

LEGISLATIVE ACTIVITIES REPORT

June 28, 2010

Southwest Energy Efficiency Project

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2010 Legislative Activities

In the Southwest region, the state legislatures in Arizona, Colorado, New Mexico and Utah met during the first and second quarter of 2010. SWEEP 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.

Support for energy efficiency in the Southwest continues to grow as SWEEP actively supported a total of nine energy efficiency bills that became law. Milestones for energy efficiency in each state include:

- establishment of a statewide special improvement district that will sell bonds and issue loans to an estimated 53,000 homeowners for energy efficiency and renewable energy improvements in Colorado (HB 10-1328);
- requiring investor-owned utilities in Colorado to convert 50 percent of their coal-fired generation capacity by 2017 (HB 10-1365);
- authorizing the Colorado State Treasurer to enter into lease-purchase agreements to finance capital construction projects that improve the energy efficiency of State capital facilities (SB 10-207);
- establishing energy efficiency design standards for building energy consumption for public buildings and for public building additions of over 3,000 square feet in New Mexico (SB 200);
- formal adoption of updated building codes for the State of Utah, including adoption of the updated energy conservation code for commercial buildings (HB 45); and
- expansion of Utah's Energy Efficiency Fund to allow it to be used for energy efficiency projects in buildings owned by political subdivisions, including school districts (HB 318).

Even though other bills were not adopted, SWEEP continues to work on advancing these measures in the next legislative sessions. Details on SWEEP's 2010 legislative efforts, along with information on the outcome of energy efficiency bills in Arizona, Colorado, New Mexico and Utah are described below.

ARIZONA

HB 2574	Renewable Energy Districts	Did not Pass
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HB 2574: Renewable Energy Districts

Sponsored by Representatives Mason (R-District 1), Boone (R- 4), Campbell (D-14), Jones (R-24), Konopnicki (R-5), Nichols (R-21), and Reagan (R-8).

Bill Summary:

This bill would have allowed cities and counties to use improvement districts (and the bonding that comes with the districts) to finance energy efficiency, renewable energy and water measures by loaning money to residents & businesses in the district and then have the money paid back through property taxes over 20 years.

Bill Activity:

HB 2574 was introduced in the House on January 21. The bill passed the Water and Energy Committee, the Government Committee and Rules Committee, and passed out of the House on a 47-13-0 vote. The bill was introduced in the Senate on March 4, then was held in the Senate Finance Committee.

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

Colorado

HB 10-1328	New Energy Jobs Creation Act	PASSED
HB 10-1358	Water Smart Homes	PASSED
HB 10-1365	Incentives for Utilities to Reduce Air Emissions	PASSED
SB 10-100	Cross-boundary Energy Improvement Districts	PASSED
SB10-207	Finance State Energy Efficiency Projects	PASSED

HB 10-1328: New Energy Jobs Creation Act of 2010

Sponsored by Representatives Miklosi (D-District 9), Apuan (D-17), Benefield (D-29), Casso (D-32), Court (D-6), Curry (U-61), Ferrandino (D-2), Fischer (D-53), Frangas (D-4), Gagliardi (D-27), Hullinghorst (D-10), Kefalas (D-52), Kerr A. (D-26), Labuda (D-1), Levy (D-13), McCann (D-8), McFadyen (D-47), Merrifield (D-18), Middleton (D-42), Peniston (D-35), Pommer (D-11), Primavera (D-33), Ryden (D-36), Scanlan (D-56), Solano (D-31), Todd (D-41), Tyler (D-23), Vigil (D-62), and Weissmann (D-12); Senator Schwartz (D-5).

Bill Summary:

This bill creates a statewide special improvement district that will sell bonds and issue loans to an estimated 53,000 homeowners for energy efficiency and renewable energy improvements. The measure is expected to create more than 2,000 jobs for building, insulation and HVAC contractors, solar installers, and energy auditors.

Bill Activity

Introduced in the House on February 8, HB10-1328 was amended by the House Committee on State, Veterans and Military Affairs, and passed amended out of the House on a 63-0-2 vote. The bill was further amended by the Senate Committee on Local Government and Energy, and passed the Senate on a 20-13-2 vote. The bill was signed by the Governor on June 11.

