2016 State Advanced Energy Legislation: Year-to-Date
September 2016

As of mid-September, 253 advanced energy-related bills have been enacted across the country.¹ The Center for the New Energy Economy has identified the following key highlights thus far:

1. Important increases to Renewable Portfolio Standards (RPS) have been adopted. Of the seven RPS changes enacted to date, Oregon’s SB 1547 and Rhode Island’s HB 7413 were most significant, increasing their renewable requirements to 50% by 2040 and 38.5% by 2035 respectively. In Washington, D.C., the mayor signed B21-0650 increasing the District’s RPS to 50% by 2032.²

2. California and Maryland enacted five bills related to Greenhouse Gas Initiatives. Of the five, the most significant were California’s SB 32 which requires a 40% reduction below 1990 levels by 2030 and Maryland’s SB 323 which requires a 40% reduction below 2006 levels by 2030.

3. Consistent with previous years, the volume of enacted natural gas-related legislation is high (62 of 253), and covers a range of issues including severance taxes, pipeline infrastructure, and safety.³

4. Recognizing that a number of sessions are ongoing,⁴ the states with the greatest number of enacted bills to date are somewhat unexpected (see map).

Volume of Enacted Legislation, 2016 (253 total)

¹ As in past analyses, this paper only covers nine of our ten policy categories. All data used in this paper reflects Tracker data on September 14th, 2016. Companion legislation, identical or very similar bills introduced in both chambers of a state’s legislature, are counted as a single bill in all analyses by CNEE.

² Following a 2015 Order by Governor Cuomo, New York’s Public Service Commission adopted a 50% by 2030 Clean Energy Standard in August.

³ This includes all natural gas-related legislation in four categories: Financing and Financial Incentives, Infrastructure, Natural Gas Development, and Transportation. For comparison to previous years, see: Trends in State Natural Gas Supply Chain Legislation (2013-2015).

⁴ California and Tennessee are currently holding special sessions and, D.C., Illinois, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin remain in session (see: NCSL).

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1. In 2016, bills related to state incentives to attract and retain clean energy-related businesses continue to be one of the most frequently enacted types of legislation. To-date, bills treating workforce development have been less frequently enacted than in years past.

2. While no single state stands out as the most active state in this category, noteworthy bills have been enacted in several states. Among these, Rhode Island’s HB 7890 requires that the state’s Workforce Board create workforce development programs to meet the demands of the clean energy sector. In Tennessee, HB 2570 provides, among other things, tax incentives for high technology job creation. Lastly, Vermont’s HB 868 makes multiple changes to many of the state’s programs, Virginia’s SB 58 amends provisions relating to tax credits for research and development.

### 2016 Enacted Economic Development Legislation (18 bills)

- **Incentives**: 10 bills
- **Research & Development**: 3 bills
- **Education & Workforce Development**: 2 bills
- **Program Funding**: 1 bill
- **Study**: 2 bills
Electricity Generation: Key Highlights

1. Seven bills related to Renewable Portfolio Standards (RPS) have been enacted. None has rolled back an RPS, and three bills significantly expanded existing requirements. Oregon (SB 1547) increased the RPS for large investor-owned utilities to 50% by 2040. Rhode Island’s HB 7413 increased the RPS to 38.5% by 2035. And, in D.C., the city’s mayor signed B21-0650 increasing the RPS to 50% by 2032.

2. To date, fewer bills relating to net metering and interconnection have been enacted than was the case last year. However, a notable bill in New Hampshire (HB 1116) doubled the state’s net metering cap. In Maine, a bill (LD 1649) to replace retail net metering with an incentive program designed to grow the state’s solar industry was vetoed by Governor LePage.

3. Three omnibus bills were enacted in Massachusetts and Rhode Island. In Rhode Island, HB 8354 enacts provisions to allow virtual net metering and third party financing, and provides a predictable tax process for commercial systems. Massachusetts’ SB 1979 requires the development of a climate adaptation plan and also creates a new program to incentivize the development of solar resources in the state. Lastly, Massachusetts’ HB 4568, is a significant bill enacting provisions relating to the procurement of solar, off- and on-shore wind, hydroelectric, and energy storage resources. The bill also authorizes a Commercial Property Assessed Clean Energy program, requires the development of a statewide plan to repair leaking gas pipelines, and modifies eligible resources in the state’s Portfolio Standards.

2016 Enacted Electricity Generation Legislation (23 bills)
1. California and Maryland adopted five bills related to Greenhouse Gas (GHG) Initiatives this session. Of particular interest, California adopted SB 32 which requires the statewide reduction of GHG emissions 40% below 1990 levels by 2030. In comparison, Maryland enacted SB 323, which requires a 40% reduction in statewide GHG emissions from a 2006 baseline by 2030.

