

HCS HB 647 -- ENERGY AND THE ENVIRONMENT

SPONSOR: Bivins (Schaaf)

COMMITTEE ACTION: Voted "do pass" by the Committee on Energy and Environment by a vote of 9 to 2.

This substitute changes the laws regarding energy and the environment.

SALES AND INSTALLATION OF HOME GENERATORS

The substitute prohibits a utility or affiliate from selling and installing home generators for electrical production unless there are no existing heating, ventilation, or air conditioning providers in the service area. Every utility must comply with all local permit and code requirements.

MISSOURI ALTERNATIVE ENERGY LOAN AUTHORITY

The Missouri Alternative Energy Loan Authority is established within the Department of Natural Resources to provide low-interest loans on a need-based program to public and private entities for the purpose of financing various energy-saving projects and services. The authority will consist of seven members appointed by the Governor with the advice and consent of the Senate. The members' terms, eligibility, and qualifications are specified in the substitute. Action may be taken upon the affirmative vote of at least three members. The authority must file an annual financial statement with the department director.

An initial appropriation of \$14 million to the newly created Missouri Alternative Energy Loan Authority Fund will be made; and the fund may receive annual appropriations from the General Assembly as well as from any gifts, contributions, grants, or bequests.

MISSOURI PROPANE EDUCATION AND RESEARCH COUNCIL

The substitute changes the laws regarding the Missouri Propane Education and Research Council. In its main provisions, the substitute:

- (1) Removes the provision allowing the director of the council to initiate a referendum on the abolishment of the council;
- (2) Removes the director's authority to:
 - (a) Fill council vacancies;

- (b) Approve or modify council budgets. The council will approve or modify the budget after a 30-day public comment period;
 - (c) Require additional reports from the council; and
 - (d) Establish alternative means to collect the odorized propane fee and establish late payment charges; and
- (3) Removes the provision allowing the National Propane Education and Research Council to establish a program in coordination with the Missouri council regarding rebates on propane fees collected by the national council.

WATER WELL REGULATIONS

The substitute specifies that any water system that serves a benevolent or charitable organization and draws less than 15,000 gallons per month will be exempt from all rules relating to well construction except those applying to domestic wells which are determined to present a threat to groundwater.

GREEN SCHOOL GRANTS FOR SCHOOL BUILDINGS

Any public school district seeking state reimbursement for bond offering costs related to new construction or renovation must certify a cost analysis of building to certification issued by the United States Green Building Council under the Leadership in Energy and Environmental Design Green Building Rating System (LEED) or an equivalent certification versus the cost of owning and operating a new or renovated building without LEED standards.

ENVIRONMENTAL AUDITS

The substitute allows companies to conduct voluntary environmental audits in order to discover and correct noncompliance with environmental regulations. If a company complies with the voluntary audit requirements, it will be exempt from certain types of criminal and administrative penalties and may keep its voluntary audit reports confidential. Companies will not be exempt from any tort actions by private parties. In order to comply with the voluntary audit requirements, a company must:

- (1) Discover noncompliance during a voluntary environmental audit or through a compliance management system;
- (2) Disclose its noncompliance to the Department of Natural Resources within 21 days;
- (3) Make the disclosure prior to any legal actions or regulatory

investigations concerning the audit;

(4) Correct any noncompliance within 60 days or as determined by the department;

(5) Agree to take steps to prevent future noncompliance with environmental regulations;

(6) Document that the reported noncompliance was not part of a pattern and that a similar noncompliance did not occur in the previous three years or within the past five years at another facility owned by the company;

(7) Prove that the noncompliance did not cause actual harm or violate an administrative order or agreement; and

(8) Provide certain specified information to the department.

The department cannot disclose any audit report information relating to scientific and technological innovations in which the owner has a proprietary interest that is protected from disclosure by law.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$14,047,000 in FY 2010, \$47,933 in FY 2011, and \$49,372 in FY 2012. Estimated Effect on Other State Funds of an Income of Unknown to a Cost of Unknown in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the bill will require utility companies to satisfy the same requirements as non-utility installers of generators. The costs of permits and licenses are significant and place non-utility company installers at a disadvantage if utility company installers are not required to obtain them.

Testifying for the bill were Representative Schaaf; and Missouri Coalition for Fair Competition.

OPPOSERS: Those who oppose the bill say that they are currently required to have the same permits and licenses and that utility employees are required to have a great deal of training and hours of experience in the field. The number of cases where these licenses and permits are an issue is limited, and the cost of the fines related to operating without the licenses and permits makes it unreasonable to install these generators without them.

Testifying against the bill were Laclede Gas Company; and Gasworkers Local 11-6.