



Transcending Boundaries



2021

FOSSIL ENERGY & CARBON MANAGEMENT LEGISLATIVE DIGEST



Transcending Boundaries

Fossil Energy & Carbon Management Legislative Digest

**A Guide to Fossil Energy and Carbon Management
Legislation in the States**

November 2021

Covering measures in 50 states and two U.S. territories

Acknowledgments

The Southern States Energy Board's Fossil Energy and Carbon Management Digest is compiled in collaboration with member states and territories and beyond.

The focus of our efforts highlights the work of our member states and territories first and foremost. The national component to this digest should not be considered exhaustive nor complete with regard to the topics covered.

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MISSION STATEMENT

Through innovations in energy
and environmental policies,
programs, and technologies, the
Southern States Energy Board
enhances economic development
and the quality of life in the South.



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Contents

Categories of Legislation	2	Montana.....	30
Alabama	5	Nebraska.....	32
Alaska	6	New Hampshire.....	32
Arizona	7	New Mexico.....	32
Arkansas.....	7	New York	32
California	11	North Carolina	33
Colorado.....	11	North Dakota.....	34
Florida.....	13	Ohio	35
Georgia.....	14	Oklahoma.....	36
Hawaii.....	15	Oregon	37
Illinois	15	Puerto Rico.....	38
Indiana	16	South Carolina	38
Iowa.....	17	Tennessee	39
Kansas	17	Texas.....	42
Kentucky	18	U.S. Virgin Islands.....	52
Louisiana.....	21	Utah	52
Maine.....	23	Virginia.....	53
Maryland.....	23	Washington	57
Massachusetts.....	24	West Virginia.....	58
Michigan.....	25	Wisconsin.....	61
Minnesota	25	Wyoming	61
Mississippi	26	About Us.....	62
Missouri.....	28		

Categories of Legislation

Fossil Energy

This category encompasses legislation governing fossil fuels from extraction to energy generation.

Carbon Capture & Related Technology

This portion collects all carbon capture, utilization, and storage (CCUS) measures.

Decarbonization

This section covers bills dealing with the topic of decarbonization, which includes emissions targets and financial incentives for certain low- and zero-emission resources.

Waste Management

This category covers acts related to fossil fuel waste that explore new means of recycling, reconditioning, or reusing sources of residual waste.

Legislation Prefixes

<i>B</i>	<i>Bill</i>
<i>HB</i>	<i>House Bill</i>
<i>HCR</i>	<i>House Concurrent Resolution</i>
<i>HJR</i>	<i>House Joint Resolution</i>
<i>HR</i>	<i>House Resolution</i>
<i>R</i>	<i>Resolution</i>
<i>SB</i>	<i>Senate Bill</i>
<i>SCR</i>	<i>Senate Concurrent Resolution</i>
<i>SJR</i>	<i>Senate Joint Resolution</i>
<i>SR</i>	<i>Senate Resolution</i>



ALABAMA

Fossil Energy

HB 169 – Abandoned Mine Reclamation Trust Funding and Departmental Definition Updates

Sponsored by Rep. Garrett

Updates definitions and corrects references to the Secretary of Labor by specifying that a departmental employee, rather than a registered forester, perform certain inspections related to mining and reclamation.

The bill also increases the amount of funds retained in the Special Abandoned Mine Reclamation Trust Fund in the State Treasury from appropriated funds granted annually by the U.S. Department of the Interior from 10 to 30 percent.

HB 219 – Coal Severance Tax Extension

Sponsored by Rep. South

Extends the 1971 Coal Severance Tax for an additional 10 years and provides for the distribution of certain additional severance tax revenue and earmarks the balance of the proceeds for the operation of the Surface Mining Commission.

Beginning in Fiscal Year 2022, a portion of the proceeds will be distributed by a new formula based on revenue from coal severed in a county that is at least 10 percent greater than the average of coal severed in that county for Fiscal Years 2018 through 2020 to the county of severance. This provision is excepted if any coal attributed to this new distribution was loaded for shipping in another county, in which case 75 percent of this new distribution must go to the county of severance and 25 percent must go to the county where the coal was loaded.

Any remaining distribution must be transferred to a fund in the State Treasury that is continuously appropriated for the operation of the Surface Mining Commission, according to the bill.

HB 446 – Energy Service Choice

Sponsored by Rep. Faulkner

Establishes that no governmental entity may prohibit a person or entity from using utility services from a provider capable of providing service and is otherwise authorized to do business in the state.

HB 582 – Surface Mining Commission Meetings

Sponsored by Rep. Rowe

Requires the Alabama Surface Mining Commission to meet once every two months or as required by the Governor, the chair of the Alabama Surface Mining Commission, or the Director of the Alabama Surface Mining Commission.

Prior law required the commission to meet on a monthly basis.

SB 58 – Underground Damage Prevention Fund Clarifications

Sponsored by Sen. Roberts

Clarifies that the Underground Damage Prevention Fund is established within the State Treasury, and the bill provides that any monies received by the Underground Damage Prevention Authority prior to the passage of this act that were directed to be paid into the fund must be deposited into the fund.

SB 112 – Temporary Fuel Tax Waivers

Sponsored by Sen. Orr

Authorizes the Commissioner of the Department of Revenue to temporarily waive requirements for the International Fuel Tax Agreement and the International Registration Plan during a declared state of emergency or disaster.

The bill also reduces the current additional license tax and registration fee of either \$200 or \$100, established for battery and plug-in hybrid electric vehicles respectively, to \$50 for electric low-speed vehicles that are registered and operated on the public (non-interstate) highways of the state.

SR 135 – Continental Shelf Leasing Support

Sponsored by Sen. Sessions

Supports continued Gulf of Mexico outer continental shelf leasing, and respectfully calls on the President and Congress to:

- Pursue policies of energy independence over foreign dependence while creating American jobs;
- Promote domestic energy infrastructure through the approval of the Keystone XL Pipeline and the removal of barriers that prevent or slow new oil and natural gas pipelines;
- Allow future exploration and production on federal lands and federal waters to ensure reliable and affordable energy for the citizens of the United States;
- Pursue policies that promote innovations through competitive markets to reduce greenhouse gases; and
- Continue to pursue policies that encourage domestic oil and natural gas production, which will result in lower greenhouse gas emissions and a healthier environment than oil and natural gas produced elsewhere in the world.

ALASKA

Fossil Energy

HJR 12 – ANWR Oil and Gas Leasing Endorsement

Sponsored by Rep. Rauscher

Urges the United States Department of the Interior's Bureau of Land Management to honor the recent lease sales and proceed with permitting in the Arctic National Wildlife Refuge (ANWR).

The bill further urges the following requests be met:

- The President of the United States to defend the 2020 Record of Decision approving the Coastal Plain Oil and Gas Leasing Program in the ANWR;
- The Alaska delegation in Congress to work to repeal sec. 20001(b)(5) of the Tax Cuts and Jobs Act of 2017 to honor the Alaska Statehood Act with respect to the state's share of bonuses, royalties, and rentals from exploration and development in the coastal plain of the ANWR; and

- The Alaska delegation in Congress defeat any effort to alter or repeal other provisions of Sec. 20001 of the Tax Cuts and Jobs Act of 2017 if the result would adversely affect oil and gas development efforts in the ANWR.

The resolution also opposes the designation of the ANWR as a National Monument.

ARIZONA

Waste Management

SB 1156 – Advanced Recycling Facilities Definitions

Sponsored by Sen. Mesnard

Exempts recovered feedstocks processed through advanced recycling from the definition of solid waste.

The measure defines “advanced recycling” as a manufacturing process for the conversion of post-use polymers and recovered feedstocks into basic hydrocarbon raw materials, feedstocks, chemicals, monomers, oligomers, plastics, plastics and chemical feedstocks, basic and unfinished chemicals, crude oil, naphtha, liquid transportation fuels and coatings and other products such as waxes and lubricants through processes that include pyrolysis, gasification, depolymerization, catalytic cracking, reforming, hydrogenation, solvolysis and other similar technologies and specifies that advanced recycling does not include solid waste management or processing incineration or treatment.

Advanced recycling facilities are required by the bill to provide a one-time notice of location to ADEQ upon the opening of a new facility, and an operator of an advanced recycling facility is required to collect visible recovered feedstock dispersed beyond the boundaries of the facility on a regular basis.

ARKANSAS

Fossil Energy

HB 1273 – Oil and Gas Owners’ Lien Act Of 2021

Sponsored by Rep. Smith

Establishes the Oil and Gas Owners’ Lien Act of 2021.

The bill creates a lien in favor of each owner of oil and gas to secure the obligations of a first purchaser to pay the sale price. The legislation also declares the lien is perfected automatically without the need to file a financing statement or other record and have a super-priority over other liens.

HB 1442 – Taking Resources from State-Owned Property

Sponsored by Rep. Bentley and Sen. Stubblefield

Amends existing law over the taking of minerals, timber, or other resources on state-owned property.