2. Four states (Illinois, Kansas, Pennsylvania, and West Virginia) enacted Clean Power Plan-related legislation, which was the second most common type of legislation enacted in this category. As was common in 2015, these bills focus largely on procedural and legislative approval processes for developing state compliance plans. Notably, Illinois SB 2920 requires that the Commission on Environmental Justice review and comment on the state’s compliance plan prior to submittal.

### 2016 Enacted Emissions Legislation (18 bills)

- **Greenhouse Gas Initiative**
  - 6 bills
- **Clean Power Plan**
  - 4 bills
- **Point Source Emissions**
  - 3 bills
- **Climate Adaptation**
  - 2 bills
- **Mobile Source Emissions**
  - 2 bills
- **CCS**
  - 1 bill
Energy Efficiency: Key Highlights

1. Bills related to Energy Savings Performance Contracting (ESPC) were the most common type of legislation enacted in this category. A package of five bills enacted in Michigan (HB 4990, HB4991, HB 4992, HB 4993, HB 4994) enables local governments to leverage ESPC to achieve energy efficiency savings. In comparison, Nebraska's LB 881 increased the energy efficiency measures available for ESPC, while South Dakota (HB 1032) and Connecticut (SB 334) made other revisions to existing programs.

2. Five states (Florida, Illinois, Maryland, Mississippi, and Utah) adopted Building Energy Code legislation, which was the second most common type of legislation enacted in this category. Utah's HB 316, was the most significant policy change, as the state adopted the 2015 International Energy Conservation Code and included new compliance pathways.

3. Of the remaining bills, two are of note. First, Virginia adopted SB 395 that requires the State Corporation Commission to study the establishment of uniform protocols for measuring, verifying, and validating energy efficiency measures from investor-owned utilities. Second, Hawaii adopted HB 2569, which requires the Department of Education to reach a net zero energy use target by 2035.

![2016 Enacted Energy Efficiency Legislation (19 bills)](image-url)
Financing and Financial Incentives: Key Highlights

1. For the first time, tax incentive policy does not lead in enacted legislation in this category. Rather, loans and grants-related legislation has edged out tax incentives to date. Of note in this cohort, Utah enacted SB 246 which establishes a Throughput Infrastructure Fund, which can be used to support electric transmission line investments among other things.

2. In the tax incentive category, Florida’s HB 195 placed Amendment 4 on the ballot in August to provide property tax breaks for distributed solar. The amendment was subsequently approved by Florida citizens with 73% of the vote. In Colorado, HB 1332 amended provisions relating to the innovative motor vehicle and truck tax credits. The bill sets fixed amounts for the tax credits and allows taxpayers to elect to transfer the credit to a financing entity.

3. Two other bills were of particular interest this year. In Nebraska, LB 1012 grants municipalities the authority to establish commercial and residential Property Assessed Clean Energy (PACE) programs. In addition, Utah (HB 244) expanded options for third-party financing by exempt third-party providers of electricity produced at residential distributed solar projects from regulation as a public utility. This bill also includes required contract stipulations for third-party producers.

### 2016 Financing and Financial Incentives Legislation (52 bills)

- **Tax Incentives**: 16 bills
- **Loans and Grants**: 17 bills
- **Bonds**: 6 bills
- **Energy Cost Assistance**: 4 bills
- **Rebates**: 3 bills
- **PACE**: 2 bills
- **PBI**: 2 bills
- **Third Party Financing**: 2 bills
Infrastructure: Key Highlights

1. As was the case for the last three years, bills related to natural gas distribution infrastructure siting and safety account for a large portion of enacted legislation in 2016. In South Carolina, SB 868 made headlines for preventing the use of eminent domain by private, for-profit companies. The bill is a reaction to Kinder Morgan’s proposed Palmetto Pipeline.

2. Another 16 bills relate to transmission and electric generating facilities. Several of these made significant changes to existing state statutes. In Nebraska, LB 824 exempts private developers from regulation by the Power Review Board. The bill is intended to remove regulatory barriers to the development of wind in the state. New Hampshire’s HB 626 creates a task force charged with studying the designation of energy infrastructure corridors for major transmission lines. After SB 230 was vetoed, Vermont’s legislators returned for a veto session during which SB 260, an amended version of SB 230, was introduced and enacted. The Act makes several changes to the state’s energy siting process and creates a one-year pilot program setting aside a portion of the state’s existing standard offer program for projects in preferred locations. In Washington, SB 6248 allows Puget Sound Energy to create a fund to pay for the future decommissioning of two units at Montana’s Colstrip coal-fired generating facility. Wisconsin’s, AB 384 amends the approval process for nuclear power plants. The bill also amends the state’s prioritization of energy resources to include nuclear.

