



*Transcending Boundaries*

## **59<sup>th</sup> Annual Meeting**

Sept. 24 | Louisville, Kentucky

# **2019 Adopted Resolutions**





## *Transcending Boundaries*

The Southern States Energy Board (SSEB) is a non-profit interstate compact organization created in 1960 and established under Public Laws 87-563 and 92-440. The Board's mission is to enhance economic development and the quality of life in the South through innovations in energy and environmental policies, programs, and technologies.

Sixteen southern states and two territories comprise the membership of SSEB: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia, and West Virginia. Each jurisdiction is represented by the governor and a legislator from the House and Senate. A governor serves as the chair and legislators serve as vice-chair and treasurer. Ex-officio non-voting Board members include a federal representative appointed by the President of the United States, the Southern Legislative Conference Energy and Environment Committee Chair, and SSEB's executive director, who serves as secretary.

The Southern States Energy Board (SSEB) convened its 59th Annual Meeting on September 23-24, 2019, in Louisville, Kentucky. The Honorable Matthew Bevin, Governor of Kentucky and SSEB's Chairman for 2018-2019, hosted the event that was themed, "Low Cost Energy: Foundation for a Manufacturing Renaissance."

Board Members assembled on September 24 to conduct its Annual Business Meeting. During the session, the Board Members also considered policy resolutions on energy and environmental topics and issues impacting the southern region. Seven policy resolutions were proposed and adopted. The adopted resolutions are presented in the following pages.



## 2019 Adopted Resolutions

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*\* Originating Sponsor*





Policy Resolution 1.2019

## **Impact of Low Cost Energy on a Manufacturing Renaissance**

### **Originating Sponsor**

Governor Matthew Bevin, Kentucky

### **Co-Sponsors**

Senator Brandon Smith, Kentucky  
Senator Ed Emery, Missouri  
Representative Jim Gooch, Jr., Kentucky  
Senator Ken Yager, Tennessee

**WHEREAS**, energy has perhaps the greatest multiplier effect of any single economic factor, impacting production, transportation, distribution, and additional elements in the creation of products; and

**WHEREAS**, the ready availability of affordable, reliable, and safe energy was a foundational building block of the 20<sup>th</sup> Century American economy, the most robust economy in the world during that time; and

**WHEREAS**, the electrification of the Midwestern United States in the 1930's and 1940's improved the health, economic opportunities, and quality of life for millions of Americans; and

**WHEREAS**, it is the expressed desire of the current Administration to restore America's place atop the world in the arena of manufacturing; and

**WHEREAS**, building things, making things, and innovating products and materials that improve the quality of life for people throughout the world is what Americans do best; and

**WHEREAS**, the cost of electricity is therefore as important a core value as is environmental stewardship or reliability.

**THEREFORE BE IT RESOLVED**, that the Southern States Energy Board and our nation's political and community leaders must keep the cost of electricity at the forefront of policy decisions along with other important factors such as environmental impacts, reliability, and energy security; and

**BE IT FURTHER RESOLVED**, said costs should be evaluated not only as to how they impact the corporation, the community, and the states, but should also be evaluated as to their impact upon the most vulnerable, the poor, the elderly, and anyone on fixed incomes.



*Unanimously adopted on September 24, 2019, at the  
59<sup>th</sup> Annual Meeting of the Southern States Energy Board in Louisville, Kentucky*





Policy Resolution 2.2019

## **Synchronizing Congressional Oversight and Legislative Measures on Cybersecurity**

### **Originating Sponsor**

Representative Jim Gooch, Jr., Kentucky

### **Co-Sponsor**

Representative William E. "Bill" Sandifer, III, South Carolina

**WHEREAS**, the Twenty-First Century has brought forth a new age of innovation, automation, big data, artificial intelligence, blockchain technology, and machine learning, and America needs to be able to detect, respond, and prevent ever increasing cyberattacks, a growing and critical international warfare that is capable of serious impact on the functioning of government and industry; and

**WHEREAS**, the nation's electric energy grid system, our energy resource supply and delivery infrastructure, finance, communications, election methodology, manufacturing, chemical industries, commercial process, defense industry and operations, emergency management, agricultural resources, government facilities and services, public healthcare, information technology, transportation, and water and wastewater systems are vital and critical to preserve the quality of life in America; and

