



NATIONAL CONFERENCE OF STATE LEGISLATURES

FALL FORUM

DECEMBER 2013

WASHINGTON, DC

CONSENT CALENDAR

NATURAL RESOURCES AND INFRASTRUCTURE

ENERGY SECURITY

NATIONAL ENERGY

ELECTRONIC TOLL COLLECTION INTEROPERABILITY REQUIREMENTS
(RESOLUTION)

1 **COMMITTEE: NATURAL RESOURCES AND INFRASTRUCTURE**

2 **POLICY: ENERGY SECURITY**

3 **TYPE: CONSENT**

4 In order to fully secure the further benefits that only a national energy policy can ensure,
5 NCSL urges Congress to direct the U.S. Department of Energy through the national
6 laboratories and technology centers to develop a national energy strategy for moving the
7 United States toward independence from non-North American energy sources. The
8 development of this strategy should be done in partnership with state governments and
9 universities to leverage the work which has already been done and should encompass short,
10 medium and long-term goals designed to help transition the nation to a more secure and
11 financially stable future configuration that is drastically more independent of non-North
12 American energy sources

13 The NCSL believes a considerable effort needs to be undertaken at the federal level in
14 partnership with state, local and tribal governments to help bring about a more secure and
15 sustainable energy future. To that end NCSL urges action by Congress and the
16 administration to:

- 17 • Promote enhanced efficiency and conservation in the use of our energy resources;
- 18 • Establish a diversified national energy;
- 19 • Encourage and assist in the development of enhanced oil and gas refining capacity
20 and technology;
- 21 • Support domestic energy production and reduce imports;
- 22 • Regularly reviews and updates CAFE standards;
- 23 • Accelerate research and development of advanced clean energy technologies;
- 24 • Promote the development of an infrastructure to support the distribution of clean
25 energy technologies;
- 26 • Ensure energy resources are used in a sustainable and environmentally sound
27 manner;

55 The federal government should not exercise its power of eminent domain in its pursuit of
56 constructing energy facilities or related purposes;

57 To the extent to which federal activity has restricted state authority over electric facility siting,
58 specifically electricity transmission lines, the federal government should work together with
59 the states to ensure a seamless system of regulatory action and minimize the necessity for
60 the federal backstop to be used.

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- Examine the feasibility of, and where feasible, promote state-wide or regional minimum storage level requirements for heating oil for states dependent on this fuel.
- Specification and balancing of clear lines of local, state and federal regulatory authority.
- Promotion of continued investments in electric power grid infrastructure to make it more efficient and resilient and recognize the value of the electric power grid as an asset that must be maintained, improved and supported by all of those who use and operate the grid.
- Development of both short and long-term strategies to provide adequate energy supplies, efficient utilization of those supplies and optimum cost effectiveness.
- Promotion of the education of school-age children regarding energy resources, consumption, conservation, and production and regarding environmental protection, safety and risks in energy production.
- Assurance of expanded energy research and development and broadening of the citizenry's access to energy-related information.
- Assurance of participation of state and local officials in the development and implementation of a national energy plan and strategy.
- Avoidance of mandates, particularly unfunded mandates, upon state and local governments as well as avoidance of pre-emptive federal laws in developing a national energy policy.

Implementation

92 **Conservation and Energy Efficiency**

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94 NCSL supports a national energy policy that promotes energy efficiency in a variety of ways
95 including both setting and strengthening policies as technologies improve while recognizing
96 the significance of economic costs on various segments of the population including rural
97 areas. NCSL supports the use of:

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99 • Corporate Average Fuel Economy Standards for automobiles and light duty trucks,
100 including sport utility vehicles and minivans;

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102 • Energy efficiency provisions in model building codes (including lighting efficiency
103 standards and weatherization);

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105 • "Whole-building" and life cycle costing approaches to construction and retrofitting that
106 integrate energy efficiency technologies and practices;

107 • home appliance and heating and cooling unit efficiency standards;

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109 • Waste recycling and reduction standards for industrial manufacturing;

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111 • Standards for conservation in electrical production and supply including cogeneration;

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113 • Use of alternative energy; and

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115 • A national transportation policy that emphasizes various modes of transportation,
116 including passenger rail and transit, as well as promoting energy efficiency.

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118 **New Source Review Program (NSR)**

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120 NCSL urges the Environmental Protection Agency (EPA) to reform the NSR program to
121 achieve improvements that enhance the environment and increase production capacity, while
122 encouraging efficiency, fuel diversity and the use of resources without weakening the
123 requirements intended to reduce emissions from new or modified sources of air pollution.

155 • Federal legislation should provide states the authority and flexibility to work within a
156 overall framework that affords states the ability to chose from a range of options &
157 apply the law effectively in the most cost effective, timely and efficient manner for each
158 state.

160 • Federal legislation should not preempt state governments from enacting stricter or
161 stronger measures within their jurisdiction.