HB 10-1358: Water Smart Homes

Sponsored by Representatives Fischer, Apuan (D-17), Court (D-6), Frangas (D-4), Gagliardi (D-27), Hullinghorst (D-10), Kagan (D-3), Kefalas (D-52), Kerr A. (D-26), Labuda (D-1), Levy (D-13), Merrifield (D-18), Middleton (D-42), Pace (D-46), Peniston (D-35), Primavera (D-33), Ryden (D-36), Solano (D-31), Todd (D-41), Tyler (D-23), Vigil (D-62), and Weissmann (D-12); Senators Johnston (D-District 33), Bacon (D-14), Hodge (D-25), Steadman (D-31), Tapia (D-3), and Williams (D-28).

Bill Summary:

HB 10-1358 presents buyers of new homes with the chance to select water efficient appliances and fixtures up front at the time of purchase. By integrating high-efficiency toilets, ENERGYSTAR washers, low-flow faucets and showerheads, and water-smart landscapes into new homes at the outset, homeowners can avoid sending precious water and money down the drain.

Bill Activity:

Introduced in the House on March 4, HB10-1358 was amended by the Transportation and Energy Committee, and passed the House on a 38-27-0 vote. The bill was further amended by the Senate Committee on Local Government and Energy, and passed the Senate on a 21-14-0 vote. The Governor signed the bill on June 9.

HB 10-1365: Incentives for Utilities to Reduce Air Emissions

Sponsored by Representatives Solano (D-District 31) and Roberts (R- District 59), Benefield (D-29), Carroll T. (D-7), Court (D-6), Ferrandino (D-2), Fischer (D-53), Frangas (D-4), Gerou (R-25), Hullinghorst (D-10), Kagan (D-3), Kefalas (D-52), Kerr A. (D-26), Kerr J. (R-28), King S. (R-54), Labuda (D-1), Levy (D-13), Liston (R-16), Massey (R-60), May (R-44), McCann (D-8), McFadyen (D-47), McNulty (R-43), Merrifield (D-18), Middleton (D-42), Miklosi (D-9), Nikkel (R-49), Peniston (D-35), Pommer (D-11), Primavera (D-33), Rice (D-38), Riesberg (D-50), Ryden (D-36), Scanlan (D-56), Schafer S. (D-24), Stephens (R-20), Summers (R-22), Todd (D-41), Tyler (D-23), Vaad (R-48), and Vigil (D-62); Senators Whitehead (D-District 6) and

Penry (R-District 7), Bacon (D-14), Boyd (D-21), Brophy (R-1), Carroll M. (D-29), Foster (D-35), Heath (D-18), Johnston (D-33), Morse (D-11), Romer (D-32), Shaffer B. (D-17), Steadman (D-31), and Williams (D-28).

Bill Summary:

HB10-1365, also known as the "Clean Air, Clean Jobs" bill, requires investor-owned utilities (Xcel Energy and Black Hills Energy) to convert 50 percent of their coal-fired generation capacity, up to 900 megawatts, to natural gas by Dec. 31, 2017. Plans for conversion must be submitted to the PUC by Aug. 15, 2010, and the PUC must act on the plan by Dec. 31, 2010.

Bill Activity:

Introduced in the House on March 15, the Clean Air, Clean Jobs bill was amended by both the Transportation and Energy Committee and the Appropriations Committee, and the House passed with amendments on a 53-12-0 vote. The bill was further amended by the Senate Committee on Agriculture and Natural Resources, passed Appropriations unamended, and passed out of the Senate with amendments on a 20-13-1 vote. The Governor signed the bill into law on April 19.

SB 10-100: Cross-boundary Energy Improvement Districts

Sponsored by Senators Schwartz (D-District 5), Carroll (D-29), Foster (D-35), Gibbs (D-16), Heath (D-18), Newell (D-26), and Romer (D-32); Representative Miklosi (D-9).