**WHEREAS**, a dynamic threat environment exists across the nation due to the interconnection and interconnectedness of our data systems to other less critical infrastructure systems requiring strategic information sharing between government at all levels and the public and private sectors; and

**WHEREAS**, state governments are responsible for securing public networks, state digital infrastructure, and citizen data, and they must coordinate cybersecurity efforts with federal agencies and potentially affected public and private sector organizations; and

**WHEREAS**, in May of 2018, the Office of Management and Budget and the Department of Homeland Security determined that 71 of 96 federal agencies are at risk or high risk of cyber intrusions and are not equipped to determine how threat actors seek to gain access to information; and

**WHEREAS**, the public and private sectors are dedicating increased resources to education, training, and recruitment of cyber workers so that America is better protected from this insidious threat matrix.

**THEREFORE BE IT RESOLVED**, the Southern States Energy Board, meeting in Louisville, Kentucky, on September 24, 2019, urges the Congress to improve the synchronization of congressional oversight and legislative measures on cybersecurity. Congress must continue to clarify the roles and responsibilities of federal agencies in preparing for, responding to, and preventing cyberattacks; and

**BE IT FURTHER RESOLVED**, centralized authority, points of contact, and formalized communications are necessary to address increasingly complex threats. Congress must be aware that the

increasing number and inconsistency of federal security regulations is an unnecessary burden for state governments and is an inefficient use of constrained security resources; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board recommends the restoration of the position of White House cybersecurity coordinator to synchronize and harmonize disparate federal regulations, coupled with a working group of key state and federal officials, to provide greater insight and education on the complexity of the threat network of nefarious nation-states and methods used to repel attacks; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board urges the federal government to continue providing essential cybersecurity risk briefings and resources to our member states. We also support the Department of Homeland Security's Office of Cybersecurity and Communications for its continued interaction with state chief information officials; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board urges the Administration to propose, and Congress to provide, long-term authorization and appropriations for cybersecurity education and workforce development to sustain the nation's cybersecurity workforce.



*Unanimously adopted on September 24, 2019, at the  
59<sup>th</sup> Annual Meeting of the Southern States Energy Board in Louisville, Kentucky*





Policy Resolution 3.2019

## **Advancing Deployment of Energy Storage Technologies in the South**

### **Originating Sponsor**

Representative Lynn Smith, Georgia

### **Co-Sponsors**

Dr. Mary Beth Tung, Governor's Alternate, Maryland

Representative Mark McBride, Oklahoma

Senator Ken Yager, Tennessee

**WHEREAS**, utilities and electricity providers must operate the grid safely and reliably while balancing ever changing customer demand and energy resources; and

**WHEREAS**, energy storage is an increasingly critical resource for a flexible and efficient electric grid that allows utilities to address customer demands without interruption of service and at reasonable rates; and

**WHEREAS**, the declining costs of energy storage and technological advancements have deployed increasing amounts of the resource on the grid, both behind and in front of the meter; and

**WHEREAS**, energy storage exists in many forms, such as pumped hydro, flywheels, batteries, and compressed air storage, and energy storage is bi-directionally capable of consuming and producing electric power; and

**WHEREAS**, energy storage can be scaled to function as a key component of the generation, transmission, and distribution sectors; and

**WHEREAS**, energy storage can provide fast responses to generation changes along with essential grid services that can result in customer savings, such as load shaping abilities, voltage regulation, and energy arbitrage.

**THEREFORE BE IT RESOLVED**, the Southern States Energy Board encourages the region's utilities to continue research and development in all forms of energy storage and to assess the various roles and benefits it can play within their operations; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board encourages the region's Public Utility Commissions to allow regulated utilities and its customers to increase their understanding and familiarity of energy storage technologies through research and strategic pilot projects; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board encourages the region's utilities, in cooperation with states' utilization commission and consumer advocate, to study and report the compounding effects of battery degradation to accurately evaluate true costs to electricity generators, distributors, and consumers; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board encourages the continued funding of the Department of Energy for purposes of advancing and demonstrating energy storage technologies throughout the southern region; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board encourages its member states to review existing policy and legislation for inclusion of energy storage.



