

# PLUGGED IN

*NCSL's State & Federal Energy Newsletter*



## State Energy News

### California's Oil Bonanza?

Covering 1,750 square miles and running from Los Angeles to San Francisco, California's Monterey Shale formation may be the site of the nation's next oil boom. According to the U.S. Energy Information Administration, the area could contain more than 15 billion barrels of crude oil—nearly four times the amount of the Bakken Shale in North Dakota and far more oil than anywhere else in the lower 48 states. During the final week of session, the California Legislature passed a [bill](#) to create a permitting system, require groundwater monitoring and ensure public transparency throughout the hydraulic fracturing process.

### Ensuring Energy Assurance

Through the Recovery Act of 2009, the U.S. Department of Energy (DOE) provided [almost \\$38 million](#) to assist states in developing and implementing energy assurance and resiliency plans. The 47 states and the District of Columbia have used the funds to plan for energy supply disruptions and reduce vulnerabilities to critical energy infrastructure. The state plans address disruptions to energy resources including electricity, oil and gas and renewable sources and are designed to provide a response to potential hazards including threats to cyber-security. All state energy assurance plans will be completed by the fall of 2013.

### Green Tariff

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

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The California legislature recently passed [S.B. 43](#). The bill, which has been sent to the governor, would enact a green tariff shared renewables program enabling customers—such as renters, schools, cities, residents of multi-family housing units or residents of houses with shade cover—to participate in offsite electrical generation from renewable energy sources. The bill enables utility customers to completely purchase renewable energy, regardless of the ability to generate electricity from renewable energy onsite.

### Energy Efficiency in Pennsylvania

Pennsylvania introduced a [bill](#) this month that would allow state agencies to test new energy efficient products and technology that have received certification by a nationally recognized program. The state's utilities are also working to increase energy efficiency: Pennsylvania is in its fourth year of a mandate that requires utilities to reduce total energy consumption during peak times of day.

# 2013 State Legislative Trends

## Capturing the Benefits of Technology

Carbon capture and sequestration (CCS) allows for decreased emissions when generating electricity from fossil fuels by capturing carbon dioxide and storing it, rather than releasing the emissions into the atmosphere. This legislative session, [Mississippi](#) and [Montana](#) enacted legislation while [California](#) and [New York](#) have bills pending.

## Electricity Reliability



At least 31 bills were introduced in 11 states highlighting the need for grid modernization, electricity reliability or financing projects to enhance the nation's energy security this legislative session. State legislation cited aging infrastructure and more frequent weather events as key reasons for additional regulation and investment in the nation's electricity distribution and transmission system.

## Schools Get the Green Light



Schools are highly visible buildings in communities and can serve as focal points for renewable energy installations. Legislatures in a number of states debated bills to increase renewable energy installation in school facilities; at least eight states enacted bills, many of which concern solar energy projects. An enacted [bill](#) in Washington establishes a pilot program to replace the current heating systems in two public school with heating systems that use densified biomass as a fuel.

## States Take The Lead

Technological advances and horizontal drilling allow access to shale resources that were previously uneconomical to develop. State legislators are focusing efforts on tapping the expansive economic potential while ensuring that the practice is well-regulated, transparent, and protects public health and the environment. At least 24 states have proposed legislation to impose new or amend existing severance taxes or fees on production. 16 states – with [California](#) and [Illinois](#) passing legislation this session – now require the disclosure of chemicals used during the hydraulic fracturing process.

## Renewing Renewable Energy

This legislative session saw a variety of action on Renewable Portfolio Standards (RPS) policies in states. Bills were introduced in a number of states with a variety of goals: reducing RPS requirements, modifying existing RPS requirements or expansion of RPS targets. Ultimately no state rolled back their RPS requirements, while [Colorado](#), [Maryland](#), [Minnesota](#) and [Nevada](#) expanded RPS goals or carve-outs and 5 states modified existing RPS.

## Energy Efficiency Financing

States are being creative with energy efficiency. Numerous energy efficiency financing bills were enacted in 2013, including energy efficiency loan and grant programs, on-bill financing programs, property assessed clean energy (PACE) programs, energy efficiency tax credits, incentives and rebates, and energy saving performance contracts. See NCSL's [Energy Efficiency Financing Legislative Update](#) from July for more details and specific bill information.

# Federal Energy News

## New Natural Gas Study

The University of Texas in conjunction with the Environmental Defense Fund and nine petroleum companies [released a new study](#) on Sept. 17 on the amount of methane emissions that are associated with natural gas leaks. The study found that containment measures capture 99 percent of methane leaking from new wells, and that escaped methane from shale-gas operations is likely less than the Environmental Protection Agency (EPA) previously estimated.

## Going once...Going twice...SOLD!



The U.S. Department of Interior (DOI) spent Sept. 4 [completing](#) its second competitive lease sale of offshore wind development, receiving \$1.6 billion in bids for more than 100,000 acres on the Outer Continental Shelf (OCS) of Virginia. On Aug. 1, in its first ever competitive offshore wind development sale, DOI raised \$3.8 million by awarding a 25-year lease of a 257 square mile energy area off the coast of Rhode Island.

