



General Assembly

February Session, 2006

Raised Bill No. 5728

LCO No. 2914

02914_____GAE

Referred to Committee on Government Administration and Elections

Introduced by:
(GAE)

AN ACT ESTABLISHING THE RENEWABLE ENERGY DEVELOPMENT INSTITUTION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2006*) For the purposes of this
2 section and section 2 of this act:

3 (1) "Renewable energy" means energy produced from solar, wind,
4 wave, falling water or biomass resources;

5 (2) "Conservation" means reduction in the consumption of energy or
6 a substance;

7 (3) "Liquid fuels" means any stable liquid at or near ambient
8 temperature and pressure, including propane and butane that are
9 stored as liquids at relatively low pressures;

10 (4) "Depletable energy" means energy from nonrenewable resources;

11 (5) "Internal combustion engine" means engines with fuel
12 combustion within the engine apparatus, including gas turbines,

13 rotary combustion, diesel and gasoline piston engines; and

14 (6) "Funding priority" means the priority on which the Renewable
15 Energy Development Institution, established in section 2 of this act,
16 considers and funds competitive projects.

17 Sec. 2. (NEW) (*Effective October 1, 2006*) (a) There is hereby created as
18 a body politic and corporate, constituting a public instrumentality and
19 political subdivision of the state created for the performance of an
20 essential public and governmental function, the Renewable Energy
21 Development Institution which is empowered to carry out the
22 following purposes that are hereby determined to be public purposes
23 for which public funds may be expended: (1) The assurance of
24 affordable, secure, sustainable, domestic energy supplies in the state;
25 (2) the stimulation of economic development and job creation in the
26 state; (3) creating competition in energy and oil markets; (4) attracting,
27 enhancing and keeping a strong renewable energy knowledge base in
28 the state, including, but not limited to, scientists, researchers,
29 educators, technicians, inventors, entrepreneurs, technology
30 developers and other persons to timely meet the challenges of the
31 forthcoming era of energy change; and (5) enhancing national and
32 homeland security by doing the state's part to lessen international
33 tensions and war arising from the peaking of world oil and the energy-
34 price inflation it causes. The Renewable Energy Development
35 Institution shall not be construed to be a department, institution or
36 agency of the state.

37 (b) Any notes, bonds or other obligations issued by the Renewable
38 Energy Development Institution shall be in accordance with their
39 terms of full force and effect, valid and binding upon the institution for
40 the financing of any project or projects described in subsection (d) of
41 this section.

42 (c) The board of directors of the institution shall consist of eleven
43 members that have experience in renewable energy, renewable energy
44 technology development, renewable energy research, renewable

45 energy commercialization or financing of renewable energy projects
46 and technologies. At least three of such members shall have extensive
47 experience as an entrepreneur, engineer, technician or scientist
48 independent of corporate entities or projects primarily funded by
49 corporations.

50 (d) The Renewable Energy Development Institution shall be
51 authorized to sell bonds and provide financing, on a project finance
52 basis, for development, construction, commissioning, operation and
53 other needs of the following commercial scale projects: (1) Renewable
54 energy projects that produce renewable fuels or other forms of
55 renewable energy capable of replacing or conserving depletable liquid
56 fuels or other forms of depletable energy, (2) other projects,
57 equipment, materials or works that conserve, allow or facilitate the
58 replacement of depletable energy with renewable energy, and (3)
59 distributed energy projects that demonstrate energy savings of twenty
60 per cent or more over conventional technology or the technology they
61 replace.

62 (e) In determining priority for the funding of any project, the
63 institution shall assign priority as follows: (1) First priority shall be
64 given to projects, technologies and equipment that conserve depletable
65 liquid fuels or replace them with renewable fuels in significant
66 volumes in internal combustion engines where over seventy per cent
67 of oil is consumed and other projects, including distributed energy
68 projects, that replace or conserve depletable liquid fuels with
69 renewable fuel volumes comparable to the savings in internal
70 combustion engines. The potential volume of liquid fuel savings of a
71 project shall be the greatest factor in consideration by the institution in
72 determining funding priority within this category of projects while
73 reductions in pollution and global warming gas production shall be
74 the second greatest factor in determining funding such decision
75 making. The institution shall consider net depletable energy savings in
76 calculating energy replacement values; (2) second priority shall be
77 given to projects, technologies, equipment and other items that replace

78 or conserve depletable fuels or energy. The potential for net depletable
79 energy savings shall be the greatest factor in determining funding
80 priority within this category of projects while reductions in pollution
81 and global warming gasses shall be the second greatest factor in
82 determining funding priority for projects in this category. The
83 institution shall consider net depletable energy savings in calculating
84 energy replacement values; (3) notwithstanding the provisions of
85 subdivisions (1) and (2) of this subsection, the institution may give
86 additional funding priority to a project based on the ability of a project
87 or product to reduce or eliminate toxic air and water pollutants, global
88 warming gasses, particulates and other emissions; and (4) when
89 considering the priority of funding any such project, the project's
90 potential to repay the institution shall be a prerequisite to funding.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>October 1, 2006</i> | New section |
| Sec. 2 | <i>October 1, 2006</i> | New section |

Statement of Purpose:

To establish the Renewable Energy Development Institution.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]