



PLUGGED IN

State & Federal Energy Newsletter



State Energy News

First State Energy Storage Mandate

California is the first state in the country to require utilities to invest in energy storage. On Oct. 17, the California Public Utilities Commission (PUC) unanimously voted to approve a [proposal](#) that will require the three major investor-owned utilities to buy 1.325 gigawatts of storage by 2020. California sees energy storage—including batteries, compressed air and pumped water—playing an important role in integrating large amounts of variable renewable energy sources, such as wind and solar.

Low Natural Gas Prices Impact Coal Plant

Brayton Point, the largest coal-fired power plant in New England, announced this month that it will shut down by May 2017. The Massachusetts facility had installed new technology to remove up to 98 percent of sulfur dioxide from the coal smoke and toxic pollutants and Dominion Power. The plant's former owner, paid about \$650 million to build two 490-foot cooling towers to chill the water coming out of the plant. However, [Brayton Point](#) cited low natural gas prices and costs to maintain the plant, including investments to meet environmental regulations, as reasons for the closure.

Regional Greenhouse Gas Initiative

The New Jersey Assembly's Telecommunication and Utilities Committee held a [hearing](#) this month to discuss rejoining the Regional Greenhouse Gas Initiative (RGGI). New Jersey was one of the original states to establish the initiative in 2005; currently nine northeastern and eastern states are members. Governor Christie removed the state from the initiative in 2011 and has vetoed two bills compelling the state to rejoin the RGGI. Meanwhile in California, industries and utilities have developed a uniform trading [agreement](#) for secondary trades conducted in the market between different private or utility entities.

Welcome to *PLUGGED IN*, NCSL's Energy Newsletter! Here you'll find the latest state and federal news and trends.

In this Issue

State Energy News	1
State Legislative Updates	2
Federal Energy News	3
Upcoming Meetings & Events	4
New NCSL Resources	4

World's Largest Solar Thermal Plant

A 280 MW [Solana](#) solar plant near Gila Bend, AZ, which produces enough energy to power 70,000 homes, began commercial operation this month. The facility is a concentrating solar plant (CSP), which uses mirrors to direct the sun's rays to power a thermal battery. This design is intended to allow for consistent electrical generation regardless of variability from intermittent cloud cover. The Arizona Public Service Co. has agreed to purchase all electricity from the plant for the next three decades. The plant is managed by Abengoa Solar, the largest CSP developer globally.

Federal Judge Hears ND Lawsuit

Arguments began this month regarding North Dakota's 2011 lawsuit challenging Minnesota's Next Generation Energy Act, which was signed by former Governor Tim Pawlenty in 2007. North Dakota argues that the law unfairly blocks utilities from exporting electricity from new coal-fired power plants. Besides mandating energy conservation measures and setting a goal that 25 percent of energy used in the state should come from renewable sources by 2025, the Act prohibits utilities serving Minnesota from importing additional power unless any additional carbon dioxide emissions are offset.

State Legislative Updates

California Approves Several Energy Bills

As California's legislative session came to a close, Governor Jerry Brown signed [A.B. 8](#), which is expected to generate \$2 billion in funding to advance cleaner vehicles. The measure extends through 2024 several programs that provide incentives for alternative fuel vehicles. Funding for these programs will come from surcharges on state vehicle registrations and smog checks. California also recently enacted [A.B. 327](#) altering the state's electricity rates. Several provisions include: allowing the Public Utilities Commission (PUC) to raise electric bill rates for residential customers; allowing the commission to institute new fixed fees for customers; increasing a cap on net metering; and lifting a cap on the state's Renewable Portfolio Standard. According to Gov. Jerry Brown, the bill gives the PUC "the authority to address current electricity rate inequities, protect low-income energy users and maintain robust incentives for renewable energy investments."

Off-Shore Wind Growing in the Northeast

In New Hampshire, a bill was pre-filed for the 2014 session that would establish a committee to study off-shore wind energy. Maine has an off-shore wind project and additional projects are proposed in at least Maryland, Massachusetts, New Jersey and Rhode Island.

Shale Energy Boom: Impact on Roads

As the oil and gas boom continues, states are looking for ways to maintain roads impacted by drilling. In Texas, state legislators are setting aside \$250 million in extra funding for repairing roads in the state's heavily trafficked Eagle Ford area. Funding comes from unexpectedly high revenue for vehicle registration fees and could pay for 70 repair projects across several counties. However, the quick growth in energy development has made it difficult for state and local authorities to maintain funding to make all the repairs. Despite complaints from local officials, the Texas Department of Transportation plans to convert about 66 miles of roads in Texas' oil region from asphalt to gravel.

Community Renewable Energy

On Oct. 17, a bill from the District of Columbia ([DC B 57](#)) that would authorize community renewable energy facilities was signed by Mayor Gray and sent to Congress. Currently California, Colorado, Maine, Massachusetts, Minnesota, Rhode Island, Vermont and Washington authorize community renewable energy.

New Hydraulic Fracturing Rules in Michigan

This month, the Michigan Department of Environmental Quality (DEQ) proposed additional hydraulic fracturing rules focused on increased public reporting and water quality monitoring. The [proposed rule changes](#) will require oil and gas companies to complete baseline testing of water wells within 1,320 feet of oil and gas wells and require operators to publically report on the chemical additives used during the hydraulic fracturing process. DEQ anticipates that the new rules will be in place early next year.