163 • Congress must authorize and appropriate sufficient funds for state and federal
164 governments to implement any federal legislation. These funds should be newly
165 authorized appropriations, not reprogrammed resources.

167 **Energy Emergency Preparedness**

169 NCSL believes that the federal government should support and enhance energy emergency
170 preparedness in order to reduce the potential impact of petroleum supply disruptions.

172 A national energy emergency preparedness program should include the following principles:

173 • Initial efforts should focus on strategies to reduce the nation's dependence on foreign
174 oil to avoid future emergencies.

175 • Voluntary conservation, is preference to mandatory measures, wherever possible;

176 • When any mandatory responses are required, they should be phased in, beginning
177 with the least stringent measures, with gasoline rationing reserved for only the most
178 severe shortage;

179 • Minimize undue hardships on states and regions heavily dependent on motor vehicle
180 transportation with rationing allotments and allocation plans being based on state and
181 regional needs and strategies rather than on national averages.

182 • Priority shall be given to home heating needs including home heating oil and propane,
183 provided homes are adequately insulated.

185 NCSL believes changes need to be made at the national level to ensure that the country has
186 sufficient, affordable supplies of energy, by encouraging more efficient use of energy to

219 States consumers with a secure source of petroleum as well as provide a stabilizing influence
220 to the world price of crude oil. As such, the extraction and transportation of crude oil must be
221 done only with safeguards for the protection of the environment. The federal government
222 should consider incentives for domestic exploration, maintenance of stripper wells, but
223 excluding other extractions, and technological research for methods of enhanced oil and gas
224 recovery that are environmentally safe and in accordance with state policy as well as an
225 increase in research and development in the area of new energy generating technologies
226 including but not limited to biofuels, electric cars, fuel cells, hybrid engines, and alternative
227 fuels particularly for transportation.

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229 The federal government should manage United States imports by diversifying import
230 suppliers, pursuing a Pan American Energy Alliance with Western Hemisphere producing
231 nations, and expanding a dialogue with suppliers worldwide.

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233 **Oil Overcharge Settlement Funds**

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235 NCSL is appreciative of Administrative and congressional action to disburse authorized
236 unclaimed overcharge monies to the states, via the oil overcharge settlement funds.

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238 NCSL believes that the refunded oil overcharge money disbursed to states should be used
239 for energy-related purposes. As emerging federal and state emphasis on conservation and
240 energy efficiency programs has created a state need for additional funds to develop and
241 implement new programs, some states are unable to meet the growing demands of their
242 energy programs with state money alone. Therefore, NCSL strongly supports expeditious
243 pass-through of oil overcharge settlement funds by the Department of Energy to states only
244 to supplement, and not supplant, energy related programs. NCSL opposes efforts to reduce
245 or eliminate or take credit for federal funding of existing energy related programs such as the
246 Weatherization Assistance Program, the Institutional Conservation Program, the State
247 Energy Conservation Program, and programs authorized to be funded by the Energy Policy
248 Act of 1992, based on the receipt of oil overcharge settlement monies. NCSL also opposes
249 the diversion of oil overcharge monies from their intended energy uses.

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281 • NCSL opposes any effort by Congress or the Administration to reduce the revenue
282 share paid to states in an effort to off-set federal expenditures on a temporary or
283 permanent basis.

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285 NCSL does not support or oppose additional exploration or production on the Outer
286 Continental Shelf (OCS). However, to the extent that mineral extraction occurs, Congress is
287 urged to:

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289 • Authorize and appropriate 50 percent of the Outer Continental Shelf (OCS) revenues
290 to the states;

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292 • Ensure the state legislatures' participation in the appropriation of these funds; and

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294 • Provide state lawmakers the flexibility to target these funds to their respective state's
295 natural resource priorities.

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297 • OCS revenue sharing with the states should be in addition to and not replace other
298 Federal funding programs.

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300 • Preserve state authority to impose moratoriums on or allow for mineral exploration,
301 development and production activities on the OCS.

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303 • Lift federal fees charged to states for use of sand, gravel and shell resources taken
304 from the OCS for use in beach nourishment and other coastal erosion mitigation
305 activities.

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307 • Give states full review of development and production of mineral resources on the
308 OCS.

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310 **Nuclear**

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312 NCSL believes that,

- 345 • Federal funding should complement private sector investments in the areas of waste
346 management technologies, nuclear fusion, and plant retrofit and life extension.
- 347 • The tax treatment of decommissioning funds should be updated to ensure that existing
348 funds are treated in the manner intended by the tax laws and to reflect new business
349 conditions.

