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DELAWARE STATE SENATE  
152nd GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1  
FOR  
SENATE BILL NO. 7

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE STATE ENERGY OFFICE.

1 WHEREAS, an adequate, reliable, and continuous supply of energy, including for buildings, equipment,  
2 machinery, and transportation, is essential to the health, safety, and welfare of the citizens of the State and to the sustained  
3 future growth of the State's economy; and

4 WHEREAS, focus on energy policy will better position Delaware to take full advantage of federal grants and other  
5 funding opportunities to promote a sustainable energy future and a growing state economy; and

6 WHEREAS, successful State energy policy should consider comprehensively the costs and benefits of energy  
7 policy options to all Delawareans, including consideration both of direct economic costs and benefits to Delaware  
8 ratepayers and other associated costs and benefits such as economic development opportunities in Delaware, greenhouse  
9 gas emissions, and localized health and environmental impacts, including on existing overburdened and underserved  
10 communities; and

11 WHEREAS, full public participation in the formulation and implementation of state energy policy is essential,  
12 with specific consideration of environmental justice for low- and moderate-income Delawareans; and

13 WHEREAS, the State Energy Office, in conjunction with the Governor's Energy Advisory Council, has the  
14 responsibility to develop comprehensive State energy policy, coordinate State energy programs, and prepare and update the  
15 State's Energy Plan.

16 NOW, THEREFORE:

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

18 Section 1. Amend § 8051, Title 29 of the Delaware Code by making deletions as shown by strike through and  
19 insertions as shown by underline and redesignating accordingly as follows:

20 § 8051. Short title; declaration of policy.

(a) This subchapter shall be known and may be cited as “The Delaware Energy Act”.

(b) The General Assembly finds and declares that:

(1) An adequate, reliable, and continuous supply of energy is essential to the health, safety, and welfare of the citizens of this State and to the sustained growth of the State’s economy;

(2) Planning for Delaware’s energy future is vitally important to Delaware’s economy and all Delawareans;

(3) Developments in the energy sector of the economy are proceeding at a fast pace, and devoting state resources to the energy sector will benefit Delaware’s economy and all Delawareans;

(4) Transforming the delivery of energy to end users and throughout the energy grid is expected to require new programs, oversight, planning, and workforce training;

~~(2)~~(5) Shortages of nonrenewable energy resources could threaten the reliable supply of energy in the State;

~~(3)~~(6) Inefficient energy consumption leads to increased air pollution from traditional means of producing energy, which may be significantly mitigated by the development of efficiency programs and alternative energy resources;

~~(4)~~(7) Growth and inefficient energy usage must be addressed programmatically to continue the social, economic and environmental vitality of the State;

~~(5)~~(8) The State must provide for the development of a comprehensive state energy policy which will ensure an adequate, reliable and continuous supply of energy and which is protective of public health and the environment and which promotes our general welfare and economic well-being;

~~(6)~~(9) The establishment of the State Energy Office is in the public interest and will promote the general welfare by assuring coordinated and efficient management of state energy policy.

(c) It is the purpose and intent of the General Assembly:

(1) To establish the State Energy Office within the Department of Natural Resources and Environmental Control;

(2) To provide for development and maintenance of a comprehensive ~~state energy plan~~State Energy Plan;

(3) To provide for the development and maintenance of a state emergency energy shortage contingency plan;

(4) To provide for the development of a state facilities energy management plan;

(5) To reduce, to the maximum extent possible, the environmental consequences of energy generation and use in the State;

(6) To achieve effective management of energy functions within the state government;

(7) To encourage and ensure full and effective public participation in the formulation and implementation of a ~~state energy plan~~ State Energy Plan;

(8) To provide for the development and implementation of the State's energy policy and programs in accordance with the State Energy Plan, the Climate Action Plan, and other documents as developed by the Governor's Energy Advisory Council and adopted by the State Energy Office ("Plans"), giving specific consideration to issues of environmental justice for low- and moderate-income Delawareans as set forth in those Plans;

(9) To support the continuous transition to clean energy, clean transportation, reduced emissions, and energy efficiency use in the State as set forth in the Plans; and

(10) To provide for greater collaboration between federal and state agencies on energy policy matters within the scope of this subchapter.

