



SPONSOR: Rep. Gilligan & Rep. Schwartzkopf & Rep. Longhurst & Sen. DeLuca ;  
Reps. Atkins Barbieri Bennett Bolden Brady Carson  
George Heffernan Hocker Hudson Jaques J. Johnson Q.  
Johnson Keeley Kenton Kowalko Lee Manolakos  
Mitchell Miro Mulrooney Outten Osienski Ramone  
Schooley Scott D. Short B. Short Viola Walker D.E.  
Williams D.P. Williams Wilson ; Sens. Blevins Bonini  
Booth Bushweller Hall-Long Henry Katz Simpson Sokola  
Sorenson

HOUSE OF REPRESENTATIVES  
146th GENERAL ASSEMBLY

HOUSE BILL NO. 129

AN ACT TO AMEND TITLES 29 AND 30 OF THE DELAWARE CODE RELATING TO PUBLIC UTILITY TAX RATES AND THE USE OF THE PROCEEDS THEREOF.

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

1 Section 1. Amend § 5502(b)(1), Title 30 of the Delaware Code, by striking the figure "5.00%" as it appears in  
2 said section and substituting in lieu thereof the figure "4.25%".

3 Section 2. Amend § 5502(b), Title 30 of the Delaware Code, by striking the figure "2.35%" as it appears in said  
4 section and substituting in lieu thereof the figure "2.00%".

5 Section 3. On or before January 1, 2012, each distributor subject to the public utility tax imposed by § 5502(b),  
6 Title 30 of the Delaware Code and not subject to the regulation of the Public Service Commission shall report to the  
7 Controller General of the General Assembly on how it has adjusted its tariffs so that the distributor's earnings are neither  
8 increased nor decreased by this Act.

9 Section 4. Amend § 5502, Title 30 of the Delaware Code, by adding a new subsection (f) to read as follows:

10 "(f) The State shall transfer in each fiscal year the first \$5,000,000 in tax receipts received under this chapter that  
11 would otherwise be deposited to the General Fund to the Energy Efficiency Investment Fund maintained by the Department  
12 of Natural Resources and Environmental Control pursuant to Chapter 80 of Title 29."

13 Section 5. Amend Chapter 80, Title 29 of the Delaware Code by adding a new section as follows:

14 "§ 8030. Energy Efficiency Investment Fund.

15 The Department of Natural Resources and Environmental Control shall manage the Energy Efficiency Investment  
16 Fund. The Fund shall be used to incentivize investments in energy efficiency by consumers or users of gas or electricity  
17 whose purchase of those commodities from a distributor is subject to the public utility tax on gas or electricity imposed by  
18 Chapter 55 of Title 30. The Department shall support implementation of projects that reduce the use of gas, electricity, or

19 other sources through the issuance of competitive grants, low-interest loans, or other financing support from the Fund. The  
20 Department shall establish the contents and deadline for applications for financing from the Fund and shall give preference  
21 to those applications proposing projects that are anticipated to produce the greatest reduction in energy consumption per  
22 Fund dollar invested, improve environmental performance, spur capital construction and facility modernization, encourage  
23 job retention and creation, and are likely to be substantially complete no later than one year following the issuance of  
24 financing from the Fund. In no event shall the Fund provide grant funding for more than thirty percent of the costs of any  
25 proposed project or support projects already receiving support from the Green Energy Fund under this Chapter or the  
26 Strategic Fund under Chapter 50 of this Title. The Fund shall be administered in consultation with the Sustainable Energy  
27 Utility and the Delaware Economic Development Office. The Department shall make an annual report on the use of the  
28 Energy Efficiency Investment Fund and the value of energy savings resulting therefrom to the Governor's Energy Advisory  
29 Council and the General Assembly not later than August 30 of each year after 2011. The Department shall retain no more  
30 than four percent of the Fund for expenses to administer this section. All terms used herein that are defined in Chapter 55  
31 of Title 30 shall have the same definition used in that chapter."

32 Section 6. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the  
33 invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision  
34 or application; and, to that end, the provisions of this Act are declared to be severable.

35 Section 7. Sections 1, 2 and 3 of this Act shall be effective for tax periods beginning after July 31, 2011. Sections  
36 4 and 5 of this Act shall be effective for fiscal years commencing after June 30, 2011.

#### SYNOPSIS

This Act reduces the general public utility tax rate on electricity and gas from 5.00% to 4.25%. The Act also reduces the rate on electricity and gas distributed to manufacturers, food processors and other agribusinesses from 2.35% to 2.00%. The Act also transfers the first \$5 million in proceeds generated by the public utility tax to the new Energy Efficiency Investment Fund, which will be used to finance energy efficiency projects that will reduce overall energy use and create jobs.