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DELAWARE STATE SENATE

142nd GENERAL ASSEMBLY

SENATE BILL NO. 93

AN ACT TO AMEND TITLES 26 AND 29 OF THE DELAWARE CODE RELATING TO STATE GOVERNMENT,
THE STATE ENERGY OFFICE, AND ELECTRIC UTILITY PUBLIC PURPOSE AND CONSUMER EDUCATION
PROGRAMS.

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

1 Section 1. Amend Chapter 80, Title 29 of the Delaware Code, by designating the existing sections thereof as
2 "Subchapter I. Natural Resources and Environmental Control" and by adding thereto a new Subchapter II as follows:

3 "Subchapter II. The Delaware Energy Act.

4 § 8051. Short title; declaration of policy.

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

6 (b) The General Assembly finds and declares that:

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

9 (2) Shortages of non-renewable energy resources could threaten the reliable supply of energy in
10 Delaware;

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

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

- 16 (5) The State must provide for the development of a comprehensive State energy policy which will
17 ensure an adequate, reliable, and continuous supply of energy and which is protective of public
18 health and the environment and which promotes our general welfare and economic well-being;
- 19 (6) The establishment of the State Energy Office is in the public interest and will promote the
20 general welfare by assuring coordinated and efficient management of State energy policy.
- 21 (c) It is the purpose and intent of the General Assembly:
- 22 (1) To establish the State Energy Office within the Department of Natural Resources and
23 Environmental Control;
- 24 (2) To provide for development and maintenance of a comprehensive State energy plan;
- 25 (3) To provide for the development and maintenance of a State emergency energy shortage
26 contingency plan;
- 27 (4) To provide for the development of a State facilities energy management plan;
- 28 (5) To reduce, to the maximum extent possible, the environmental consequences of energy
29 generation and use in Delaware;
- 30 (6) To achieve effective management of energy functions within the State government;
- 31 (7) To encourage and ensure full and effective public participation in the formulation and
32 implementation of a State energy plan.

33 § 8052. Definitions.

34 For the purposes of this subchapter:

- 35 (1) 'Renewable Energy Technology' or 'Alternative Energy Technology' means and includes any of the
36 following machinery, equipment, or real property:
- 37 a. Hydroelectric generators, located at existing dams or in free-flowing waterways, and
38 related devices for water supply and control, and converting, conditioning, and storing the
39 electricity generated;
- 40 b. Wind equipment, required to capture and convert wind energy into electricity or
41 mechanical power, and related devices for converting, conditioning, and storing the
42 electricity produced;

- c. Solar energy equipment, and related devices necessary for collecting, storing, exchanging, conditioning or converting solar energy to other useful forms of energy;
- d. Geothermal heat pumps and geothermal heat pump systems; and
- e. Fuel cells and fuel cell systems.

(2) 'Solar Energy Equipment' means any equipment that uses solar radiation as a substitute for traditional energy for water heating, active space heating and cooling, passive heating, daylighting, generating electricity, distillation, desalinization, detoxification or the production of industrial or commercial process heat, and includes related devices necessary for collecting, storing, exchanging, conditioning or converting solar energy to other useful forms of energy.

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

(a) There is hereby established the State Energy Office within the Department of Natural Resources and Environmental Control, Office of the Secretary.

(b) The administrator and head of the State Energy Office is the State Energy Coordinator, who shall:

- (1) Be qualified by training or experience to perform the duties of the Office; and
- (2) Perform such functions in the administration of the State Energy Office as the Secretary of the Department of Natural Resources and Environmental Control may from time to time require.

(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 with other state and federal agencies including, but not limited to, the Delaware Public Service Commission, the Office of State Planning and Coordination, the Department of

Administrative Services, the Delaware Economic Development Office, the Delaware Emergency Management Agency and the Department of Agriculture in carrying out its duties under this Act;

(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, or private citizens, to secure federal funds made available to states and individuals to support energy conservation 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 29 Del C. § 8806(c); and

(7) Facilitate the development of a comprehensive State Energy Plan designed to protect the health, safety, and welfare of the citizens and economy of Delaware and which shall include, but not be limited to:

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 small 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 Delaware's energy consumers.

§ 8054. Green Energy Fund.

(a) The State Energy Office shall administer moneys in the Green Energy Fund, in consultation with the Delaware Economic Development Office, the Department of Natural Resources and Environmental

Control, and the Division of the Public Advocate through a program of environmental incentive grants and loans for the development, promotion, and support of renewable or alternative energy technology in the State;

(b) The State Energy Office shall establish standards, procedures and regulations governing the administration of the Green Energy Fund which are not inconsistent with this subchapter.