The bill directs the Commissioner of State Lands to accomplish the following:

- Provide the necessary hardware and software systems to allow for the electronic acceptance, solicitation, communication, and the electronic publishing of all information, records, reports, applications, and other required material relating to the extraction of sand, gravel, timber, logs, oil, natural gas, casinghead gas, coal, and other minerals;
- Create and maintain a website to allow for the filing of all bids, correspondence, permit or lease issuance, production reports, and payments relating to the above items; and
- Maintain a database accessible through the website to allow complete electronic access to all filings of bids, correspondence, permit or lease issuance, production reports, and payments relating to the above items.

HB 1755 – Tax Treatment Revisions for Oil Wells

Sponsored by Rep. Jean and Sen. Garner

Amends assessment standards for the valuation of oil wells and production equipment for property tax assessments by:

- Mandating that production equipment, defined as “piping and other equipment of an oil well from the bottom of the casing to and including the sales valve at the tank battery” be assessed as real property;
- Requiring the assessment of production equipment at a value of one dollar (\$1.00) per foot;
- Prohibiting taxation of oil well casings that have been rendered inoperable as a result of a cement or mechanical plug;
- Requiring uniform expense deductions per barrel of oil, regardless of the average daily production, when calculating the working interest value of an oil well; and
- Limiting production increases for oil wells being valued as newly discovered property to production from a newly producing geographic zone or horizon.

SB 26 – Sales and Use Tax Rate Modifications for Coal Purchases

Sponsored by Sen. Sturch and Rep. Smith

Expands the reduced sales and use tax rate on utilities to include coal purchased by a manufacturer classified within sectors 31 through 33 or code 115111 of the North American Industry Classification System.

According to the legislation, the coal is required to be used directly in the actual manufacturing process to qualify for the reduced sales and use tax rate of 0.625 percent.

SB 136 – Determination of Advantageous Market for Pipeline Companies

Sponsored by Sen. Irvin and Rep. Pilkington

Modifies gas rates in order to determine the lowest or most advantageous market for pipeline companies.

According to the bill, in determining the lowest or most advantageous market the Arkansas Public Service Commission may take into consideration various factors, including without limitation:

- Price;
- Methodology of production;

- Reliability of supply;
- Impact on customer choice; and
- Conditions associated with transportation or storage.

SB 137 – Energy Service Choice

Sponsored by Sen. Irvin and Rep. Pilkington

Prohibits discrimination on the basis of the energy source of a utility service.

The bill declares that a local government may not enact or adopt any ordinance, policy, or action that infringes, prohibits, or otherwise impairs the right of a customer to purchase, use, connect, or reconnect to a utility service, or to install in a building or other structure wires, pipes, or other conduits for the purpose of purchasing, using, connecting, or reconnecting to a utility service, on the basis of the energy source of the utility service to be delivered to the customer.

SB 419 – Extending Gas Assessments Exception

Sponsored by Sen. Dismang and Rep. Jett

Extends the existing law concerning the Oil and Gas Commission fund to keep the exception on the first four and one-half mills on gas assessments until 2023, which provides the money to the state’s general fund.

SB 456 – Exempting Certain Purchases from Bid Requirements

Sponsored by Sen. Stubblefield and Rep. Fite

Declares that, among many other things, the following items are exempt from the bid requirements set forth for municipalities by the state:

- Utility services purchased at wholesale or the rates for which are subject to regulation by a state agency or a federal regulatory agency; and
- Motor fuels, oil, asphalt, asphalt oil, and natural gas.

SB 489/HB 1662 – Formula Rate Review Amendments

Sponsored Rep. Maddox and Sen. Davis

Amends the formula rate review act to specify that an “electric or natural gas” is the type of utility regulated under a formula rate review and water or sewer public utilities may request to be regulated by the same law.

According to the law, when calculating the adjustment to net any differences, the Arkansas Public Service Commission (PSC) must include the actual historical year change in revenue for a historical year, which must be determined as follows:

- For the purpose of including all of the elements of the change of revenue in calculating an adjustment to net any differences under subdivision (e)(1) of this section, the PSC must ensure that the revenue received for the historical year must be composed of:
 - Prior formula rate review test period 18 changes in revenue;

- Netting revenue from a prior formula rate review test period; and
- In order to isolate the change in revenue for the corresponding prior projected year being netted, prior projected year revenue for the year being netted; and
- The PSC must calculate an adjustment to net any differences under this law by calculating the differences between the prior formula rate review test period changes in revenue and the prior projected year revenue for the year being netted.

Further, the bill declares that PSC must not make any adjustments to the rates that are approved in the application for a general change in rates and charges during the formula rate review term except for those mandated by prior law.

SB 588 – Cost Recovery for Gas Utilities

Sponsored by Sen. Ballinger and Rep. Beck

Allows a gas utility to recover the cost of restoration of damages caused by storms and related perils through securitization of the storm restoration and related costs.

The act also allows for the recovery through securitization by an electric utility and a gas utility of reasonable and prudent costs to purchase and receive natural gas, fuel, or purchased power at extraordinary cost in immediate preparation for, or in response to, a storm.

Decarbonization

SB 65 – Public Comment Availability for Certain State Emission Plan Components

Sponsored by Sen. Ballinger and Rep. Beck

Amends the law regarding state emission plans for fossil fuel-powered electric generating units to require a period of public comment on a proposed plan, permit amendments, rule amendments, or administrative orders necessary to implement a state plan for regulating carbon dioxide emissions from covered electric generating units.

The law states that beginning one year after the initial compliance date specified in the state plan and each year thereafter, the division, in coordination with the Arkansas Public Service Commission and the Arkansas Economic Development Commission, must submit the annual reports required under this law to the Legislative Council.

If a state approved plan results in increased electric or natural gas bills for customers, the Division of Environmental Quality must initiate development of a revised state plan that reduces the financial impacts to any customer class, according to the bill.

Finally, the legislation clarifies that the state plan previously approved by the U.S. Environmental Protection Agency must remain in effect while until the revised plan is developed and approved.

CALIFORNIA

Fossil Energy

SB 84 – Regulating Hazardous or Idle Deserted Wells and Facilities

Sponsored by Sen Hurtado

Revises and enhances the legislative reporting requirements of the California Geologic Energy Management Division's (CalGEM) idle oil and gas well program and related matters.

Specifically, the measure requires that if the location of hazardous wells and facilities, idle-deserted wells, and deserted facilities is not included in a previously required report that it be provided separately by CalGEM by April 1, 2022.

It also requires that the location of and certain information about hazardous wells and facilities, idle-deserted wells, and deserted facilities be including in the report update due October 1, 2023, as specified.

Further, it requires that CalGEM consider the above information in developing criteria to determine the priority for plugging and abandoning hazardous or idle-deserted wells and decommissioning hazardous or deserted facilities.

Carbon Capture & Related Technology

SB 27 – Carbon Sequestration Projects Registry

Sponsored by Sens. Caballero and Skinner

Creates the California Carbon Sequestration and Climate Resilience Project Registry, in order to maintain a list of eligible but unfunded projects, which then may be funded by public or private entities in order to mitigate California's greenhouse gas (GHG) emissions and improve climate resilience.

The bill also directs relevant state agencies to establish the Natural and Working Lands (NWL) Climate Smart Strategy to increase adoption of NWL-based carbon sequestration that advances the state's climate goals and requires the Air Resources Board to add carbon sequestration targets to the state's climate change scoping plan.

COLORADO

Fossil Energy

HB 1238 – Modernizing Gas Energy Efficiency Programs

Sponsored by Rep. Bernett and Sen. Hansen

Updates the methods used to determine the cost-effectiveness of demand-side management (DSM) programs of public utilities selling natural gas at retail, including requiring that the calculation of future benefits reflects the avoided costs to ratepayers resulting from reduced consumption of natural gas.

The act specifies that the calculation must be based on reliable estimates and published scientific data, including an increase in the social cost of carbon dioxide from \$46 to \$68 per short ton, and must include methane emissions using a social cost of methane of not less than \$1,756 per short ton.

In addition, the act adds savings targets and budget control mechanisms to the approval process for gas DSM programs, paralleling the existing process that applies to electric DSM programs. Further, the act specifies labor standards that apply to all necessary plumbing, mechanical, and electrical work performed in connection with DSM projects for which a utility customer is eligible for a rebate from the utility.

Under these standards, the utility may assign its own employees to do the work, but if a contractor hired for a project in a commercial or industrial building or multifamily residential structure, the contractor must be chosen from a list of qualified contractors maintained by the Colorado department of labor and employment. To be eligible for inclusion on the list, a contractor must participate in specified apprenticeship programs. In addition, for smaller residential projects, the utility must condition customer rebates on the customer's use of licensed plumbing and electrical contractors.

HB 1290 – Funding for Just Transition Program for Coal Transition Communities

Sponsored by Reps. Esgar, Will, Fenberg, and Rankin

Transfers of \$8 million to the Just Transition Cash Fund and \$7 million to a newly created coal transition worker assistance program account in the fund.

The Just Transition Office is required to expend at least 70 percent of the money transferred to the fund by the close of state fiscal year 2021-22 and any remaining money in state fiscal year 2022-23 to implement the final just transition plan for Colorado and to provide supplemental funding for existing state programs that the office identifies as the most effective vehicles for targeted investment in coal transition communities.