2016 Enacted Infrastructure Legislation (33 bills)

- Natural Gas Distribution: 16 bills
- Generating Facilities: 10 bills
- Transmission 4 bills
- Transmission & Generation Security: 2 bills
- Resource Management Planning: 1 bill
- Nuclear Facilities: 1 bill
- Environmental Standards: 2 bills
- Study: 1 bill
- Decommissioning: 1 bill
- Natural Gas Facilities: 1 bill
- Siting: 4 bills
- Study: 1 bill
1. To date, fewer bills related to the split estate have been enacted than in previous years. Bills relating to severance and other taxes continue to dominate the category, and bills addressing the local impacts associated with natural gas exploration and development also continue to make up a significant portion of the bills enacted in this category.

2. The most active state to date, Oklahoma enacted five bills relating to natural gas development. While three of these amend provisions relating to production taxes, SB 1122 requires the Corporation Commission to work with other state agencies to encourage the industrial use of produced water. A reaction to the recent surge in earthquakes in the state that has been linked to wastewater disposal, HB 3158 allows the Corporation Commission to take any necessary actions, without notice and hearing, to respond to oil- and gas-field emergencies.

3. In California, the state continues to respond to the Aliso Canyon gas leak. Enacted in May, SB 380 continues the prohibition against Southern California Gas Company injecting any natural gas into the storage facility until certain safety reviews have been completed. The bill also directs the state’s Utilities Commission to examine the feasibility of minimizing or eliminating the use of the facility. California’s AB 2729 enacts provisions to ensure that idle oil and gas wells are properly managed and plugged, and three bills relating to the Aliso Canyon leak have been sent for Governor Brown’s approval.

2016 Enacted Natural Gas Legislation (33 bills)
1. As has been the case for the last four years, legislatures continue to be active providing procedural direction to and amending the authority and structure of state agencies. In Mississippi, HB 116 requires that “at least a majority” of the members of the state’s Commission on Environmental Quality not receive a significant portion of their income from individuals or entities subject to requirements under the Clean Air Act. The bill also requires that members disclose conflicts of interest and recuse themselves from participating in matters where the conflict of interest emerges.

2. State legislatures continued to be active in revising provisions relating to municipal, cooperative, investor-owned utilities, and other energy providers. Maryland, Pennsylvania, and Rhode Island enacted legislation to protect and educate consumers in competitive markets, and Illinois and South Dakota amended provisions relating to tax assessments for wind energy devices and facilities.

3. Utah, Vermont, and Wisconsin enacted omnibus bills. Utah’s SB 115 makes several important amendments to the state’s clean energy programs and restructures cost recovery for Rocky Mountain Power (RMP). The bill also allows RMP to invest in programs for electric vehicle infrastructure, battery storage, and solar energy. In Vermont, HB 577 requires that members of municipal and cooperative utilities vote before these utilities engage in certain activities and power purchases. The bill also creates a working group to evaluate state purchasing and management of certain hydroelectric facilities in the state and creates a state authority to manage these facilities. The bill also directs the Public Service Board to develop a protocol for handling complaints related to energy facilities. Wisconsin’s AB 804 changes permitting procedures for certain utility facilities, eliminates the Public Service Commission’s (PSC) role in sulfur dioxide compliance plans, and amends provisions relating to the PSC’s assessment authority, funding for Focus on Energy programs, and utility contracts with affiliated interests.
Transportation: Key Highlights

1. Electric and natural gas vehicle policies were tied for the most enacted legislation with four bills each. Within the electric vehicle category, California (SB 838) and Maryland (HB 1179) adopted legislation extending electric vehicle access to High Occupancy Vehicle (HOV) lanes. All four states that adopted bills related to natural gas vehicles (Louisiana, Minnesota, New Mexico, and Oklahoma), did so to allow these vehicles to exceed certain maximum weight limits.

2. Three states enacted bills addressing autonomous vehicles. Florida’s HB 7061 removed the requirement for including a person in certain autonomous vehicle testing activities, while in Tennessee SB 1561 barred local governments from banning autonomous vehicles, provided they meet all applicable safety standards. Finally, Utah’s HB 280 commissioned a study to evaluate the best regulatory approach for these vehicles.

3. Of the remaining bills, two are of interest. Colorado adopted HB 16-1053 that establishes hydrogen refueling infrastructure standards along with establishing fees to fund compliance oversight. Indiana’s HB 1254 urged the legislative council to study whether manufacturers that engage in direct sales to consumers should be subject to additional licensing requirements.

### 2016 Enacted Transportation Legislation (15 bills)

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<th>Category</th>
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