*Unanimously adopted on September 24, 2019, at the  
59<sup>th</sup> Annual Meeting of the Southern States Energy Board in Louisville, Kentucky*



Policy Resolution 4.2019

## **Modernization of the Electric Grid**

### **Originating Sponsor**

Representative William E. "Bill" Sandifer, III, South Carolina

### **Co-Sponsors**

Senator Ken Yager, Tennessee  
Representative Mark McBride, Oklahoma

**WHEREAS**, intelligent and communicative energy infrastructure is a critical part of today's modern households, businesses, communities and the 21st century economy; and

**WHEREAS**, energy storage, microgrids, smart communities, and other non-wires alternatives are critical components of smarter energy infrastructure; and

**WHEREAS**, advanced energy infrastructure and modernization of the electric grid enable greater customer choice, improve the efficiency, reliability, and resiliency of the energy grid, and facilitate the integration of more clean energy and distributed energy resources, while maintaining reliability and affordability; and

**WHEREAS**, investments by entities to build and operate energy storage, microgrids, smart communities, and other smarter energy infrastructure support households, businesses, and communities for the purpose of creating a better quality of life for all citizens; and

**WHEREAS**, investments by companies to deploy new technologies and smarter energy infrastructure contribute to maintaining the reliability of the electric grid and improved operations by electricity providers to the benefit of all consumers; and

**WHEREAS**, the Southern States Energy Board recognizes that a smart grid is one of many components of a comprehensive effort in creating and maintaining access to clean, safe, reliable, and affordable energy options for all consumers.

**THEREFORE, BE IT RESOLVED**, that the Southern States Energy Board urges city leaders, elected and appointed officials, and other decision-makers to collaborate with regulators, policymakers and stakeholders to develop policies that remove barriers to deployment of smarter energy infrastructure and communities to help realize the full economic, environmental, and societal benefits of these resources; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board encourages its member states and region's utilities to prioritize energy storage and other smart energy infrastructure investments based on the benefits to electricity consumers; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board recognizes the crucial role played by electricity providers that integrate technology onto the electric grid in deploying smarter energy infrastructure; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board supports utility investments in advanced energy infrastructure, energy storage, and other non-wires alternatives to help ensure all citizens have access to, and may take part in the benefits of, a smarter electric grid, as well as spur innovation and technology deployment; and

**BE IT FURTHER RESOLVED**, that the Southern States Energy Board, while recognizing that building an advanced energy infrastructure will evolve over time and additional principles may emerge, endorses the following foundational principles for the purpose of educating its members and identifying issues of interest to local policy makers, the federal government and others:

- 1) Energy storage and other smarter energy infrastructure components provide benefits to customers;
- 2) To maximize the opportunities and benefits smarter energy infrastructure can provide to society, consumers and utilities should be able to invest in energy storage and other smarter energy infrastructure and have a clear path for their investment.
- 3) Energy storage, distributed energy resources, digital smart meters, power flow management technologies, distribution and outage management technologies, demand response and energy efficiency programs, and other innovative technologies are important components of smarter energy infrastructure.



*Unanimously adopted on September 24, 2019, at the  
59<sup>th</sup> Annual Meeting of the Southern States Energy Board in Louisville, Kentucky*



Policy Resolution 5.2019

## **Supporting the Development of Renewable Natural Gas Resources**

### **Originating Sponsor**

Representative William E. "Bill" Sandifer, III, South Carolina

### **Co-Sponsors**

Representative Dean Arp, North Carolina

Representative Mark McBride, Oklahoma

**WHEREAS**, biologically-derived renewable natural gas (RNG), including but not limited to, RNG from the animal waste byproducts of livestock operations, has great potential to become a significant contributor to American energy supplies; and

**WHEREAS**, RNG can play key roles in supporting power generation; providing clean, low-emission fuel to the transportation sector; and ensuring our nation's natural gas customers have the adequate and reliable supplies they need to heat and power homes, industries and businesses; and