SB 229 – Rural Jump-Start Zone Grant Program

Sponsored by Sens. Danielson, Story, Amabile, and McKean

Establishes the Rural Jump-Start Zone Grant Program.

The program requires the Colorado Economic Development Commission to issue grants, subject to available appropriations, as follows:

- Up to \$20,000 to new businesses to establish operations;
- Up to \$40,000 to new businesses to establish operations in a tier one transition community;
- Up to \$2,500 to new businesses for each new hire; and
- Up to \$5,000 to new businesses for each new hire who is hired for operations established in a tier one transition community.

The measure defines a tier one transition community as a coal transition community located in a rural jump-start zone and that the Office of Economic Development determines has already experienced or is at risk of experiencing significant economic disruption, the proximate cause of which is either the closure or conversion of a coal-fueled electrical power generating plant in Colorado or in a contiguous state or a sustained and likely permanent decline in broader coal markets due to similar closures or conversions nationally and globally.

SB 246 – Energy Efficient Equipment Promotion

Sponsored by Sen. Fenberg and Reps. Froelich and Valdez

Directs the Public Utilities Commission (PUC) to establish energy savings targets and approve plans under which investor-owned electric utilities will promote the use of energy-efficient electric equipment in place of less efficient fossil-fuel-based systems.

Generally, this directive will follow the model of existing demand-side management policies established by the PUC.

Decarbonization

SB 264 – Adopt Programs Reduce Greenhouse Gas Emissions Utilities

Sponsored by Sen. Hansen, Rep. Bernett, and Rep. Valdez

Directs gas distribution utilities (GDUs) to file clean heat plans with the Public Utilities Commission.

The Public Utilities Commission and Air Quality Control Commission are required to initiate a number of rulemaking proceedings related to clean heat plans. A plan must demonstrate how GDUs will use clean heat resources to meet clean heat targets established by the act. The targets are a 4 percent reduction below 2015 greenhouse gas (GHG) emission levels by 2025 and 22 percent below 2015 GHG emission levels by 2030.

FLORIDA

Fossil Energy

HB 839 – Energy Service Choice

Sponsored by the Local Administration and Veterans Affairs Committee, the Tourism, Infrastructure and Energy Subcommittee, and Rep. Fabricio

Preempts a municipality, county, special district, or political subdivision from prohibiting the siting, development, or redevelopment of a fuel retailer or the necessary related transportation infrastructure within that specific local government’s entire jurisdiction.

Further, the legislation preempts any action by a municipality, county, special district, or political subdivision resulting in a de facto jurisdiction-wide prohibition against a fuel retailer or the necessary related transportation infrastructure, and it preempts mandating any required infrastructure on a fuel retailer, including electric vehicle charging stations.

The bill does not preempt a municipality, county, special district, or political subdivision from adopting and implementing ordinances, regulations, policies, or resolutions on the siting, development, or redevelopment of fuel retailers or necessary related transportation infrastructure that are consistent with other allowable uses and general law.

SB 896 – Renewable Energy Definition Expansion for Solar and Renewable Natural Gas

Sponsored by the Rules Committee, Regulated Industries Committee, and Sen. Brodeur

Defines a “solar facility” as a production facility for electric power that uses photovoltaic modules to convert solar energy to electricity that may be stored on site, delivered to a transmission system, and consumed primarily offsite.

The bill requires solar facilities to be a permitted use in all agricultural land use categories in a local government’s comprehensive plan, all agricultural zoning districts within an unincorporated area. It further mandates that facilities comply with setback and landscaped buffer area criteria for similar uses in the agricultural district and allows a county to adopt ordinances specifying buffer and landscaping requirements for facilities. Such requirements may not exceed those of similar uses involving construction of other facilities permitted in agricultural land use categories and zoning districts.

Finally, the legislation amends existing law to add the terms “biogas” and “renewable natural gas” and expands the term “renewable energy.”

GEORGIA

Fossil Energy

HB 150 – Energy Service Choice

Sponsored by Reps. Williamson, Hatchett, Kelley, Frazier, Parsons, and L. Smith

Prohibits governmental entities from adopting any policy that prohibits the connection or reconnection of any utility service based upon the type or source of energy or fuel.

HB 625 – Tri-County Natural Gas Authority Act

Sponsored by Reps. Rhodes, Powell, and Leverett

Creates the Tri-County Natural Gas Authority in order to provide natural gas services within the service delivery area in the same manner as such services are provided by the cities on the effective date of the bill.

Carbon Capture & Related Technology

HB 355 – Georgia Carbon Sequestration Registry and Building Products

Sponsored by Reps. Wiedower, Jones, L. Smith, Gaines, Burns, and Kausche

Provides for the inclusion of building products in construction on the Georgia Carbon Sequestration Registry.

The measure also allows participants in the registry to voluntarily report the utilization of carbon sequestration and embodied carbon results, and it establishes the Sustainable Building Technical Advisory Committee in order to ensure the interoperability, general alignment, and compatibility of credits derived from the carbon sequestration results of building materials and embodied carbon results with global carbon credit and offset markets, including establishing guidelines for establishing a carbon baseline, additionality, validation, verification, permanence, and co-benefits.

The State Forestry Commission is required to publish and maintain a list of approved certified third-party organizations capable of verifying the building embodied carbon from a baseline of standard buildings established by the advisory committee.

HAWAII

Fossil Energy

HB 561 – Fossil Fuel Reliance Analysis Provisions

Sponsored by Rep. Lowen

Requires the Public Utilities Commission to determine whether analysis of the effect of the state's reliance on fossil fuels is necessary for proceedings involving water, wastewater, or telecommunications providers on an individual basis.

The measure also provides that the analysis is not required for a utility's routine system replacements or determinations that do not pertain to capital improvements or operations.

ILLINOIS

Fossil Energy

SB 692 – Coal Tar Sealant Disclosure Act

Sponsored by Sen. Fine

Creates the Coal Tar Sealant Disclosure Act.

The act requires specified persons and entities, public schools and public school districts, and state agencies to disclose the use of a coal tar-based sealant or high polycyclic aromatic hydrocarbon sealant product. The affected persons or entities are required to provide information regarding alternative sealant upon request and public schools or public school districts and the state to seek an asphalt-based sealant when distributing any request for proposals.

The Department of Public Health, in consultation with the State Board of Education, must conduct outreach to public schools and public school districts regarding coal tar-based sealant and high polycyclic aromatic hydrocarbon product. The act does not apply to construction projects or sales in which coal tar-based sealant or high polycyclic aromatic hydrocarbon sealant product is used for roofing applications.

Carbon Capture & Related Technology

HB 165 – CCUS Report Requirements

Sponsored by Rep. Bennett

Provides subject to appropriation that the Prairie Research Institute at the University of Illinois at Urbana-Champaign, in consultation with an intergovernmental advisory committee, must file a report on potential for carbon capture, utilization, and storage as a climate mitigation technology throughout Illinois with the Governor and General Assembly no later than December 31, 2022.

The report must contain an assessment of Illinois subsurface storage resources, state of readiness, and provide recommendations for policy and regulatory needs at the state level based on its findings. In developing the report, the Prairie Research Institute must form an advisory committee and provides for membership of the committee.

The measure also requires the Prairie Research Institute to engage with interested stakeholders throughout the state for insights into socio-economic perspectives from environmental justice organizations, environmental non-governmental organizations, industry, landowners, farm bureaus, manufacturing, labor unions, and others.

INDIANA

Fossil Energy

HB 1191 – Energy Service Choice and Related Energy Matters

Sponsored by Rep. Pressel

Provides that a county executive or the legislative body of a city or town does not have the power to prohibit a public utility or department of public utilities from furnishing utility service to a utility customer or a customer of a public utility or department of public utilities from purchasing, using, or connecting or reconnecting to a utility service; based on the energy source of the utility service.

The bill also defines a “federal phaseout mandate” as any federal statutory or regulatory requirement that is established after April 20, 2021, by Congress, a federal agency, or a federal executive order and requires the phaseout or discontinuance of a particular type of electric generating facility, technology, or fuel source. It also requires the utility regulatory commission to consider in the context of applications for certificates of public convenience and necessity for new generating facilities and integrated resource planning the impact of federal phaseout mandates on the estimated useful life of certain generating facilities of an electric utility, including on depreciation expense associated with such facilities.

Further, it provides that, except for purposes of compliance with specified building and fire safety laws, a local unit does not have the power to:

- Require that a particular component, design, or type of material be used in the construction of a building because of the energy saving or energy producing qualities of the component, design, or material;
- Prohibit the use of a particular component, design, or type of material in the construction of a building because the component, design, or material does not meet an energy saving standard;
- Require that a building or structure be retrofitted with a particular device or type of material because of the energy saving or energy producing qualities of the device or material;
- Prohibit or restrict the purchase or use of vehicles based upon the type of energy used; or
- Prohibit the sale, installation, or use of natural gas-powered home heating equipment, home appliances, or outdoor heating appliances, grills, stoves, torches, lamps, or other decorative features.

The measure also specifies that this prohibition does not apply with respect to requirements included in procurement documents used to procure goods and services, including the construction or design of buildings, to be owned or used by a local unit, and a local unit may adopt bid specifications for a public works project that include energy savings or energy production provisions with respect to the components, design, or materials for the specific project.