(c) The goals which shall guide use of the Green Energy Fund include:

- (1) Fostering use of energy efficient, renewable and environmentally friendly energy technologies throughout Delaware in the residential, commercial, industrial, public, and agricultural sectors;
- (2) Promoting research, development, and demonstration projects in the fields of energy efficiency and renewable energy technologies;
- (3) Advocating green public policy initiatives;
- (4) Establishing and supporting education and public awareness programs;
- (5) Pursuing community outreach programs;
- (6) Supporting the development of green industries and generators in the State;
- (7) Encouraging the construction, maintenance, and operation of green buildings, schools, and residential developments; and
- (8) Creating market incentives for the pursuit of renewable energy resources by energy providers in Delaware.

(d) The Green Energy Fund shall be used for programs in Delaware including, but not limited to:

- (1) A Green Energy Endowment Program (to repay electric consumers for the installation of renewable energy technologies in Delaware) available to:
 - a. Persons in Delaware receiving services from DP&L, or its successor, after the adoption of a restructuring plan pursuant to 26 Del. C. § 1005(a); and
 - b. Persons in Delaware receiving services from a non-regulated electric supplier which is contributing to the Green Energy Fund;
- (2) A Technology Demonstration Program, to provide a grant no greater than thirty-five percent (35%) of the cost of a project for the demonstration of an energy efficiency, environmentally

friendly, or renewable energy technology for the purpose of demonstrating the market potential of the technology in Delaware; and

(3) Research and Development Programs:

- a. To support qualifying research and graduate studies in Delaware in energy efficiency and renewable energy technologies; and
- b. To provide grants equal to no greater than thirty-five percent (35%) of the cost of a project for the development of a product in Delaware directly related to renewable or alternative energy technology, including but not limited to any product improving the engineering of, adapting, or developing renewable or alternative energy technology either as an independent piece of renewable or alternative energy technology, or as a component thereof.

§ 8055. Rules and regulations.

The Secretary shall promulgate rules and regulations governing the administration of the State Energy Office or that are necessary to carry out the provisions of this subchapter."

Section 2. Amend §1014(a), Title 26 of the Delaware Code, by striking the second and third sentences thereof in their entirety and by substituting in lieu thereof the following:

"Such fund shall be known as the 'Green Energy Fund' and all moneys deposited into the Green Energy Fund shall be transferred in their entirety on the first day of July of each year to the State Energy Office to fund environmental incentive programs for conservation and energy efficiency in Delaware. The State Energy Office shall submit to the General Assembly by May 30 of each year a written accounting of moneys received from the fund during the previous year and how those moneys were used or disbursed during that year."

Section 3. Upon the enactment of this Act into Law, all moneys having been previously deposited in the environmental incentive fund created by and through the enactment of 72 Del. Laws Chapter 10, shall be transferred out of that fund and distributed as follows: \$1,000,000 shall be transferred to the low-income program fund established in 26 Del. C. § 1014(b) and the remainder shall be transferred to the State Energy Office to be used to fund environmental incentive programs for conservation and energy efficiency in Delaware.

Section 4. All positions heretofore established within the Energy Section of the Division of Facilities Management, and all funding therefore, are hereby transferred to and established within the Office of the Secretary of the Department of Natural Resources and Environmental Control.

SYNOPSIS

This Act establishes the State Energy Office within the Department of Natural Resources and Environmental Control and directs the State Energy Office to, among other things, assist the Division of Facilities Management in developing the state facilities energy management plan as required in 29 Del C. § 8806(c), and to facilitate the development of a comprehensive State Energy Plan designed to protect the health, safety, and welfare of the citizens and economy of Delaware, setting forth specific goals for such Plan.

This Act renames the environmental incentive fund, created by 26 Del. C. § 1041(a) as part of electric deregulation, as the "Green Energy Fund" and places it under the direction and control of the State Energy Office, requiring it to establish standards, procedures and regulations governing the administration of the Green Energy Fund and the operation of several environmental incentive programs using moneys deposited into the Fund.

Finally, this Act transfers all positions heretofore established within the Energy Section of the Division of Facilities Management, and all funding therefore, to the Office of the Secretary of the Department of Natural Resources and Environmental Control.

Author: Senator McDowell