**WHEREAS**, the use of properly processed RNG as a fuel can significantly reduce the environmental impact of greenhouse gas emissions, compared to allowing methane produced through decomposition to escape into the atmosphere; and

**WHEREAS**, through its extensive animal farming operations and additional feedstock diversity, the South can become a national leader in the production and use of RNG; and

**WHEREAS**, this development could also be a significant source of jobs, revenue and profit for the South's agricultural sector and particularly its farmers; and

**WHEREAS**, studies by the American Biogas Council indicate that the development of biogas resources in member states of the Southern States Energy Board has the potential to support at least \$7.1 billion in capital investment and more than 4,700 long-term jobs; and

**WHEREAS**, these same American Biogas Council studies indicate biogas production in these states could potentially reduce atmospheric carbon dioxide emissions by at least 142.8 trillion tons; and

**WHEREAS**, the studies further show that potential biogas production from these states could also provide enough clean natural gas fuel to power at least 7.2 million vehicles and produce enough electricity to serve the needs of at least 2.1 million homes; and

**WHEREAS**, the proximity of many of the South's prime agricultural areas to natural gas pipeline further enhances prospects for our region's RNG resources; and

**WHEREAS**, RNG development is already underway in the South, as shown by the Align RNG partnership between Smithfield Foods and Dominion Energy announced earlier this year, a \$250 million

venture that will include the harvesting and processing of methane derived from swine farming operations in Virginia and North Carolina; and

**WHEREAS**, despite the many economic and environmental advantages of RNG, significant financial and regulatory barriers exist to the development of this resource, in the South and elsewhere; and

**WHEREAS**, actions by the states, including the state legislatures, could help bring about the changes needed to help RNG reach its full potential as a source of clean, renewable domestic energy; and

**WHEREAS**, these actions include adoption of measures to ease the regulatory obstacles for RNG production systems to connect to natural gas pipelines, including provisions to allow natural gas utilities to include such interconnections in their rate bases; and

**WHEREAS**, additional measures to promote RNG development could include calls for the elimination of requirements in power station air permits for the exclusive use of geologic natural gas, as well as development and implementation by the states of standards for the use of low-carbon fuels, among them RNG, by the transportation sector.

**THEREFORE BE IT RESOLVED**, the Southern States Energy Board hereby declares our strong support for the development of our region's RNG resources and expresses our belief that they can play a significant role in improving the environment and supporting our nation's energy independence; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board strongly endorses RNG's potential to strengthen our region's economy by providing new jobs and revenue for the agricultural sector; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board urges the region to give careful consideration to the steps included in this resolution to ease the regulatory barriers to the expansion of the South's RNG industry and facilitate RNG's inclusion in our regional fuel supply; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board also asks the states to explore other alternatives for the promotion of RNG resources and help bring about the continued and expanded development of this highly promising industry.



*Unanimously adopted on September 24, 2019, at the  
59<sup>th</sup> Annual Meeting of the Southern States Energy Board in Louisville, Kentucky*



Policy Resolution 6.2019

## **Equal Investment in Future Fossil Fuels**

### **Originating Sponsor**

Representative Tim Remole, Missouri

### **Co-Sponsor**

Representative Mark McBride, Oklahoma  
Senator Ken Yager, Tennessee

**WHEREAS**, fossil fuel generation for electricity accounts for more than 60 percent of all sources in the United States and 80 percent globally; and

**WHEREAS**, global increases for electricity demand have resulted in increased generation from and demand for fossil fuels; and

**WHEREAS**, in 2018, the United States surpassed Russia and Saudi Arabia to become world's largest producer of natural gas and petroleum; and

**WHEREAS**, diversifying the sources of electricity generation ensures reliability and protection from price increases for businesses and individuals; and

**WHEREAS**, market pricing, while effective at lowering supply costs, does not fully capture the value of generation, such as coal and gas, with fuel on hand; and

**WHEREAS**, investment in the nation's electricity grid is paramount for current and future electricity generators; and

**WHEREAS**, coal and gas are abundant and indigenous resources which continue to provide essential generation for the projected future and an invaluable influx to the local and state economies; and

**WHEREAS**, in 2018, 90 percent of domestic natural gas consumed was produced in the United States.

**THEREFORE BE IT RESOLVED**, the Southern States Energy Board promotes and encourages research, development, and deployment of new technologies in fossil fuel generation to increase the efficiency, decrease emissions, and prolong their value to consumers; and

**BE IT RESOLVED**, the Southern States Energy Board desires to see equal investment in fossil fuel generation to produce more efficient, cleaner burning electricity generators that can continue to be the backbone of our nation's economic growth.