## Rebuilding Efforts Continue After Sandy

The administration's task force on rebuilding after super storm Sandy [released](#) its rebuilding strategy on Aug. 19. The proposal looks at more than 50 initiatives that would create resilient infrastructures against rising sea levels and storms. The strategy calls for prioritizing funding for large-scale infrastructure developments and upgrades to minimize power outages.

## The Department of Energy Efficiency

On Aug. 29, DOE [released](#) two proposed rules aimed at reducing CO2 emissions and saving consumers money

on their energy bills. One rule would improve energy efficiency standards for commercial refrigeration equipment. The second rule would increase energy efficiency standards for walk-in coolers and freezers.

## A Nuclear Day in Court

Meanwhile the Nuclear Regulatory Commission (NRC) spent its Sept. 4 reading a court decision. The U.S. Court of Appeals for the D.C. Circuit [ruled](#) that the NRC must meet its obligation under the Nuclear Waste Policy Act to either approve or reject the Yucca Mountain nuclear waste repository site.

## Sequestering Sequestration

On Aug. 27, DOI [announced](#) that it will return 2013 mineral royalty payments that the agency previously remanded from the states as a means of complying with sequestration. DOI collects royalty payments from companies extracting oil, gas and mineral from federal lands. In total, \$110 million in mineral leasing royalties were withheld from 34 states. The money will be re-distributed to the states in federal fiscal year 2014. Wyoming will see around \$40 million returned and New Mexico will see \$20.8 million returned.

## Hydropower Bills Gets Stamp of Approval

Ten days after they unanimously passed the Senate on Aug. 1, the president signed into law two bills related to streamlining the development of hydropower projects. [H.R. 267](#) exempts small hydropower providers from Federal Energy Regulatory Commission (FERC) licensing requirements and [H.R. 678](#) authorizes the Secretary of the Interior to develop small hydropower projects on federal land.

## RFS Numbers Released

On Aug. 6, the Environmental Protection Agency (EPA) [released](#) its 2013 requirements under the Renewable Fuel Standards program, mandating the amount of renewable fuels that must be blended with the nation's traditional fuel supply. The final overall standards require 16.55 billion gallons of renewable fuels. The requirements for cellulosic biofuel were set at 6 million ethanol-equivalent gallons. This is much lower than the agency's initial proposal of 14 million ethanol-equivalent gallons. The advanced biofuels requirement is 2.75 billion gallons and the biomass based diesel is 1.28 billion gallons. EPA is also extending the deadline for compliance by four months, to June 30, 2014.

## Clean Energy Financing Made Easy

DOE [released](#) a new guide on clean energy financing that lists the various federal financing programs available to clean energy and energy efficiency projects. The

guide touts itself as a "Yellow Pages" for federal financing resources.

## DOE Approves Third LNG Export Permit

DOE [approved](#) a permit to Lake Charles Exports, LLC to export liquefied natural gas (LNG) internationally to countries without a free-trade agreement with the United States. This is the third permit DOE has allowed for exporting LNG. The first two permits were approved within the past year.

## Sun-Ray Bans Not Included

On Aug. 15, the White House [began installation](#) of solar panels on its roof as part of an overall energy efficiency retrofit of the residence. The retrofit will also include updating building controls and variable speed fans. Solar panels were originally installed on the White House during the Carter Administration in 1979.

## Upcoming Meetings & Events



NATIONAL CONFERENCE  
of STATE LEGISLATURES

*The Forum for America's Ideas*

### Energy Planning for Climate Regulations: Lowering the Cost of Cutting Carbon

On Thursday, Oct. 10, join us for a webinar that will explore low carbon, high productivity options for lowering emissions while highlighting utility efforts in this area. Speakers will include Jonathan Pershing, Deputy Assistance Secretary for Climate Change Policy and Technology, U.S. Department of Energy and a utility representative. Please [register here](#).

### 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



### State Revenues and the Natural Gas Boom

Oil and natural gas development offers tremendous economic benefits to state and local economies. This [report](#) looks at the approaches states are taking to impose taxes and fees on the extraction, production and sale of oil and natural gas.



### States Walk the Line

Read this [report](#) to learn about current state action towards more efficient, secure and cost effective electricity transmission.



### Incentivizing Alternative Fuel Vehicles

States are exploring policies to support hybrid and plug-in electric vehicle (PEV) adoption in an effort to increase energy security, reduce greenhouse gas emissions and provide price stability. This [chart](#) provides current state incentives for hybrid and electric vehicles as well as pending legislation in 2013.



### Regulating Smart Grid Activities

States are actively introducing legislation to address a broad array of smart grid related issues, encouraging smart grid development but also working to regulate emerging technologies and to protect consumer interests and concerns. See what action states have taken in 2013 [here](#).

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

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