Waste Management

SB 271 – Coal Combustion Residuals Requirements

Sponsored by Sens. Messmer and Neimeyer; Reps. Aylesworth and Gutwein

Requires the Department of Environmental Management to establish a state permit program for the implementation of federal regulations for the disposal of coal combustion residuals in landfills and surface impoundments.

IOWA

Fossil Energy

HB 555 – Energy Service Choice

Sponsored by the House Commerce Committee

Prohibits a county or city from adopting, enforcing, or otherwise administering an ordinance, motion, resolution, or amendment, or using other means, to restrict, impede, regulate, or prohibit both the provision of natural gas service by a public utility, a competitive natural gas provider, a retail propane marketer, or a retail propane dispenser to a person, business, municipality, or other wholesale or retail customer within or outside the county or city and the purchase of natural gas or propane from a competitive natural gas provider, a retail propane marketer, or a retail propane dispenser, or the receipt of natural gas or propane service from a public utility, by any person, business, municipality, or other wholesale or retail customer within or outside the county or city.

KANSAS

Fossil Energy

SB 172 – Critical Infrastructure Trespass Laws

Sponsored by the Senate Utilities Committee

Establishes the crimes of trespassing on a critical infrastructure facility and criminal damage to a critical infrastructure facility.

It defines critical infrastructure as any:

- Petroleum or alumina refinery;
- Electric generation facility, substation, switching station, electrical control center, electric distribution or transmission lines, or associated equipment infrastructure;
- Chemical, polymer, or rubber manufacturing facility;
- Water supply diversion, production, treatment, storage, or distribution facilities and appurtenances, including, but not limited to, underground pipelines and a wastewater treatment plant or pump station;
- Natural gas compressor station;
- Liquid natural gas or propane terminal or storage facility;

- Facility that is used for wireline, broadband, or wireless telecommunications or video services infrastructure, including backup power supplies and cable television headend;
- Port, railroad switching yard, railroad tracks, trucking terminal, or other freight transportation facility;
- Gas processing plant, including a plant used in the processing, treatment, or fractionation of natural gas, propane, or natural gas liquids;
- Transmission facility used by a federally licensed radio or television station;
- Steelmaking facility that uses an electric arc furnace to make steel;
- Facility identified and regulated by the U.S. Department of Homeland Security Chemical Facility Anti-Terrorism Standards program, facility operated by the Office of Laboratory Services under the supervision of the Secretary of Health and Environment, or the National Bio and Agro-Defense Facility or Biosecurity Research Institute at Kansas State University;
- Dam that is regulated as a hazard class B or class C dam by the state or federal government;
- Natural gas distribution utility facility, or natural gas transmission facility, including, but not limited to, pipeline interconnections, a city gate or town border station, metering station, below-ground or above-ground piping, a regular station, or a natural gas storage facility;
- Crude oil, including Y-grade or natural gas liquids, or refined products storage and distribution facility, including, but not limited to, valve sites, pipeline interconnections, pump station, metering station, belowground or aboveground pipeline or piping, and truck loading or offloading facility; or
- Portion of any belowground or aboveground oil, gas, hazardous liquid, or chemical pipeline, tank, railroad facility, or any other storage facility that is enclosed by a fence or other physical barrier or clearly marked with signs prohibiting trespassing that are obviously designed to exclude intruders.

KENTUCKY

Fossil Energy

HB 207 – Energy Service Choice

Sponsored by Rep. Gooch

Prohibits a local government entity from enacting any legislative or executive action that has the purpose or effect of impairing a consumer’s ability to use certain utility services based on source.

Services covered by this law include any utility managed by the Public Service Commission as well as any:

- Generation, production, transmission, or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses;
- Production, manufacture, storage, distribution, sale, or furnishing of natural or manufactured gas, or a mixture of same, to or for the public, for compensation, for light, heat, power, or other uses; and

- Transport or conveyance of gas, crude oil, or other fluid substance by pipeline to or for the public, for compensation.

HB 303 – Underground Facilities Activity Requirements

Sponsored by Rep. Santoro

Requires a “positive response” from operators of underground facilities and establishes the timing of operator responses.

The bill defines a “positive response” as an automated or written communication system provided by each protection notification center for all locate requests the center receives that allows excavators, locators, operators, and other interested parties to determine the status of locating an underground facility and requires response and verification by operators and excavators to comply with their respective requirements of the Underground Facility Damage Prevention Act of 1994. The measure further amends existing law in order to:

- Provide for excavator start dates;
- Include entities engaged in exempt activities to notify operators immediately on discovery of damage to an underground facility; and
- Provide when mechanized equipment can be used in the tolerance zone.

The legislation also requires entities engaging in exempt activities to cease activity and notify an operator when an underground facility is damaged and exempts certain noninvasive inspection and maintenance excavating for an existing utility pole.

Finally, the bill allows for penalties on the employer if the violation is committed in the scope of employment and to provide that the Public Service Commission must establish a written agreement form to deviate from the locate request dates provided for in the Underground Facility Damage Prevention Act of 1994

SB 141 – Distribution for Coal Workers’ Pneumoconiosis Fund

Sponsored by Sen. Mills

Provides guidelines for distribution of funds remaining in the Kentucky coal workers’ pneumoconiosis fund.

Specifically, the bill adds the following qualifiers to the existing law:

- If there are remaining funds in the employer-in-bankruptcy’s pro rata share after payment to the former employees to whom past due wages are owed, the employer-in-bankruptcy’s pro rata share must be distributed as directed by the bankruptcy court and, if not directed by the bankruptcy court, to the Kentucky coal employer self-insurance guaranty fund;
- Any funds that would be distributed to the employer must first be distributed to the Commonwealth, for a bond payment, or to a county, city, school system, or school district, fire district, or any special taxing authority, and then any remaining funds may be distributed as indicated by prior law; and
- Any funds collected, following the abolition of the Kentucky coal workers’ pneumoconiosis fund, from subrogation or otherwise, after the final distribution must be transferred to the Kentucky coal employers’ self-insurance guaranty fund.

SB 172 – Underground Facility Notice Requirements

Sponsored by Sen. Howell

Precludes certain activities from being exempt from the requirements of ceasing operations when damage occurs to an underground facility and notification of appropriate authorities.

According to the legislation, any individual or entity that is otherwise exempt from the requirements of the Underground Facility Damage Prevention Act of 1994 that conducts or is responsible for any excavation or demolition that results in underground facility damage to an underground facility or system used for producing, storing, conveying, transmitting, or distributing gas, petroleum, petroleum products, or hazardous liquids, must cease excavation or demolition activities and notify all affected operators of the location and nature of the underground facility damage immediately upon discovery of the damage.

SB 255 – Cryptocurrency Inclusion in Energy-related Business Act

Sponsored by Sen. Smith

Renames the “Incentives for Energy Independence Act” to the “Incentives for Energy-related Business Act” and includes cryptocurrency facilities with a minimum capital investment of one million dollars in its operation as eligible for certain tax incentives.

The law defines “commercial mining of cryptocurrency” and “cryptocurrency facility,” and it clarifies that “facility” does not include “any mining operations, or drilling and production operations for natural gas, unless such coal, natural resource, or natural gas operations are being used for purposes of, or are hosting, the commercial mining of cryptocurrency, in which case such operations shall be a facility.”

The measure also adds language to modify the intent of the bill such that Kentucky becomes a “national leader in emerging industries which use substantial amounts of energy” such as cryptocurrency mining and exchanges, which the bill supports further by adding “increasing the usage of electricity in areas which have an abundant supply due to the loss of manufacturing businesses across the state,” as a legislative goal.

Finally, the bill clarifies that the Kentucky Economic Development Finance Authority will accept no application for incentives previously defined by the act for alternative fuel facilities, gasification facility, energy-efficient facility, renewable energy facility, or a carbon dioxide transmission pipeline after August 1, 2018.

SB 257 – Fuel Cost Fairness in Bids and Contracts

Sponsored by Sen. Mills

Requires the Public Service Commission, when reviewing any fuel adjustment clauses for contracts entered into or after July 1, 2021, to subtract any coal severance tax imposed by any jurisdiction when determining the reasonableness of fuel costs in contracts and competing bids.

SR 63 – Regarding Keystone XL

Sponsored by Sen. Smith

Urges President Biden to rescind the Executive Order revoking the permits for the Keystone XL Pipeline Project.

LOUISIANA

Fossil Energy

HB 58 – Judgment and Settlement Receipt Extension

Sponsored by Rep. Coussan

Extends the receipt of monies from judgments and settlements deposited into the Mineral and Energy Operation Fund through 2025.

HB 174 – Prequalification Requirements for Natural Gas Purchasing and Distribution Authority

Sponsored by Rep. Huval

Grants the Louisiana Municipal Natural Gas Purchasing and Distribution Authority or participating political subdivision the power to require contractors and subcontractors to be prequalified as part of the public bid process for projects including a pipeline facility.