Bill Summary:

Current law prohibited local improvement districts for energy efficiency improvements and renewable energy improvements (energy LIDs) to cross county boundaries. Sections 1, 2, and 5 of SB10-100 allow such a district formed by a county to be created in 2 or more counties. Sections 1 and 7 also expand the definition of "renewable energy improvement" for energy LIDs formed by both counties and municipalities to include improvements located at a qualified community location rather than directly on a residential or commercial building. Sections 3 through 6 exempt energy LIDs formed by a county from a variety of inappropriate requirements that are otherwise generally applicable to local improvement districts.

Bill Activity:

Introduced in the Senate on January 20, SB 10-100 passed the Committee on Local Government and Energy and passed out of the Senate with amendments on a 24-10-1 vote. The bill was further amended by the House Committee on Transportation and Energy and passed the House with amendments on a 61-2-2 vote. The bill was approved by the Governor on May 5.

SB 10-207: Finance State Energy Efficiency Projects

Sponsored by Senators Johnston (D-33) and Romer (D-32); Representative Tyler (D-23).

Bill Summary:

This bill authorizes the State Treasurer to enter into lease-purchase agreements on behalf of the State to finance capital construction projects proposed by the Governor's Energy Office that

improve the energy efficiency of State capital facilities, and making an appropriation to fund such projects.

Bill Activity:

SB 10-207 was introduced in the Senate on April 29. It was amended by both the Finance Committee and the Appropriations Committee, and the Senate passed with amendments on a 22-12-1 vote. The bill passed the House Committee on State, Veteran’s and Military Affairs, and passed the House on 43-22-0 vote. The Governor signed the bill on June 10.

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

New Mexico

SB 200	Public Building Energy Efficiency Standards	PASSED
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SB 200: Public Building Energy Efficiency Standards

Sponsored by Senator Cisneros (D - District 6).

Bill Summary:

SB 200 will help save money in communities across New Mexico by establishing energy efficiency design standards for building energy consumption. Based on tools provided by the Environmental Protection Agency (EPA), it incorporates the levels of success using EPA's Energy Star Certification Program. This bill sets standards for public buildings and for public building additions of over 3,000 square feet. The design standards apply unless they will not result in a positive return on investment over the energy use life-cycle of the building. The design standards will not apply to projects that have already made a major investment in their planning and design.

Bill Activity:

SB 200 was introduced in the Senate on January 27. It passed the Senate Conservation Committee, and the Senate Finance Committee introduced a substitute bill. The substitute passed out of the Senate on a 37-2-3 vote. The bill passed the House Energy and Natural Resources Committee and passed out of the House on a 59-0 vote. The Governor signed the bill into law on March 8.

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

Utah

HB 45	State Construction Code Adoption	PASSED
HB 116	Political Subdivision Facility Energy Efficiency	PASSED
HB 318	Revolving Loan Fund for Certain Energy Efficient Projects Amendments	PASSED
HB 334	Mechanical Contractor Licensing Provisions	Did not pass
SB 47	Electrical Utility Amendments – Efficiency and Conservation Tariff	Did not pass
SB 194	Assessment Area Act Revisions	Did not pass

HB 045: State Construction Code Adoption

Sponsored by Representative Morley (R-District 66); Senator Adams (R-District 22).

Bill Summary:

This bill formally adopts updated building codes for Utah, including adoption of the updated energy conservation code for commercial buildings (2009 IECC or ASHRAE 90.1-07), but does not adopt the 2009 IECC for new homes. Residential buildings are exempted from the update and will maintain the current energy code (2006 IECC).

Bill Activity:

Introduced in the House on January 25, HB 45 was amended by the House Business and Labor Committee, and passed the House on a 67-2-6 vote. In the Senate, the bill passed the Senate Revenue and Taxation Committee, and passed the Senate on a 28-0-1 vote. The Governor signed the bill on March 26.

HB 116: Political Subdivision Facility Energy Efficiency

Sponsored by Representative Hunsaker (R-District 4).

Bill Summary:

This bill clarifies current ambiguity about the use of energy savings agreements by Utah political subdivisions, and provides guidance to political subdivisions about energy savings agreements. The bill authorizes a political subdivision to enter into an energy savings agreement which permits the political subdivision to:

- Develop and administer a facility energy efficiency program;
- Analyze energy consumption; and
- Designate a staff member who is responsible for the facility energy efficiency.