*Adopted on September 24, 2019, at the  
59<sup>th</sup> Annual Meeting of the Southern States Energy Board in Louisville, Kentucky*







Policy Resolution 7.2019

## **Accelerating Commercial Investments in Carbon Dioxide (CO<sub>2</sub>) Capture, Utilization, and Storage at Conventional Power Plants**

### **Originating Sponsor**

Senator Ken Yager, Tennessee

### **Co-Sponsors**

Representative William E. "Bill" Sandifer, III, South Carolina

Senator Gary Stubblefield, Arkansas

**WHEREAS**, Section 45Q of the Internal Revenue Code (U.S. Code Title 26) establishes tax incentives related to the deployment of carbon oxide sequestration, and Section 48A sets tax credits for qualifying conventional power generation systems with carbon capture; and

**WHEREAS**, the Bipartisan Budget Act of 2018 (the Act) was passed by Congress and signed by the President on February 9, 2018; and

**WHEREAS**, the Act includes the Furthering Carbon Capture, Utilization, Technology, Underground Storage, and Reduced Emissions Act (FUTURE Act). The FUTURE Act provides for tax credits under Internal Revenue Code Section 45Q; and

**WHEREAS**, the Section 45Q tax credits provide \$12.83 per metric ton captured rising to \$35 per metric ton captured in the next 10 years for CO<sub>2</sub> utilization and \$22.66 per metric ton captured rising to \$50 per metric ton captured in the next 10 years for geologic storage without utilization, provided construction commences prior to January 1, 2024; and

**WHEREAS**, the Section 45Q tax credit is received for a 12-year period after equipment is originally placed in service and may be transferred from capture to utilization or storage; and

**WHEREAS**, the Act also directed the Secretary of Treasury to work with the Administrator of the Environmental Protection Agency, the Secretary of Energy, and the Secretary of the interior to establish regulations for determining adequate storage measures for secure geologic storage; and

**WHEREAS**, the Internal Revenue Service (IRS), in accordance with Notice 2019-32, currently is reviewing public comments regarding regulations and other guidance under section 45Q; and

**WHEREAS**, rapid action from IRS and Treasury is key to project development as the window for accessing 45Q tax credits is limited in the original legislation to projects that have commenced construction by December 31, 2023; and

**WHEREAS**, with a construction commencement date prior to January 1, 2024, additional delays by Treasury may not allow for the necessary time for projects to complete financial analysis, engineering, and permitting in order to begin construction within the timeframe required to qualify for 45Q; and

**WHEREAS**, adding carbon capture onto existing coal plants could have a significant impact in near-term CO<sub>2</sub> emissions reductions, and technical modifications to Section 48A of the Internal Revenue Code are needed to enable investment in carbon capture systems at existing units.

**THEREFORE BE IT RESOLVED**, the Southern States Energy Board urges Treasury to use all necessary resources available to finalize its review of comments received from Notice 2019-32 and issue final regulations associated with carbon capture, storage and utilization under 45Q; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board requests that Congress consider amending and extending, for a minimum of two years, the construction commence date of January 1, 2024, in Section 45Q of the Internal Revenue Code regulations as amended by The Bipartisan Budget Act of 2018 to account for the delay in Final Regulations being issued by Treasury; and

**BE IT FURTHER RESOLVED**, the Southern States Energy Board encourages Congress to support deployment of conventional generating technology to maintain fuel diversity and ensure energy security by enacting technical modifications to Section 48A of the Internal Revenue Code that are needed to incentivize investment of CO<sub>2</sub> capture on new and existing conventional power generating units.



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**VIRGINIA**  
**WEST VIRGINIA**



*Transcending Boundaries*

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