HB 549 – Natural Gas Pipelines as Facilities Rather Than Transport

Sponsored by Rep. McCormick

Changes the definitions for “facility” and “owner or operator” under the Right-To-Know Law in order to make explicit that natural gas pipelines are to be treated as “facilities” under this law and are subject to its reporting requirements, rather than being treated as a “transport vehicle” and being subject to reporting requirements therein.

HB 572 – Underground Storage Provisions

Sponsored by Rep. White

Adds hydrogen, nitrogen, ammonia, compressed air, and noble gases to the list of substances that can be stored in underground reservoirs and salt domes and changes the amount of certain fees the commissioner is authorized to levy.

HCR 35/SCR 57/SCR 63 – Louisiana Offshore Oil Port Commendation

Sponsored by Rep. Orgeron/Sen. Allain

Commends the Louisiana Offshore Oil Port on its fortieth anniversary.

HCR 64 – Capitalizing on Trade Potential Study

Sponsored by Rep. Wright

Continues the Joint Subcommittee on International Trade to study how to best capitalize on Louisiana’s international trade potential, including the export of its “petroleum and coal products.”

HCR 71 – Offshore Oil and Gas Leasing Resumption

Sponsored by Rep. Orgeron

Urges the administration of President Biden to end its pause on offshore oil and gas leasing.

HCR 98 – Opposing Increased Taxes for Natural Gas, Oil, and Fuel Industries

Sponsored by Rep. Beaulieu

Expresses the opposition of the Louisiana legislature to disproportionately increasing the tax burden on natural gas, oil, and fuel industries.

SB 169 – Underground Utilities and Facilities Damage Prevention Amendments

Sponsored by Sen. Allain

Amends existing definitions and requirements under the Underground Utilities and Facilities Damage Prevention Law.

The bill adds normal commercial farming operations as an exception to the definition of “excavation” or “excavate” and changes the definition thereof with regard to an exception from any force majeure, act of God, or act of nature to any activity resulting from force majeure related occurrences, including but not limited to an act of God or an act of nature.

Further, the measure requires any owner or operator of a natural gas pipeline that is inactive, has a diameter of a minimum of 15 inches and a maximum of 17 inches, and is located in a parish with a population between 45,000 and 75,000 to maintain the minimum amount of ground cover. It also requires that when the minimum ground cover has not been maintained the owner or operator of the pipeline is required to restore, at his own expense, the minimum ground cover over the pipeline prior to the pipeline being reactivated.

SB 171 – Severance Tax Exemption for Orphaned Wells

Sponsored by Sen. Allain

Establishes that beginning Oct. 1, 2020, oil produced from any well that has been certified as an orphaned well, has been orphaned for 12 months or more, and is undergoing or has undergone well enhancements that required a Department of Natural Resources permit such as are-entry, workover, or plugback, is exempt from severance tax, when production begins on or after Oct. 1, 2020, and before June 30, 2031.

SCR 10 – North Face Recognition

Sponsored by Sen. Cathey

Recognizes The North Face as an “Extraordinary Customer” of the Louisiana oil and gas and petrochemical industries.

SCR 44 – Well Drilling Study

Sponsored by Sen. Hensgens

Creates the Risk Charge Commission to study current law and consider making recommendations regarding the costs and risks in drilling a well in a unit.

SR 200 – Commending Offshore Efforts by Director of Safety and Environmental Enforcement

Sponsored by Sen. Mills

Commends Scott Angelle, the longest serving Director of the Bureau of Safety and Environmental Enforcement, United States Department of Interior, for his efforts regarding offshore worker safety, environmental sustainability of offshore energy, increasing economic activity, and improving conservation of offshore resources.

Waste Management

SB 97 – Advanced Recycling Facilities Provisions

Sponsored by Sen. Lambert

Provides that such rules and regulations regulating solid waste does not include advanced recycling or facilities that store post-use polymers or recovered feedstocks or that convert post-use polymers and recovered feedstocks through advanced recycling.

By law, the recycled products produced at advanced recycling facilities include but are not limited to monomers, oligomers, plastics, plastic and chemical feedstocks, basic and unfinished chemicals, crude oil, naphtha, waxes, lubricants, coatings, and other basic hydrocarbons.

MAINE

Fossil Energy

HB 99 – Fossil Fuel Divestment Requirements

Sponsored by Rep. O’Neil

Declares that the Board of Trustees for Maine Public Employees Retirement System may not invest the assets of any state pension or annuity fund in the stocks, securities, or other obligations of any fossil fuel company or any subsidiary, affiliate, or parent of any fossil fuel company.

The board is also required to review and divest from any such current holdings by January 1, 2026.

HB 346 – Natural Gas and Propane Detectors Requirements

Sponsored by Rep. Reckitt

Changes the requirement of a fuel gas detector in every room containing an appliance fueled by propane, natural gas, or any liquefied petroleum gas to a fuel gas detector in every room containing an appliance that combusts propane, natural gas, or any liquefied petroleum gas.

The amendment adds to the buildings that are subject to the requirement mixed use occupancies that contain a dwelling unit, business occupancies, mercantile occupancies, and assembly occupancies.

MARYLAND

Fossil Energy

HB 174/SB 95 – Investor-Owned Utilities and Prevailing Wage Rate Requirements

Sponsored by Del. Brooks/Sen. Kramer

Requires investor-owned gas and/or electric utilities to require contractors and subcontractors on specified underground projects to pay their employees at least the applicable prevailing wage rate.

The bill applies to projects involving the construction, reconstruction, installation, demolition, restoration, or alteration of any underground gas or electric infrastructure of the company and any related traffic control activities.

HB 399 – Dewatering Notification Requirements

Sponsored by Del. Krimm

Requires a contract of sale for property located within Baltimore, Carroll, Frederick, or Washington counties to include notice regarding the advisability of contacting the Maryland Department of the Environment (MDE) to determine if the subject property is within a “zone of dewatering influence” and that specified remedies are available for a property impacted by dewatering.

Dewatering is defined in the bill as pumping water out of a mined pit. The bill also establishes contractual rights for purchasers that do not receive the required notice. MDE must develop and publish on its website a searchable map of zones of dewatering influence as identified by MDE under existing provisions.

SB 661 – Oil Fee Extension

Sponsored by Sen. Patterson

Extends the current fee (eight cents per barrel) assessed on oil transferred into the state until July 1, 2024.

According to the legislation, beginning July 1, 2024, the fee changes to five cents per barrel. Until July 1, 2024, 7.75 cents of the per barrel fee are credited to the Maryland Oil Disaster Containment, Clean-up and Contingency Fund (Oil Fund) and 0.25 cents are credited to the Oil Contaminated Site Environmental Cleanup Fund (Reimbursement Fund). The bill also authorizes residential owners of heating oil tanks to apply for assistance from the Reimbursement Fund through June 30, 2024, and in fiscal year 2022 through 2029, funds from the Oil Fund are to be used to provide such reimbursements.

Decarbonization

HB 298/SB 83 – Electric Power Plants Research Requirement

Sponsored by Del. Charkoudian/Sen. Kramer

Requires the Power Plant Research Program (PPRP) to include an evaluation of the impact of electric power plants on climate change as part of its ongoing research.

The Public Service Commission (PSC), in supervising and regulating public service companies, is required by the bill to consider the maintenance of fair and stable labor standards for affected workers and additional specified climate effects and greenhouse gas (GHG) emissions. Relatedly, PSC may not take final action on a Certificate of Public Convenience and Necessity without considering the effect of climate change on the project and, for a generating station, the impact of the project on GHG emissions and its consistency with the state’s GHG emissions reduction goals.

MASSACHUSETTS

Decarbonization

SB 9 – Roadmap for Massachusetts Climate Policy

Sponsored by Sen. Barrett

Updates the greenhouse gas emissions limits related to the 2008 Global Warming Solutions Act, commits Massachusetts to achieve Net Zero emissions in 2050, and authorizes the Secretary of Energy and Environmental

Affairs (EEA) to establish an emissions limit of no less than 50 percent for 2030 and no less than 75 percent for 2040.

The legislation also authorizes EEA to establish emissions limits every five years and sublimits for at least six sectors of the Massachusetts economy:

- Electric power;
- Transportation;
- Commercial and industrial heating and cooling;
- Residential heating and cooling;
- Industrial processes; and
- Natural gas distribution and service.

The measure defines ‘environmental justice’ and ‘environmental burdens,’ including climate change as an environmental burden, expands the Massachusetts Environmental Policy Act (MEPA) review to require an Environmental Impact Report for all projects that impact air quality within one mile of an Environmental Justice Neighborhood, and requires the Department of Environmental Protection to conduct a stakeholder process to develop a cumulative impact analysis as a condition of permitting certain projects.

MICHIGAN

Fossil Energy

SR 16 – Mining Industry Support

Sponsored by Sen. McBroom

Expresses support for mining and the mining industry and encourages the governor, state agencies, local governments, members of the public, and labor organizations to support mining by taking certain actions.

SR 53 – Keystone XL Pipeline Support

Sponsored by Sen. Bizon

Urges President Biden to support the Keystone XL Pipeline, reverse his decision to cancel the permit, and to support American jobs and energy cooperation with Canada.

