008, the legislature adjourned and the bill was left without any further consideration.

Bill Summary:

SB 403 called for any new building, building renovation or building addition that has a floor plan of more than 3,000 square feet and financed to any extent under the Severance Tax Bonding Act to use green building techniques to achieve a energy performance standard of 50% or less of the national average energy consumption for that type of building. A new building, renovation or addition financed under the Severance Tax Bonding Act and a floor plan less than 3,000 square feet would have utilized green building techniques to the maximum extent possible. A structural renovation financed under the Severance Tax Bonding Act would have used an upgrade or replacement of two of the following building systems: (1) heating, ventilation and air conditioning, (2) lighting, and (3) water, plumbing, drainage and waste disposal.

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

UTAH

- **HOUSE BILL 106: Clean Air and Efficient Vehicle Tax Incentives**

Sponsored by Representative Roz McGee (D-District 28)

Final Action: Governor signed bill into law on March 17, 2008.

Bill Activity:

HB 106 was introduced in the House of Representatives on January 21, 2008 and assigned to the House Revenue and Taxation Committee, which passed it with a vote of 10-2-2 on January 28, 2008. The full House of Representatives then passed it with a vote of 58-14-3 on February 5, 2008. Also on February 5th, HB 106 was introduced in the Senate and assigned to the Senate Revenue and Taxation Committee. The Committee passed a substituted version on February 18, 2008 with a vote of 6-0-2. On March 4, 2008, the full Senate passed it with a vote of 23-2. On March 4 & 5, 2008, the House received the amended version from the Senate, considered and passed it with a vote of 55-14-6. Governor Huntsman signed HB 106 into law on March 17, 2008.

SWEEP worked with its partner, Utah Clean Energy, to support HB 106 in becoming law.

Bill Summary:

HB 106 provides a tax credit of \$750 for new vehicles meeting the air quality and fuel economy standards, eliminates the clean fuel certificate, and imposes a fuel tax on compressed natural gas for vehicles.

- **HOUSE BILL 198: State Agency Energy Savings**

Sponsored by Representative Hunsaker (R-District 4)

Final Action: Governor signed bill into law on March 18, 2008.

Bill Activity:

HB 198 was introduced in the House of Representatives on February 11, 2008. It assigned to the House Government Operations Committee and on February 19, 2008, it passed the committee with favorable recommendation and a vote of 8-0-4 with four members absent. The full House of Representatives passed the bill with a vote of 71-1-3 on March 5, 2008. Then also on March 5th, the bill was introduced in the full Senate and passed by unanimous vote (25-0-4). Governor Huntsman signed HB 198 into law on March 18, 2008.

SWEEP worked its partner, Utah Clean Energy, on supporting HB 198 to become law.

Bill Summary:

HB 198 requires the Legislature to retain energy savings in a state's agency's appropriation for a certain percentage of the replacement cost of existing facilities for the State Building Energy Efficiency Program. It creates a revolving loan fund to lend money to state agencies to finance energy efficiency measures.

- **HOUSE BILL 199: Tax Credits for Highly Efficient New Homes and Retrofits**

Sponsored by Representative Fred Hunsaker (R-District 4)

Final Action: Assigned and held in House Rules Committee.

Bill Activity:

HB 199 was introduced in the House of Representatives on February 14, 2008. It was sent to the House Rules Committee on February 27, 2008 and held indefinitely preventing further consideration of the bill. So essentially it was defeated.

Bill Summary:

HB 199 would have provided tax credits for energy efficient new home construction or home retrofits. The incentives were designed to compliment Federal tax credits and local utility energy efficiency programs. For new construction of high efficiency homes, the policy would have created a tiered incentive for new homes that are built to 30%, 40% or 50% above the current Utah Clean Energy Code (IECC 2006). Homes would have been eligible for the incentive only after meeting or surpassing advanced energy efficiency building requirements. For existing homes, the policy would have provided an incentive for retrofitting existing homes for improved energy efficiency. Eligible retrofit measures included advanced evaporative cooling systems, high efficiency furnaces and boilers, insulation, windows and duct and air sealing.

- **SENATE BILL 202: Energy Resource and Carbon Emission Reduction Initiative**

Sponsored by Senator Bramble (R-District 16)

Final Action: Governor signed bill into law on March 18, 2008.

Bill Activity:

SB 202 was introduced in the Senate and assigned to the Senate Transportation and Public Utilities and Technology Committee on February 12, 2008. The Committee passed the bill with a vote of 6-0-0 on February 18, 2008, and the full Senate passed it with a vote of 28-0-1 on February 26, 2008. It was then introduced in the House of Representatives and passed on March 4, 2008 with a vote of 67-0-8. Governor Huntsman signed SB 202 into law on March 18, 2008.

Bill Summary:

SB 202 provides that 20% of an electrical corporation's or municipal electric utility's adjusted retail electric sales beginning in year 2025 to come from renewable energy sources (if cost effective). It provides for the issuance and recognition of a renewable energy certificate for certain electrical generation and actions by an energy user. It requires plans and reports on the progress by electrical corporation or utility in acquiring qualifying electricity and addressing cost recovery for certain energy resources. It requires certain state agencies to make rules on carbon capture and geological storage of captured carbon emissions.

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