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351 **The Electric Power Grid**

352 NCSL believes that:

- 353 • Reliable electricity supply depends in part upon modernization of the electric power
354 grid. In order to meet current and future demands for electricity, investments in the
355 electric power grid will need to be made.
- 356 • Electric power grid investments funded wholly or in part by retail ratepayer dollars
357 should be just and reasonable, and properly balance the needs of all consumers, as
358 well as the needs of electric utilities and grid operators.
- 359 • Electric power grid investments provide benefits to consumers. NCSL recognizes the
360 potential for electric power grid investments to provide for a more resilient power
361 system, increase operational efficiencies, increase electric grid reliability, reduce
362 outages, reduce outage restoration time, improve power quality, reduce peak demand,
363 improve overall system efficiency, provide consumers with new information and tools
364 to voluntarily control their own energy costs, integrate an increasingly diverse set of
365 energy resources and enable economic growth and innovation.
- 366 • Electric utilities are responsible for ensuring that electric power grid technologies are
367 deployed in a manner consistent with reasonable and effective cyber and physical
368 security best practices. Systems should be designed to mitigate risks and enhance the
369 resiliency of the electric power grid, and preserve the accuracy, integrity and privacy of
370 data.

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372 **Electricity**

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374 NCSL believes that the federal government should promote

- 375 • Energy efficiency and conservation to lower the demand for electricity.

407 equipment and appliance manufacturers, and consumers should be given legislative and
408 regulatory incentives to promote these goals.

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410 **Consumer Protection and Education:**

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412 NCSL believes that:

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- 414 • The safety, reliability, quality, and sustainability of services should be maintained or
415 improved and that all consumers should have access to adequate, safe, reliable, and efficient
416 energy services at fair and reasonable prices, as a result of competition.
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 - 418 • States should retain the authority, with the assistance of the federal government as
419 needed, to protect consumers from anticompetitive behavior, undue discrimination, poor
420 service, market power abuses, and unfair service practices.
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 - 422 • States should maintain the authority to establish or require comprehensive consumer
423 education and outreach programs to minimize public confusion and provide information so
424 consumers are able to make informed choices and participate effectively in a restructured
425 market.
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427 **Regulatory Authority**

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429 State regulatory bodies are close to consumers, utilities, industries, and concerned for state
430 environmental and economic well being. State regulatory bodies are in the best position to
431 evaluate consumer needs, and address questions relative to fuel choice, economic
432 development implications, and system reliability.
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434 NCSL strongly supports and urges the continuation of the state legislative oversight for the
435 approval and siting of all major energy conversion facilities, subject to minimum federal
436 standards established only after the fullest consultation with state governments, both
437 executive and legislative branch. State authority over the siting of energy facilities should not
438 be preempted by federal law.

471 that the U.S. should strive for excellence in the use, manufacturing and marketing of
472 renewable energy resources and technologies.

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474 **Wave Energy and Tidal Energy**

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476 NCSL strongly believes that the United States should increasingly encourage all forms of
477 renewable energy, including avenues of renewable energy that are not currently in the
478 forefront; specifically wave energy, wave farms, and tidal energy.

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480 NCSL requests that the federal government demonstrate global leadership and:

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- 482 • Recognize the importance of wave energy and tidal energy to the future of the United
483 States;
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- 485 • Support the research and development of advances in wave energy and tidal energy
486 technology, including the ability to tow and set up the equipment in the oceans through
487 loan guarantees, grants and tax incentives;
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- 489 • Research and create a “Wave Hub,” or similar infrastructure necessary for integrating
490 wave- and tidal-energy production facilities into the national grid; and
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- 492 • Encourage the demonstration and deployment of wave energy and tidal energy beyond
493 the limited scope of R&D to ensure competitive and equitable access for wave- and tidal-
494 energy projects and provide a fair opportunity to supply the nation with a reliable and
495 renewable energy.

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497 **Education and Information**

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499 NCSL believes that it is essential that the nation, including its elementary and secondary
500 school-age children, be made fully aware of energy use and costs, production processes,
501 alternative energy resources, the importance of energy efficiency and conservation and the

1 **COMMITTEE:** **NATURAL RESOURCES AND INFRASTRUCTURE**
2 **POLICY:** **ELECTRONIC TOLL COLLECTION**
3 **INTEROPERABILITY REQUIREMENTS**
4 **TYPE:** **CONSENT**

5 Sec. 1512 of the Moving Ahead for Progress in the 21st Century (MAP-21) requires
6 that all toll facilities on the Federal-aid highways shall implement technologies or
7 business practices that provide for the interoperability of electronic toll collection
8 programs by 2016. NCSL believes that this timetable is too aggressive and does not
9 provide adequate financial or technical support in order to successfully implement such
10 a system. Any such mandate requiring states to have tolling interoperability must be
11 coupled with an appropriate timetable and level of financing. Therefore, NCSL urges
12 Congress and the administration to revise its requirement on ETC interoperability, in
13 consultation with state governments, to provide states with financial and technical
14 support, on a feasible timeline, to properly and effectively implement an interoperable
15 electronic toll collection system.