Section 2. Amend § 8053, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8053. State Energy Office; State Energy Coordinator; establishment; powers and duties.

(c) The State Energy Office shall:

(1) Act as a central repository and clearinghouse for collection and dissemination of data and information on energy resources and energy matters in the State, including but not limited to:

a. Data on energy supply, demand, costs, projections and forecasts;

b. Inventory data on energy research and development projects, studies, or other programs conducted in the State under public or private supervision or sponsorship, and the results thereof; and

c. The environmental impacts of energy generation and use and the means of reducing those impacts through alternative fuels, innovative energy technologies, conservation or other means.

(2) Coordinate and partner with other state, local, regional, and federal ~~agencies~~ agencies, including the Delaware Public Service Commission, the Division of the Public Advocate, the Office of State Planning and Coordination, the Office of Management and Budget, the Delaware Emergency Management Agency, ~~and the~~ Department of ~~Agriculture~~ Agriculture, the Department of Transportation, and the Delaware Sustainable Energy

Utility, and energy-related boards and councils, energy utilities, and other stakeholders in carrying out its duties under this subchapter;

(3) Recommend legislative or other initiatives to the Secretary, and hence to the Governor and General Assembly, that will enable or assist the State, its instrumentalities, its energy utilities, or and private citizens, to secure federal funds made available to states, energy utilities, and individuals to support energy conservation, energy efficiency, emerging energy technologies, energy storage, demand response, microgrids, energy workforce development, grid resiliency and development, and renewable energy and decarbonization programs and initiatives, whatever form those funds take;

(4) Provide for a program of energy audits of facilities owned by instrumentalities of the State in cooperation with designated representatives of said facilities;

(5) Provide for the training and certification of energy auditors to conduct energy audits as may be necessary and proper to carry out the purposes and policies of this subchapter, or any other energy-related law applicable to this State;

(6) Assist the Division of Facilities Management in developing the state facilities energy management plan as required in § 8806(c) of Title 29 [repealed];

(7) ~~Facilitate the development~~ Develop and update, at least every 5 years, a comprehensive State Energy Plan designed to protect the health, safety and welfare of the citizens and economy of the State, support the State's greenhouse gas emissions reduction targets, and support implementation of the State's Climate Action Plan. The State Energy Plan and which shall include, but not be limited to: include:

a. Encouraging and promoting conservation of energy through reducing wasteful, uneconomical or inefficient uses of energy;

b. Encouraging and promoting the use of renewable electric generation facilities and alternate energy technologies by residential and commercial consumers; ~~and~~

c. Encouraging and promoting such other energy efficiencies and conservation goals, methods, standards, training, programs and policies that are consistent with the intent of this subchapter, especially those directed toward improving end-use efficiency among the State's energy ~~consumers~~; consumers; and

d. Encouraging and promoting equity in energy planning and development in accordance with the Plans.

(8) Provide technical and administrative support to the Governor's Energy Advisory Council as provided for in § 8055(i) of this title;

(9) Serve as a liaison between the State and federal agencies and energy agencies in other states and regions on the energy program and policy matters set forth in this subchapter;

(10) Monitor and act in a coordinating capacity to promote the planning and buildout of the statewide energy grid to optimize resources, including coordination with any plan acknowledged by the Public Service Commission;

(11) Conduct analysis of generating resource adequacy and conduct integrated resource planning, as necessary;

(12) Participate in offshore wind transmission planning with the regional transmission organization, the Delaware Public Service Commission, the Division of the Public Advocate, energy utilities, other stakeholders, and other states;

(13) Conduct analysis, study policy options, and collaborate with energy utilities and other stakeholders to make recommendations to facilitate the responsible siting of renewable energy facilities in Delaware;

(14) Provide public information and convene stakeholder meetings when necessary to implement the purposes of this subchapter; and

(15) Acting through the Department of Natural Resources and Environment Control, have the authority to intervene as a party in dockets before the Public Service Commission by filing a petition to intervene stating its interest in the docket. Such intervention shall be limited to matters arising directly from the matters enumerated in Subchapter II of this Chapter. Should the Commission grant the petition, the Department shall be deemed a party in interest and shall have full power to present evidence, subpoena and cross-examine witnesses, submit proof, file briefs, appeal and take any other action appropriate for a party in a Commission docket.

