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HOUSE JOINT RESOLUTION NO. 114

Offered January 11, 2012

Prefiled January 11, 2012

Establishing a joint subcommittee to study the feasibility of establishing a state renewable energy utility. Report.

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Referred to Committee on Rules

WHEREAS, Delaware created a sustainable energy utility (SEU) in 2007 in order to foster a sustainable energy future for the state; and

WHEREAS, the Delaware SEU model, leverages competitive markets and private financing to deliver revenue positive to the State, end-use energy services to Delaware's citizens and businesses; and

WHEREAS, the Delaware SEU is an independent nonprofit corporation that delivers energy efficiency and renewable energy services, and is being replicated in several other communities around the world; and

WHEREAS, in 2011, the Delaware SEU issued \$70 million in tax-exempt bonds to provide capital for energy retrofits and renewable energy projects for municipal and public buildings, universities, schools and hospitals; and

WHEREAS, the bonds are financed through guaranteed savings agreements that pledge energy savings without pledging the full-faith and credit of the state, with no taxpayer funds, and a bond rating of AA+; and

WHEREAS, the projects financed by these bonds do not require upfront capital from the entities that host these projects and benefit from the energy savings; and

WHEREAS, the projects financed by these bonds will create between 900 and 1,000 construction jobs; and

WHEREAS, these tax exempt bonds will result in additional tax revenues to the State of Delaware; and

WHEREAS, the Delaware SEU's bond program has been cited by the federal government as a positive example of how to capture the enormous potential of energy efficiency and to lead the country in achieving a clean energy economy and green workforce; and

WHEREAS, it is estimated that the Delaware SEU model could generate at least \$300 million in bondable projects in the Commonwealth and may provide examples of programs that can be adapted for use in the Commonwealth; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the feasibility of establishing a state renewable energy utility. The joint subcommittee shall have a total membership of 13 members that shall consist of eight legislative members and five nonlegislative citizen members. Members shall be appointed as follows: five members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; three members of the Senate to be appointed by the Senate Committee on Rules; three nonlegislative citizen members with expertise in the SEU model, energy-efficiency and renewable energy projects, financing, and related regulation to be appointed by the Speaker of the House of Delegates; and two nonlegislative citizen members with expertise in the SEU model, energy-efficiency and renewable energy projects, financing, and related regulation to be appointed by the Senate Committee on Rules. Nonlegislative citizen members of the joint subcommittee shall be citizens of the Commonwealth of Virginia. Unless otherwise approved in writing by the chairman of the joint subcommittee and the respective Clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth of Virginia for the purpose of attending meetings. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required. The joint subcommittee shall elect a chairman and vice-chairman from among its membership who shall be members of the General Assembly.

In conducting its study, the joint subcommittee shall (i) examine the report of Delaware's Sustainable Energy Task Force to the Delaware State Legislature, available at http://www.seu-de.org/docs/SEU_Final_Report.pdf; (ii) examine the feasibility of authorizing a state renewable energy utility to issue tax-exempt bonds for the purpose of funding renewable energy improvements at state buildings and funded by the difference between existing energy costs and the reduced energy costs of operating the buildings; (iii) develop projections for the benefits that could

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59 accrue to the Commonwealth; (iv) characterize the risks; and (v) determine what lessons can be learned
60 from Delaware's experience in establishing and operating its SEU.

61 Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates.
62 Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be
63 provided by the Division of Legislative Services. Technical assistance shall be provided by the
64 Department of Mines, Minerals and Energy. All agencies of the Commonwealth shall provide assistance
65 to the joint subcommittee for this study, upon request.

66 The joint subcommittee shall be limited to four meetings for the 2012 interim, and the direct costs of
67 this study shall not exceed \$21,040 without approval as set out in this resolution. Approval for
68 unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the
69 joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is
70 agreed to, written authorization of both Clerks shall be required.

71 No recommendation of the joint subcommittee shall be adopted if a majority of the House members
72 or a majority of the Senate members appointed to the joint subcommittee (i) vote against the
73 recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the
74 joint subcommittee.

75 The joint subcommittee shall complete its meetings by November 30, 2012, and the chairman shall
76 submit to the Division of Legislative Automated Systems an executive summary of its findings and
77 recommendations no later than the first day of the 2013 Regular Session of the General Assembly. The
78 executive summary shall state whether the joint subcommittee intends to submit to the General
79 Assembly and the Governor a report of its findings and recommendations for publication as a House or
80 Senate document. The executive summary and the report shall be submitted as provided in the
81 procedures of the Division of Legislative Automated Systems for the processing of legislative documents
82 and reports and shall be posted on the General Assembly's website.

83 Implementation of this resolution is subject to subsequent approval and certification by the Joint
84 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
85 delay the period for the conduct of the study, or authorize additional meetings during the 2012 interim.