

ENERGY LEGISLATION - 2008 REGULAR LEGISLATIVE SESSION

by
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During the **2008 Regular Legislative Session** ten pieces of energy legislation were passed. In the House of Representatives, twelve pieces of energy legislation were proposed, only six of which passed. In the Senate, eight pieces of energy legislation were proposed, only four of which passed. This report discusses the most important pieces of legislation which the Technology Assessment Division was monitoring.

Early in the session, several bills were introduced that would have effected the Louisiana State Uniform Construction Code, LSUCC. **House Bill 204**, proposed by Representative Chandler, sought to exempt from enforcement of the residential code all parishes that lie entirely north of the International Residential Code's 100 MPH wind load line. The bill was brought before the House Commerce Committee, where it became clear that the committee would not change the current code. The bill was thus involuntarily deferred. On the same date, the House Commerce Committee also considered **House Bill 41**, which sought to remove the entire energy portion of the Uniform Construction Code. After the lengthy discussion about HB 204, this bill was quickly deferred.

However, several bills affecting the LSUCC were passed during the session. **Act 484, effective June 25, 2008**, requires that all updates to the International Residential Code be evaluated before adoption. Ultimately, however, the update must be accepted as code within 2 years of its release. In the event that the update is determined to be too costly or inefficient, the legislature would have 2 years to pass legislation denying or amending the update.

Act 343, effective June 21, 2008, and **Act 813, effective July 7, 2008**, both deal with enforcement of the code. One of the complaints by rural parishes has been that the code is costly and burdensome for their small offices. To help overcome this obstacle, **Act 813** allows the State Fire Marshal's Office to act as a third-party provider for residential code reviews. Similarly, **Act 343** provides for a fee structure between governmental entities and 3rd party code enforcement providers.

Two bills were passed regarding the purchase of state vehicles. **Act 542, effective June 30, 2008** requires that all vehicles purchased by the state must be capable of and equipped to run on an alternative fuel (compressed natural gas, liquefied petroleum gas, ethanol, reformulated gasoline, electricity), including but not limited to hybrid vehicles. However, the law contains several exceptions. First, the purchase or lease of such vehicles must be able to recoup actual costs through reduced operating costs within 48 months of the purchase or lease. The commissioner of administration may also waive the requirements if the department provides evidence that the vehicle will be operating in an area without a refueling station for alternative fuels. Overall, the bill has limited effect, as nearly any new automobile is capable of running on reformulated gasoline.

Act 592, effective July 1, 2008, requires that state purchased vehicles have a fuel efficiency rating of no less than 18 miles per gallon for city driving and no less than 28 miles per gallon for highway driving, or a combined fuel efficiency of 24 miles per gallon. The law pertains only to alternative fuel vehicles, sedans, and station wagons. Exceptions to this law include vehicles to be used by law enforcement personnel, certified first responders, and emergency personnel when required for the performance of their duties, or a vehicle used for military activities. Also, exceptions can be made with written

authorization from the department head to the commissioner of administration and approved by the commissioner or for vehicles purchased on state contract by political subdivisions when approved by the governing authority.

Act 543, effective June 30, 2008, changes the definition of a net metering facility, increasing the maximum generating capacity allowed for commercial or agricultural use from 100 kilowatts to 300 kilowatts. This increase could lead to increased renewable energy capacity by allowing companies with larger demands to address their needs within the scope of net metering.

The act also adds the provision that nothing in the chapter shall hinder the public service commission's ability to regulate, as applicable, all common carriers and utilities.

Act 881, effective July 9, 2008, requires that that any performance-based energy contract entered into must be equal to the lesser of twenty years or the average life of the equipment installed. Also, the contract shall contain a guarantee of energy savings, including total units of energy saved, the method, device or financial arrangement to establish the savings, and, if applicable, the basis for any adjustment in the state's cost. Each energy saving measure shall be provided with a detailed scope of work, price to be paid, annual energy cost savings, annual maintenance savings, total annual savings, and a schedule for savings audit reports. The law also requires that a third party evaluation review and evaluate all proposals.

Act 382, effective June 21, 2008, establishes "The Advanced Biofuel Industry Development Initiative." The law requires that a feedstock other than corn be used. The feedstock must be derived solely from Louisiana harvested crops which are capable of an annual yield of at least 600 gallons of ethanol per acre and capable of being grown in marginal soils. The feedstock must also require less than one half of the water, one third of the nitrogen, and one half of the energy to create ethanol required by corn. The requirements of the bill should improve the environmental and economic impacts of ethanol production, but the rigid requirements will tend to favor a handful of feedstock crops.

House Study Request Number 8, approved on June 3, 2008, requests the House Committee on Appropriations to study the effect of requiring minimal energy efficiency standards, such as Leadership in Energy and Environmental Design's Silver Standard, in the construction of state buildings. Also, **Senate Concurrent Resolution Number 85, filed June 23, 2008**, requests the Louisiana Department of Agriculture and Forestry to develop a strategy to implement an incentive program for the production of renewable fuels.

More detailed information about the Acts of the 2008 Regular Legislative Session can be found on the internet at URL: <http://www.legis.state.la.us/archive/08rs/08rs.htm>.