Hybrid and Electric Vehicle Incentives



Many states are considering a variety of incentives to promote hybrid and plug-in electric vehicle adoption. Thirty-eight states have adopted incentives that would provide high-occupancy vehicle (HOV) lane exemptions, monetary incentives, vehicle inspections or emissions test exemptions, and parking incentives. At least 94 bills in 20 states are pending in 2013 that encourage the purchase and increased use of hybrid and plug-in electric vehicles (PEVs). This [chart](#) provides current state incentives for hybrid and electric vehicles as well as pending legislation in 2013.

Net Zero Buildings

A number of states are looking beyond the more common energy codes and standards to net zero, or zero net, buildings. [California](#), [Massachusetts](#) and [North Carolina](#) introduced legislation regarding net zero buildings for new construction, residential or commercial construction or school facilities.

Federal Energy News

The Government Plugs Back In

On Oct. 17, President Obama signed a continuing resolution (CR) that would fund the federal government until Jan. 15. The CR also raises the debt ceiling until Feb. 7. The deal followed a 16 day government shutdown in which over 800,000 federal employees were furloughed. While shutdown, government agencies instituted their various [contingency plans](#), which involved furloughing employees and halting non essential programs. See the [NCSL Guidance on FY 2014 Federal Government Shutdown](#) for more information. Due to a budget surplus from the previous year, the [Department of Energy](#) (DOE) was less affected than other federal agencies, but still the agency furloughed a number of non-essential employees and shut down the Energy Information Administration.

Emission Control

On Sept. 20, the Environmental Protection Agency (EPA) released [new proposed regulations](#) for carbon emissions from both coal-fired and natural-gas power plants. The first of its kind rule is directed only towards new power plants, with a carbon emission limits rule for existing power plants expected in 2014. See the [NCSL Info Alert](#) for more details. As EPA moves to draft existing power plant carbon emission rules in June, it is reaching out to state and local officials for input. EPA will hold 11 [public listening sessions](#) across the country to solicit input from stakeholders. See the [EPA website](#) for updated information.

DOE Invests in Nuclear Projects

On Sept. 20, DOE [announced](#) the investment of \$60 million for nuclear energy research and infrastructure projects. The funding will go to 91 projects that aim to train and educate the next generation workforce in the nuclear industry as well as supporting new and advanced nuclear technologies.

SCOTUS Takes the Case



On Oct. 15, the U.S. Supreme Court [announced](#) it will hear a case this term on whether the EPA has the authority to impose permit requirements on stationary sources, such as power plants, for greenhouse gas (GHG) emissions.

Energy Outlook: Sunny With a Chance of Wind

The Energy Information Administration (EIA) [released](#) its monthly energy review for the month of September. The review found that renewable energy sources provided 9.8 percent of U.S. energy consumption and 11.8 percent of domestic energy production for the first half of 2013. Solar energy production is up 32.4 percent since 2012 and wind production is up 20.1 percent.

Cooling Down and Heating Up

In a continued effort to promote energy efficiency and save consumers money, DOE released a [proposed regulation](#) aimed at conserving energy for consumer heating and cooling products. The draft rule that was issued Oct. 1 applies to residential appliances that circulate heat generated by furnaces and cool air for centralized air conditioning. DOE estimates the total net benefits of the proposed rule will be around \$1.89 billion annually, taking into account the reductions of carbon dioxide emissions.

Federal Agencies Go DIY

DOE and EPA [launched](#) a new tool that allows car sellers to create a fuel economy label for used cars. The tool shows miles-per-gallon and carbon dioxide emission estimates for cars sold in the U.S. since 1984. While the new labels are optional, the effort by the two agencies is intended to promote consumers buying used cars to consider fuel economy and for sellers to be able to accurately provide such information.

Upcoming Meetings & Events



NCSL Fall Forum

[Join us for the Fall Forum](#), Dec. 4-6 in Washington D.C. Attendees will have the opportunity to discuss policy with national experts, work on pressing issues as part of NCSL's standing committees, advocate for the states on Lobby Day and participate in special briefings developed for legislative staff.

New NCSL Resources

NCSL's New Website

On Oct. 21, NCSL launched its redesigned website with improved features, functionality and navigation. Check out the new Energy Program [homepage](#) for the latest NCSL energy publications, presentation materials or to search the [NCSL Energy and Environment Legislation Database](#).

States Address Energy Security

Securing the nation's energy supply and protecting energy infrastructure is a major concern given the nation's dependence on reliable and uninterrupted energy delivery. State policies play a critical role in energy security by ensuring that energy infrastructure is resilient and that officials can quickly respond to shortages, disruptions and emergencies. Access the full report, including state legislative action [here](#).

For questions regarding the newsletter, please contact [Kristy Hartman](#).

NCSL Energy Program Contacts: Denver

Glen Andersen, Energy Program Director, Glen.Andersen@ncsl.org, (303) 856-1341

Kristy Hartman, Policy Specialist, Kristine.Hartman@ncsl.org, (303) 856-1509

Jocelyn Durkay, Research Analyst II, Jocelyn.Durkay@ncsl.org, (303) 856-1494

NCSL Energy Program Contacts: Washington, D.C.

Ben Husch, Committee Director, NCSL Natural Resources and Infrastructure Committee,
Ben.Husch@ncsl.org, (202) 624-7779

Melanie Condon, Policy Associate, Melanie.Condon@ncsl.org, (202) 624-3597