



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 412**

Hearing Date: February 14, 2007
Committee On: Natural Resources

Introducer(s): (McGill)

Title: Provide duties for the Nebraska Power Review Board relating to renewable energy

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - Advanced to General File with Amendments
 - X Indefinitely Postponed
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Vote Results:

- | | | |
|---|---------------------|--|
| 6 | Yes | Senators Carlson, Christensen, Fischer, Hudkins, Loudon, Wallman |
| 0 | No | |
| 2 | Present, not voting | Senators Dubas, Kopplin |
| 0 | Absent | |
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Proponents:

Senator Amanda McGill
Mark Lindquist
Ken Winston
John K. Hansen
Robert Byrnes

Representing:

Introducer
The Minnesota Project
Nebraska Chapter, Sierra Club
Nebraska Farmers Union
Nebraska Renewable Energy Association

Opponents:

J. Gary Stauffer

Representing:

Nebraska Power Association

Neutral:

Tim Texel

Representing:

Nebraska Power Review Board

Summary of purpose and/or changes:

LB 412 does the following:

Section 1 Legislative intent.

Section 2 Definitions:

- (1) Biomass – crops and organic waste but excludes municipal solid waste, tires, treated wood, black liquor, and construction and demolition debris.
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- (2) Eligible renewable energy – a person owning a generation facility using renewable energy resources, including any facility required under federal law but not including a facility required under the laws of another state even if the facility is also required under federal law.
- (3) Eligible renewable energy resource – electricity generated from wind energy, solar energy, landfill gas, geothermal energy, fuel cells, or biomass.
- (4) Energy efficiency – any measure designed to reduce the consumption of energy by the retail customer in which the costs of the measure are directly reimbursed by the provider of the electric service.
- (5) Renewable energy credit – a tradable certificate of proof of one kilowatt hour of electricity generated from an eligible renewable energy resource.
- (6) Renewable portfolio standard – the percentage of electricity sold to Nebraska consumers that must be derived from an eligible renewable energy resource.
- (7) Retail electricity supplier – a distributor of electricity to retail customers in Nebraska.

- Section 3
- (1) Requires that one percent of all retail electricity shall be provided by eligible renewable energy resources in calendar year 2008, and shall increase by one percent in each succeeding calendar year beginning in 2010 up to ten percent in calendar year 2019, and shall remain at ten percent each year thereafter.
Allows energy efficiency measures to qualify for up to one-quarter of the total standard in any one year.
 - (2) Only the electricity generated by an eligible renewable energy resource is eligible for the credit in facilities that use multiple fuels, unless the use of non-qualifying fuels is below a minimum level established by the Power Review Board.

- Section 4
- Requires the Power Review Board to establish a program to issue renewable energy credits as well as:
- (1) Inspect and register renewable energy credits, certify and audit output, and verify transactions.
 - (2) Impose a fee to cover the administrative costs.
 - (3) Adopt rules and regulations.

- Section 5
- (1) Requires a retail electricity supplier to submit an annual report beginning on March 30, 2010, that shows evidence of ownership of credit and energy efficiency measures implemented to satisfy the renewable portfolio standard.
 - (2) Requires that a retail electricity supplier must include the required percentage of eligible renewable energy resources under the renewable portfolio standard for electricity products sold to Nebraska customers.

- Section 6
- Allows renewable energy credits to be sold or exchanged by the

person to whom the credits are issued or acquired. A sale or exchange of renewable energy credit must be recorded with the Power Review Board within 90 days after the sale or exchange in order to be valid.

- Section 7 Requires the Power Review Board to impose an administrative penalty for failure to meet the renewable portfolio standard which is an amount equal to three times the estimated market value of each renewable energy credit that a retail electricity supplier fails to acquire and retire. The penalty is to be credited to the permanent school fund.
- Section 8 The amount of penalty collected shall be used solely for expenses related to renewable energy generation in school districts.
- Section 9 Requires the state to add to a federal renewable portfolio if one is enacted that is lower than the state's, and to ask for a recommendation from the Power Review Board if such a standard is the same or higher than the state's that the state will follow the federal requirement so long as it meets the state's goals, and that investments made to satisfy the state's renewable portfolio standard will not be in jeopardy.
- Section 10 Allows any person to commence a civil action against:
- (1) Any person violating the act;
 - (2) The Nebraska Power Review Board for failure to perform under the act; or
 - (3) Any person applying for renewable energy credits who provides false information.
- Section 11 Requires the Power Review Board to submit an annual report to the Legislature that indicates program results, data, and any recommendations to achieve increased use and availability of renewable energy resources.
- Section 12 Clarification language regarding the permanent school fund.
- Section 13 Severability clause.
- Section 14 Repealer.

Explanation of amendments, if any:

None

Senator LeRoy Loudon, Chairperson