MINNESOTA

Fossil Energy

HB 164 – Energy Conservation and Optimization Act of 2021

Sponsored by Rep. Stephenson

Reorganizes and adds new language to the statute governing the state’s Conservation Improvement Program, which requires electric and gas utilities to invest in energy conservation measures that save energy at a lower cost than

purchasing an additional unit of energy for consumption.

The bill allows a public utility to recover through its energy rates, if approved by the Minnesota Public Utilities Commission, investments in “innovative clean technologies” that are not widely deployed among utilities and that provide net economic benefits to ratepayers. The amount of costs that can be recovered for these programs is limited to \$6 million over three consecutive years (Xcel and CenterPoint) and \$3 million for other public utilities.

A new source of energy savings is established by the bill: efficient fuel switching improvements that may contribute to energy savings above the minimum 1.0 percent level. These are defined as measures that substitute electricity or natural gas for a customer’s current fuel and that reduce the overall amount of energy used on a fuel-neutral basis, reduce greenhouse gas emissions, are cost-effective, and improve the utility’s load factor. The Commissioner of Commerce is to develop a method that utilities must use to calculate energy savings from fuel-switching improvements.

Further, the act increases the annual energy-savings goal for a public utility providing electric service from 1.5 to 1.75 percent, while the goal for a natural gas utility is lowered from 1.5 to 1.0 percent.

MISSISSIPPI

Fossil Energy

HB 632 –All Fuels Act of 2021

Sponsored by Reps. Powell and Aguirre

Establishes that no political subdivision may prohibit the expansion, connection, or reconnection of a service based upon the type or source of energy provided to a customer.

HB 1418 – Gas Distribution System Expansion

Sponsored by Rep. Reynolds

Authorizes the governing authorities of the Oakland/Yalobusha natural gas district to expand its gas distribution system.

HB 1433 – Oakland Natural Gas District Loans

Sponsored by Rep. Reynolds

Allows the board of supervisors of Yalobusha County to loan the Oakland natural gas district certain funds and provides that the loan must be applied solely to existing debt of the gas district.

HB 1436 – Agreement for Natural Gas Resale and Purchase

Sponsored by Rep. McLean

Grants the Caledonia Natural Gas District the ability to enter into agreement with Mississippi Development Bank to allow for the purchase and resale of natural gas to any nonresidential customer located in noncertificated and nonfranchised areas in the state to further the purposes of the district.

HB 1481 – Natural Gas Distribution System Expansion

Sponsored by Rep. Thompson

Allows the governing authorities of the town of Shannon, Mississippi, to expand the town's natural gas distribution system.

HCR 39 – Offshore Oil and Natural Gas Leasing Resolution

Sponsored by Rep. Powell

Urges the current administration to bring an end to its pause on offshore oil and natural gas leasing and allow for the continued exploration, development, and production of the Gulf of Mexico's oil and natural gas resources while supporting ongoing development of America's pipeline transportation network.

SB 2373 – Incompatible Motor Fuel Liability

Sponsored by Sen. Branning

Establishes that a refiner, supplier, wholesaler, or retailer is not liable for damages caused using incompatible motor fuel dispensed at a retail site if all the following apply:

- The incompatible fuel meets the standards promulgated by the Commissioner of Agriculture and Commerce;
- The incompatible fuel is selected by a person other than the retailer, including an employee or agent of the retailer; and
- The incompatible fuel is dispensed from a motor fuel dispenser that correctly labels the type of fuel dispensed.

For the purposes of this section, a motor fuel is incompatible with a motor according to the manufacturer of the motor.

SB 2648 – Class VI Primacy Provisions

Sponsored by Sen. Carter

Provides that the Mississippi State Oil and Gas Board, instead of the Mississippi Commission on Environmental Quality, has jurisdiction and authority to enforce the provisions of the Mississippi Geologic Sequestration of Carbon Dioxide Act.

The measure also establishes that the board serves as the permitting agency for Class VI underground injection control wells and is authorized to promulgate such rules and regulations as are necessary for the development and administration of the Class VI underground injection control well program.

SB 3088 – Natural Gas Service Expansion

Sponsored by Sen. Parks

Authorizes the city of Baldwin to expand and operate its natural gas distribution system to serve certain areas of Tippah County.

MISSOURI

Fossil Energy

HB 734 – Energy Service Choice and Other Modifications to Provisions Relating to Utilities

Sponsored by Rep. O'Donnell

Establishes that no political subdivision must adopt an ordinance, resolution, regulation, code, or policy that prohibits, or has the effect of prohibiting, the connection or reconnection of a utility service based upon the type or source of energy to be delivered to an individual customer.

This bill provides that in the event that a retail electric supplier is providing service to a structure located within a municipality that has ceased to be a rural area, and such structure is demolished and replaced by a new structure, such retail electric service supplier may provide permanent service to the new structure upon the request of the owner of the new structure.

Beginning January 1, 2022, for purposes of assessing all real property, excluding land, or tangible personal property associated with a project that uses wind energy directly to generate electricity, thirty-seven and one-half percent of the original costs must be the true value in money of such property. Such value must begin the year immediately following the year of construction of the property. Beginning January 1, 2022, this bill provides that any real and personal property owned by a public utility company that was constructed using chapter 100 financing must, upon the transfer of such property to the public utility company, be assessed upon the local tax rolls. Any property consisting of land and buildings must be assessed pursuant to current law relating to the assessment of such property in general, and all other business or personal property must be assessed pursuant to the depreciation schedule provided under current law.

Under prior law when an unincorporated sewer subdistrict of a common sewer district has been formed, the board of trustees of the common sewer district must have the power to issue bonds, and the issuance of such bonds must require the assent of 4/7 of the voters of the subdistrict on the question. This bill states that as an alternative to such vote, if the subdistrict is a part of a common sewer district located in whole or in part in certain counties, bonds may be issued for such subdistrict if the question receives the written assent of 3/4 of the customers, as such term is defined in the bill, of the subdistrict. Prior law established that the Public Service Commission can assess no more than 0.25 percent of the total gross intrastate operating revenues against all utilities subject to the jurisdiction of the Commission for the cost of regulating such utilities. This bill changes the assessment rate to no more than 0.315 percent of the total gross intrastate operating revenues of such utilities.

This bill specifies that in the absence of an approved territorial agreement, the municipally owned utility must apply to the Public Service Commission for an order assigning nonexclusive service territories and concurrently must provide written notice of the application to other electric service suppliers with electric facilities located within one mile outside of the boundaries of the proposed expanded service territory. In granting the applicant's request, the Commission must give due regard to territories previously served by the other electric service suppliers and the wasteful duplication of electric service facilities. Any municipally owned electric utility may extend its electric service territory to include areas where another electric supplier currently is not providing permanent service to a structure. If a rural electric cooperative has existing electric service facilities in the area proposed to be annexed, the majority of the existing developers, landowners, or prospective electric customers may submit a written request to the governing body of the annexing municipality to invoke mandatory good faith negotiations as provided in the bill. These provisions must also apply in the event an electrical corporation rather than a municipally owned electric utility is

providing electric service in the municipality. This bill also changes the term “fair and reasonable compensation” to be 200 percent, rather than 400 percent, of gross revenues less gross receipts taxes received by the affected electric service supplier from the 12-month period preceding the approval of the municipality’s governing body.

Nothing in this bill may be construed as otherwise conferring upon the Public Service Commission jurisdiction over the service, rates, financing, or management of any rural electric cooperative or any municipally owned electric utility. This requires the Public Service Commission to adopt rules for gas corporations to offer a voluntary renewable natural gas program. The Commission must establish reporting requirements and a process for gas corporations to fully recover incurred costs that are prudent, just, and reasonable associated with a renewable natural gas program. Such recovery must not be permitted until the project is operational. Any costs incurred by a gas corporation that are prudent, just, and reasonable must be recovered by means of an automatic adjustment clause. An affiliate of a gas corporation must not be prohibited from making a capital investment in a biogas production project if the affiliate is not a public utility as defined in statute. This bill states that auxiliary power may be purchased on a wholesale basis, under the applicable tariffs of a regional transmission organization instead of under retail service tariffs filed with the Public Service Commission by an electrical corporation, for use at an electric generation facility located in Cass County, which commenced commercial operations prior to August 28, 2021, and which is operated as an independent power producer. The bill also creates definitions for “auxiliary power” and “independent power producer.”

Under prior law the Public Service Commission may approve a special rate, outside of a general rate proceeding, not based on the cost of service for electrical services provided to certain facilities if the Commission determines that but for the special rate the facility would not commence operations and that the special rate is in the best interest of the state. This bill changes the facilities that qualify for the special rates to include a facility whose primary industry is the processing of primary metals.

The bill specifies that when determining the allocation of an electrical corporation’s total revenue requirement among the electrical corporation’s customer classes for the ultimate purpose of setting base rates for each customer class, the Public Service Commission must only consider class cost of service study results that allocate the electrical corporation’s production plant costs from nuclear and fossil generating units using the average and excess method or one of the methods of assignment or allocation contained within the National Association of Regulatory Utility Commissioners 1992 manual or a subsequent manual.