Bill Activity:

Introduced in the House on January 29, HB 116 passed the Government Operations Committee, and passed out of the House on a 74-0-1 vote. In the Senate, the bill passed the Committee on Government Operations and Political Subdivisions, and passed out of the Senate on a 26-0-3 vote. The bill was signed by the Governor on March 26.

HB 318: Revolving Loan Fund for Certain Energy Efficient Projects Amendments

Sponsored by Representative Barrus (R-District 18).

Bill Summary:

This bill expands a revolving loan fund known as the Energy Efficiency Fund to include political subdivisions. It allows the Energy Efficiency Fund to be used for energy efficiency projects in buildings owned by political subdivisions, including school districts; permits the Board of the Utah Geologic Survey to make rules establishing eligibility and prioritization criteria for disbursing monies from the fund; grants the board other powers and directions to make loans from the fund; and makes technical changes.

Bill Activity:

HB 318 was introduced in House on February 16, passed the Committee on Natural Resources, Agriculture and Environment, and passed out of the House on a 71-0-4 vote. The bill passed through the Senate Committee on Transportation, Public Utilities and Technology, and passed out of the Senate on a 26-0-3 vote. The Governor signed the bill into law on March 22.

HB 334: Mechanical Contractor Licensing Provisions

Sponsored by Representative Wiley (D-District 31).

Bill Summary:

This bill modifies provisions of the Utah Construction Trades Licensing Act relating to the licensing of heating, venting, and air conditioning mechanical technicians, including:

- Creates a licensing requirement for individual residential HVAC Air System Technicians (modeled on existing licensing requirements for Utah electricians and plumbers)
- Requires HVAC Air System Technicians to participate in industry-standard training, apprenticeship, and ongoing continuing education
- Temporarily expand the scope of the Plumbers Licensing Board to oversee licensing requirements

Correctly designed and installed HVAC systems operate more efficiently – saving energy and money, improve comfort, and reduce excess demand on our utility infrastructure. Poorly designed and installed HVAC systems can use 65% more electricity than those that are properly sized using code-required energy calculations.

Bill Activity:

The bill was introduced in the House on February 22, got a fiscal note from the House Rules Committee, and on March 11 was moved to the House file for Defeated Bills.

SB 47: Electrical Utility Amendments - Efficiency and Conservation Tariff

Sponsored by Senator Van Tassel (R-District 26).

Bill Summary:

This bill:

- requires the Public Service Commission (PSC) to approve a tariff proposed by an electrical utility for demand side management or energy efficiency programs;
- requires the PSC to approve a tariff for a cost-effective direct load control program;
- defines "direct load control program";
- removes a requirement that an electrical utility seek and receive input from the Office of Consumer Services before submitting a request for an electric energy efficiency or conservation tariff;
- removes provisions requiring the PSC to hold a hearing on an electric energy efficiency or conservation tariff if requested by the electrical corporation, a customer of the electrical corporation, or another interested party; and
- makes technical changes.

Bill Activity:

This bill was introduced in the Senate on January 26, and referred to the Senate Committee on Transportation, Public Utilities and Technology. The committee prepared a substitute bill, which died quietly in the committee.

SB 194: Assessment Area Act Revisions

Sponsored by Senator Niederhauser (R-District 9); Representative Froerer (R-District 8).

Bill Summary:

This bill enables local entities in Utah (such as counties, cities, towns, local districts or special service districts) to voluntarily issue bonds for the purpose of financing property assessed loans to interested residents and businesses to make voluntary energy improvements to their property, such as efficient windows, insulation, efficient HVAC systems, and/or renewable energy systems. This bill expands the opportunities within the existing authority of local entities to issue bonds for the purpose of public improvement projects.

Bill Activity:

This bill was introduced in the Senate on February 19. It passed the Senate Committee on Government Operations and Political Subdivisions with favorable recommendation, then got a fiscal note and on March 11 was moved formally but without ceremony to the Senate Rules Committee file for defeated bills.

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