#### SYNOPSIS

This Bill amends the Delaware Energy Act, Title 29 of the Delaware Code, Chapter 80, Subchapter II, by updating and expanding upon the duties of the State Energy Office (located in the Department of Natural Resources and Environmental Control's Division of Climate, Coastal and Energy). In Section 1 of the Bill, the General Assembly finds and declares that: (a) Planning for Delaware's energy future is vitally important to Delaware's economy and all of its citizens; (b) Developments in the energy sector of the economy are proceeding at a fast pace, and devoting state resources to the energy sector will be beneficial; and (c) Transforming the delivery of energy to end users is expected to require new programs, planning, and workforce training. Section 1 of the Bill also declares the intent of the General Assembly to provide for the development and implementation of State energy policy and programs in accordance with the State Energy Plan, the State Climate Action Plan, and other documents developed by the Governor's Energy Advisor Council and adopted by the State Energy Office.

Section 2 of the Bill commits the State Energy Office to coordinate and partner with state, local, regional, and federal agencies, energy-related boards and councils, energy utilities, and other stakeholders in carrying out its duties under Subchapter II of Chapter 80. The Bill requires the State Energy Office to develop and update, at least every five years, a comprehensive State Energy Plan and to support the State's Climate Action Plan. Among other things, the Bill also requires the State Energy Office to do the following: (a) Provide technical and administrative support to the Governor's Energy Advisory Council; (b) Assist the State, energy utilities, and private citizens to secure federal funds made available

to states and energy utilities to support emerging energy technologies, energy workforce development, and renewable energy and decarbonization programs; (c) Serve as a liaison between State and federal agencies and energy agencies in other states and regions on energy programs and policy matters; and (d) Monitor and act in a coordinating capacity to promote the planning and buildout of the statewide energy grid to optimize resources, including in coordination the Public Service Commission.

The Bill expressly authorizes the State Energy Office, through the Department of Natural Resources and Environmental Control, to intervene in dockets before the Public Service Commission in proceedings arising directly from the matters enumerated Subchapter II, Chapter 80, Title 29 of the Delaware Code. This provision is being added to Title 29, Section 8053 of the Delaware Code, and is not intended to limit or restrict, in any way, the Department's rights or ability to intervene in any other proceedings of the Public Service Commission. Rather, the provision is intended to emphasize the importance of the Department's input in Public Service Commission proceedings that arise directly from matters falling within Subchapter II, Chapter 80 of Title 29 of the Delaware Code.

This is a Substitute Bill that incorporates a number of proposed changes to Senate Bill No. 7, including those contained in Senate Amendment No. 1 to Senate Bill No. 7, and are summarized as follows: (a) On lines 6 to 10, the addition of a "Whereas clause" stating that State Energy Policy should consider the costs and benefits of energy policy options for all Delawareans, including utility ratepayers, and the health and environmental impacts on existing overburdened and underserved communities; (b) On lines 55 to 59, the addition of language that it is the intent of the General Assembly to provide for the development and implementation of State energy policy and programs in accordance with the State Energy Plan, the Climate Action Plan, and other documents adopted by the State Energy Office as recommended by the Governor's Energy Advisory Council; (c) On lines 75 to 80, the addition of language about the State Energy Office partnering with local and regional energy agencies, the Delaware Division of the Public Advocate, and the Delaware Department of Transportation in carrying out its duties under the Delaware Energy Act; (d) On lines 82 and 83, the addition of the reference to "energy utilities" as entities that the State Energy Office will assist in securing federal funding for Delaware renewable energy and decarbonization programs; and (e) On lines 123 to 128, the addition of a provision authorizing the State Energy Office, through the Department of Natural Resources and Environmental Control, to intervene in Public Service Commission proceedings involving the Delaware Energy Act.

Author: Senator Hansen