This measure allows an electrical corporation to petition the Public Service Commission for a financing order, which is an order from the Commission that authorizes the following:

- Issuance of securitized utility tariff bonds;
- Imposition, collection, and periodic adjustments of a securitized utility tariff charge;
- Creation of securitized utility tariff property; and
- Sale, assignment, or transfer of securitized utility tariff property to an assignee.

A securitized utility tariff charge must be used to repay, finance, or refinance energy transition costs or qualified extraordinary costs and financing costs that are charges imposed on and part of all retail customer bills.

The legislation also allows an electrical corporation may file a petition concurrently with a petition filed for a financing order for investment in replacement resources, as such term is defined in the act, and the Commission must approve such investment as set forth in the bill. Such approval must constitute an affirmative and binding determination by the Commission, to be applied in all subsequent proceedings respecting the rates of the electrical

corporation, that such investment is prudent and reasonable, that the replacement resource is necessary for the electrical corporation's provision of electric service to its customers, and that such investment must be reflected in the revenue requirement used to set the electrical corporation's base rates. The approval is subject only to the Commission's authority to determine that the electrical corporation did not manage or execute the project in a reasonable and prudent manner in some respect and the Commission's authority to disallow for ratemaking purposes only that portion of the investment that would not have been incurred had the unreasonable or imprudent management or execution of the project not occurred.

If determined by the commission to be just, reasonable, and necessary for the provision of safe and adequate service, the electrical corporation may be permitted to retain coal-fired generating assets in rate base and recover costs associated with operating the coal fired assets that remain in service to provide greater certainty that generating capacity will be available to provide essential service to customers, including during extreme weather events, and the commission must not disallow any portion of such cost recovery on the basis that such coal-fired generating assets operate at a low capacity factor, or are off-line and providing capacity only, during normal operating conditions.

The act also changes the definition of the population of a "rural area" to be increased by 6 percent every 10 years after each census beginning in 2030, and it allows the board of directors of a rural electric cooperative must have the power to set the time and place of the annual meeting and also to provide for voting by proxy, electronic means, by mail, or any combination thereof, and to prescribe the conditions under which such voting must be exercised. The meeting requirement may be satisfied through virtual means.

Finally, this bill changes "a rural electric cooperative" to an "electric supplier" in the definition of "structure" or "structures," and it specifies that Article 9 of the Uniform Commercial Code relating to secured transactions must not apply to the creation, perfection, priority, or enforcement of any sale, assignment of, pledge of, security interest in, or other transfer of, any interest or right or portion of any interest or right in any securitized utility tariff property, except as expressly provided in the bill.

MONTANA

Fossil Energy

HB 481 – Critical Infrastructure Protections

Sponsored by Rep. Gunderson

Establishes protections for critical infrastructure.

The bill defines the following as critical infrastructure facilities:

- A petroleum or alumina refinery;
- An electric generating facility, substation, switching station, electrical control center, or electric transmission and distribution lines and associated equipment infrastructure;
- A chemical, polymer, or rubber manufacturing facility;
- A water intake structure, water treatment facility, wastewater treatment plant, or pump station;

- A natural gas compressor station including, but not limited to, pipeline interconnections, a city gate or town border station, a metering station, aboveground piping, and a regulation station and natural gas storage facility;
- A liquid natural gas terminal or storage facility; or
- A telecommunications central switching office.

SB 87 – Water Supply Requirements for Coal-Fueled Generation

Sponsored by Sen. Ankey

Requires a water feasibility study be completed by the owners of coal-fueled generating units to ensure access to a water supply.

SJR 16 – Keystone XL Pipeline Support

Sponsored by Sen. Hinebauch

Urges support for the Keystone XL pipeline.

Carbon Capture & Related Technology

HB 394 – Property Tax Exemptions for Pollution Control and Carbon Capture Equipment

Sponsored by Rep. Noland

Exempts from property taxation certain air and water pollution control equipment, including carbon capture equipment.

The bill defines the qualifying equipment as any portion of identifiable property, facilities, machinery, devices designed, constructed, under construction, or operated for removing, disposing, abating, treating, eliminating, destroying, neutralizing, stabilizing, rendering inert, storing, or preventing the creation of air or water pollutants that, except for the use of the item, would be released to the environment. This includes machinery, devices, or equipment used to capture carbon dioxide or other greenhouse gases. Reduction in pollutants obtained through operational techniques without specific facilities, machinery, devices, or equipment is not eligible for certification under this law.

SJR 10 – Carbon Capture Funding Request

Sponsored by Sen. Small

Urges Congress to appropriate funding under the Energy Act of 2020 for the development of carbon capture technologies at the Colstrip Electric Generating Station in Rosebud County, Montana.

NEBRASKA

Carbon Capture & Related Technology

LB 650 – Nebraska Geologic Storage of CO₂ Act

Sponsored by Sen. Flood

Establishes the legislative intent to facilitate carbon capture in Nebraska, designates property rights around storage sites in deep geologic formations, assigns state regulatory authority of storage facilities in Nebraska, and specifies the regulatory and permitting process within the existing federal structure.

The measure also establishes a cash fund sustaining regulatory operations in order to minimize the impact to taxpayers.

NEW HAMPSHIRE

Decarbonization

HB 373 – Participation in Low Carbon Fuel Standards Programs

Sponsored by Rep. Notter

This bill prohibits the state from participating in any state, regional, or national low-carbon fuel standards program without prior approval of the legislature and the executive council.

NEW MEXICO

Fossil Energy

HB 157 – Mining Act Forfeiture Fund

Sponsored by Rep. Small

Amends the New Mexico Mining Act to establish a “Mining Act Forfeiture Fund” to receive funds from the forfeiture of financial assurance, a commitment of resources made by a mining company at the start of a project.

The funds will be appropriated to the Energy, Minerals and Natural Resources Department but may be used only to complete the reclamation plan or closeout plan to which the financial assurance had been dedicated.

NEW YORK

Fossil Energy

SB 4095 – Coal Tar Sales Prohibition

Sponsored by Sen. Sanders

Prohibits the sale and use of pavement products containing coal tar.

NORTH CAROLINA

Fossil Energy

HB 217 – Public Utilities Regulatory Action

Sponsored by Reps. Arp, Jones, Szoka, and Winslow

Incorporates several technical, clarifying, conforming, and administrative changes to the laws related to public utilities, as recommended by the Utilities Commission.

The bill also makes changes governing rate case procedures, such that it:

- Eliminates a deadline for the commission to issue a final order within nine months of the institution of a rate case;
- Requires a public utility applying for an increase in sewer rates to notify affected customers of the potential increase (such notice is already required for public utilities applying for rate increases for electric, telephone, natural gas, and water rates). In addition, electronic means is added to the manner in which any public utility may notify its customers of an application for a rate increase;
- Raises the cap on requested revenue increase for rate cases that can be heard by a panel of three from \$300,000 to \$2 million. This provision was first included in 1973 to allow a “division” of the commission to hear rate cases where the total annual revenue requested or where the total annual revenue increase requested is less than \$50,000. The cap was last amended in 1981 when it was set to the current amount of \$300,000. The proposed cap is set at an amount to require full commission participation for the major electric, natural gas, and water utilities; and
- Provides that hearings for changes to a public utility’s rider for the cost of fuel and fuel related costs or hearings for rate changes for natural gas local distribution companies occasioned by changes in the cost of natural gas supply and transportation are not subject to the requirement that the commission conduct hearings in areas of the State served by the public utility.

The act adds language to allow the commission to order a natural gas utility to make an appropriate adjustment to its rates, consistent with the public interest, if the commission finds an over-recovery or deficiency has been or is likely to be substantially reduced, negated, or reversed before or during the period in which the rates were credited or recovered.

Finally, the commission is authorized to allow a lessor of a multi-unit apartment building to use a master meter for the provision of natural gas service and charge each tenant for the natural gas used by a central system based on each tenant’s metered or measured share of the natural gas used only for cooking, ventless fireplaces, or other ancillary purposes.

SB 208 – Mine Health and Safety Advisory Council Repeal

Sponsored by Sens. Hise, Galey, and Woodard

Eliminates the council created to advise the Commissioner of Labor on matters related to health and safety in mines.

SJR 54 – Confirm Mining Commission Appointments

Sponsored by Sens. Sanderson, Jackson, and Edwards

Confirms two appointments by the Governor to the North Carolina Mining Commission.

The terms began January 1, 2021, and will expire on December 31, 2024.

Decarbonization

HB 951 – Energy Solutions for North Carolina

Sponsored by Reps. Arp, Szoka, Hall, and Bell

Authorizes the Utilities Commission to take all “reasonable steps” to achieve a seventy percent reduction in emissions of carbon dioxide from electric public utilities from 2005 levels by the year 2030 and carbon neutrality by the year 2050.

The bill further authorizes performance-based regulation of electric public utilities, and it allows the Commission to proceed with rulemaking on securitization of certain costs and other matters and to modify certain existing power purchase agreements with eligible small power producers.

NORTH DAKOTA

Fossil Energy

HB 1412 – Coal Conversion Facilities Taxation

Sponsored by Reps. Delzer, Headland, and Pollert

Declares that, excluding the generation tax, a coal conversion facility is exempt from 85 percent of the tax imposed by prior law and instead must pay a lignite research tax equal to 85 percent of the tax imposed under prior law and multiplied by five percent.

