



SPONSOR: Sen. Lavelle & Rep. D. Short
Sens. Hocker, Simpson

DELAWARE STATE SENATE
149th GENERAL ASSEMBLY

SENATE BILL NO. 186

AN ACT TO AMEND TITLE 7 OF THE DELAWARE CODE RELATING TO THE FUNDS FROM THE AUCTION OF THE REGIONAL GREENHOUSE GAS INITIATIVES' CO2 ALLOWANCES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 6046, Title 7 of the Delaware Code by making deletions as show by strike through and
2 insertions as shown by underlines as follows:

3 § 6046. Auction revenue.

4 (a) All proceeds associated with the auction of CO2 allowances shall be directed to public benefit purposes as
5 defined herein.

6 (b) The Secretary shall hold any and all auction proceeds in an interest bearing account with all interest directed to
7 the account to carry out the purposes set forth herein.

8 (c) The Secretary shall direct auction proceeds to the following uses:

9 (1) ~~Sixty-five percent~~ Thirty-five percent of the CO2 allowance proceeds ~~shall~~ must be directed to the
10 Sustainable Energy Utility (SEU), established in § 8059 of Title 29. The SEU shall apply these funds to further the
11 goals and activities of the SEU ~~including, but not limited to,~~ including the promotion of energy conservation, energy
12 efficiency, renewable energy, and energy financing ~~pursuant to~~ under § 8059(f)(3) of Title 29.

13 (2) Thirty percent of the CO2 allowance proceeds must be directed to the Water Infrastructure Advisory
14 Council, established by § 8011 of Title 29. The Water Infrastructure Advisory Council shall develop and recommend
15 projects to the General Assembly that are to be funded by the funds provided under this paragraph (c)(2) of this
16 section, consistent with § 8011(e) of Title 29. The funds provided under this paragraph (c)(2) of this section may be
17 expended only as authorized by the annual bond and capital improvement act or other act of the General Assembly.

18 (2) ~~(3)~~ A total of 15% of the CO2 allowance proceeds ~~shall~~ must be directed to low-income consumers, of
19 which 10% shall be directed to the federally funded and state-administered Weatherization Assistance Program
20 (WAP), and up to 5% shall be directed to the federally funded and state-administered fuel assistance (Low Income
21 Home Energy Assistance Program or LIHEAP) programs. Participants in the LIHEAP program funded pursuant to this
22 section shall also participate in the WAP program within 2 years of receiving assistance through LIHEAP, subject to
23 funding availability. These programs are administered by the Division for State Service Centers in the Delaware
24 Department of Health and Social Services.

(3) (4) Percentage allocations of funds to the SEU and low-income consumers may be reviewed and adjusted annually by a committee comprised of the Secretary of the Department of Natural Resources and Environmental Control (DNREC), who ~~shall~~ is to serve as committee chair, the Chair of the Board of the SEU, and the program managers of the state WAP and LIHEAP.

(4) (5) Ten percent of CO2 allowance proceeds ~~shall~~ must be directed to Greenhouse Gas Reduction Projects, selected by the Secretary following a periodic competitive proposal process. The Secretary shall utilize an advisory body composed of electric generators, environmental advocates, ~~legislators~~ legislators, and such others as the Secretary may find useful in developing guidelines for the proposal process and in soliciting and ranking of projects. Projects must result in quantifiable and verifiable reductions in Greenhouse gas emissions in Delaware not otherwise required by federal or state law and not receiving funding from any other state sources.

(5) (6) The Secretary shall use up to 10% of CO2 allowance proceeds as detailed in subsection (d) of this section. Expenses for running the RGGI program shall be met first, prior to distribution of funds as outlined above.

(d) The Secretary of DNREC shall use annual auction proceeds to implement the cap-and-trade program, monitor emissions, allowances and offsets, and pay any expenses associated with the program ~~including, but not limited to,~~ including expenses related to auctioning and tracking of allowances. This may include contracting with RGGI Inc., paying of dues to RGGI Inc., or transferring funds to RGGI Inc. should DNREC determine it appropriate for RGGI Inc. to undertake any action related to implementation of the program. Any auction proceeds directed to the Secretary of DNREC may also be used to fund climate change activities designed to reduce greenhouse gas emissions from all sectors of Delaware's economy and to maintain a public information program to educate Delawareans about the impacts of climate change on Delaware, and for any administrative costs associated with support of the SEU not otherwise provided for under § 8059 of Title 29.

SYNOPSIS

This Act requires the Secretary of the Department of Natural Resources and Environmental Control to direct 35% of the funds from the auction of the Regional Greenhouse Gas Initiative CO2 allowances to the Sustainable Energy Utility and 30% of the funds to the Water Infrastructure Advisory Council.

This Act then requires the Water Infrastructure Advisory Council to develop and recommend projects to the General Assembly that are to be funded by these funds, consistent with § 8011(e) of Title 29. This Act further requires that these funds be expended only as authorized by the annual bond and capital improvement act or other act of the General Assembly.

Finally, this Act makes technical corrections to conform existing law to the standards of the Delaware Legislative Drafting Manual.

Author: Senator Lavelle