HCR 3025 – Support for Next Generation Carbon-based Energy and Energy Affordability Support

Sponsored by Rep. Nehring, et al.

Urges the federal government to refrain from enacting regulations that threaten the reliability and affordability of electric power in North Dakota and to increase support for research, development, and deployment for next generation carbon-based energy generation.

SB 2237 – Coal-Fueled Electric Generating Units Regulatory Limitations

Sponsored by Sen. Bell

Adds coal-fueled electric generating units to the list of facilities that may not be regulated beyond the federal rules or standards under the Clean Air Act.

SB 2287 – Lignite Coal Industry Insurance Study

Sponsored by Sens. Wardner, Anderson, and Bell

Provides for an insurance commissioner study of the lignite coal industry insurance and associated reporting requirements to legislative management.

SB 2317 – Private Assets in Coal Mine Reclamation Trust

Sponsored by Sen. Bell

Establishes a coal mine reclamation trust utilizing private assets.

The trust allows for the reclaiming of coal mines at the direction of the Public Service Commission by utilizing private assets pledged as collateral which may be used to fulfill the performance bond obligations.

Carbon Capture & Related Technology

SB 2152 – Tax Exemptions for CO₂ Storage

Sponsored by Sen. Wardner and Rep. Pollert

Establishes a sales and use tax exemption for carbon dioxide used for secure geologic storage.

SCR 4012 – Grid Reliability and CCUS Policy

Sponsored by Sen. Wardner

Establishes that it is state policy to support the reliability and resilience of the electric grid, ensure price transparency to consumers in electric markets, and incentivize carbon capture utilization and storage as an alternative to preserve dispatchable thermal electric generation and its associated benefits.

OHIO

Fossil Energy

HB 201 – Natural Gas and Propane Limitations Prohibition

Sponsored by Rep. Stephens

Prevents local governments from limiting use of natural gas and propane.

SR 176 – Oil and Gas Industry Protections

Sponsored by Sen. Schaffer

Urges Congress to protect the natural gas and oil industry from disproportionate tax increases or other punitive measures.

Decarbonization

HR 56 – E-Check Requirements

Sponsored by

Urges the United States Congress and the President to amend the Federal Clean Air Act to eliminate the requirement to implement the E-Check Program, an emissions checking program for motor vehicles, and direct the Administrator of USEPA to begin new rule-making procedures under the Administrative Procedure Act to repeal and replace the 2015 National Ambient Air Quality Standards.

OKLAHOMA

Fossil Energy

HB 1815 – Renewable Natural Gas Report

Sponsored by Rep. McBride and Sen. David

Directs the Oklahoma Corporation Commission to issue a report and recommendations regarding availability and appropriateness of natural gas utilities to procure, transport, and deliver renewable natural gas to consumers no later than December 1, 2021.

Renewable natural gas is defined by the bill to include biogas-derived methane gas, hydrogen gas or carbon oxide from renewable sources, or methane gas derived from any combination of hydrogen gas or carbon oxide from renewable sources. The report also must address production of educational materials regarding renewable natural gas and discuss future reporting requirements for producers.

HB 2028 – Underground Facilities Marking Requirements

Sponsored by Rep. O'Donnell and Sen. Allen

Prohibits excavators from commencing excavation or demolition if they have knowledge that an operator has unmarked underground facilities.

Work may begin after notice has been given and such facilities have been marked, and excavators are required to maintain and preserve all marks for the duration of the excavation or demolition. They also are required to notify the notification center if marks are no longer visible or removed and check for positive response at the notification center prior to excavation or demolition. The measure provides time limits for certain notice and potential liability for excavators in certain circumstances, but during any state of emergency, time limitations are inapplicable.

The bill further requires operators to provide a positive response to the notification center prior to the expiration of the required notice period, and it requires all operators to be members in good standing of the notification center and requires certain documentation to be maintained by the notification center.

HB 2029 – Division Order Clarification

Sponsored by Rep. O'Donnell and Sen. Tayler

Clarifies a requirement that a division order include the name, address, and tax ID number of each interest owner.

A division order is an instrument for the purpose of directing the distribution of proceeds from the sale of oil, gas, casinghead gas, or other related hydrocarbons which warrants in writing the division of interest, according to the bill.

HCR 1011 – State Interest in Oil and Gas Industry

Sponsored by Rep. McBride and Sen. Taylor

Declares that the oil and gas industry is a vital part of the economy and the state, and those companies that do business by and through the state in the interest of the state's economic policy should not boycott the oil and gas industry.

The resolution further declares:

- The state should not enter into a contract with a company unless the company submits a written certification that the company is not currently engaged in a boycott, in any manner, of the oil and gas industry that constitutes an integral part of business conducted or sought to be conducted with the state;
- The state should not adopt a procurement, investment, or other policy that has the effect of inducing or requiring a person to boycott the oil and gas industry or a person doing business with the oil and gas industry; and
- The Oklahoma Secretary of State should approve contracts or may waive application of this resolution on any contract with any state agency if the Secretary determines that compliance is not practicable.

SB 535 – Pipeline Safety Violation Penalties

Sponsored by Sen. Bergstrom and Rep. Lepak

Doubles the cap on a penalty pursuant to provisions of the Corporation Commission related to pipeline safety violations.

The amount of administrative penalty per day of violation is capped at \$200,000, up from \$100,000. The maximum penalty increases from \$1,000,000 to \$2,000,000.

SB 632 – Oil and Gas Illustrated Rights

Sponsored by Sen. Taylor and Rep. McEntire

Provides that the proceeds owed for oil and gas drilling and development, proceeds from the acquisition of oil and gas rights, and proceeds from an unfulfilled contract or agreement for the purchase of mineral rights are to be included in the list of illustrated rights as it relates to oil and gas.

The measure modifies the Nature, Extent, and Duration of Oil and Gas Lien Act to include the provision to secure the obligation of any person to pay any proceeds for the acquisition of oil and gas rights.

OREGON

Fossil Energy

SCR 17 – Public Participation in Regard to Natural Resources

Sponsored by Rep. Pham

Declares that in order to provide greater public participation and to ensure that all persons affected by decisions of the natural resource agencies have a voice in those decisions.

Among other provisions, natural resource agencies are required to:

- Consider the effects of an action on environmental justice issues when making determinations;
- Hold hearings at time and place of convenient for affected people;

- Engage in public outreach activities in the affected communities; and
- Create a citizen advocate position that applies to state agencies and policy decisions.

PUERTO RICO

Decarbonization

HR 150 – Environmental Impact Study Investigation

Sponsored by Rep. Sánchez

Directs the House Committee on Natural Resources and Environmental Affairs to investigate the current condition of natural resources and environmental issues, renewable energy sources and climate change, including all legislation and regulations on environmental impact and action plans of government agencies.

Waste Management

HR 15 – Carbon Residuals Usage Investigation

Sponsored by Rep. Madera

Requires the House Committee on Natural and Environmental Resources to investigate the status of the Regulation Standards for the Beneficial Use of Carbon Combustion Residues that the Department of Natural and Environmental Resources of Puerto Rico has to update per the amendments introduced by prior law.

SOUTH CAROLINA

Fossil Energy

H 3194 – Long-Term Planning and Coal Retirements

Sponsored by Rep. Lucas

Declares that in addition to the requirements of existing law, the Public Service Commission review and evaluate the Public Service Authority's (PSA) analysis of long-term power supply alternatives and various resource portfolios over various study periods including a twenty-year study period and, by comparison on a net present value basis, identify the most cost-effective and lowest ratepayer-risk resource portfolio to meet the Public Service Authority's total capacity and energy requirements while maintaining safe and reliable electric service.

The commission's evaluation must include, but not be limited to evaluating the cost-effectiveness and ratepayer risk of self-build generation and transmission options compared with various long-term power supply alternatives including power purchase agreements, competitive procurement of renewable energy, joint dispatch agreements, market purchases from an existing regional transmission organization, joining or creating a new regional transmission organization, using best available technology for energy generation, transmission, storage and distribution, or any combination thereof.

In evaluating and identifying the most cost effective and least ratepayer risk resource portfolio, the commission shall strive to reduce the risk to ratepayers associated with any generation and transmission options while maintaining

safe and reliable electric service and provide an analysis of any potential cost savings that might accrue to ratepayers from the retirement of remaining coal generation assets.

As part of the process of retiring its coal units, the PSA must develop and implement a plan, with community engagement and participation, that allows employees in good standing who would be directly affected by the closure of the unit to be retained by the Public Service Authority, or provides training opportunities for related employment to affected employees in good standing who are not retained and provides an opportunity for economic development and job attraction in the communities where the retired coal stations are located. Annual written status reports must be provided to the SC Public Utilities Review Committee.

Waste Management

H 3222 – Authority Over Waste Tire Management

Sponsored by Rep. Davis

Gives the Department of Health and Environmental Control the authority to promulgate regulations regarding, make decisions about the permitting of, and conduct inspections and investigations of facilities of waste tire management.

TENNESSEE

Fossil Energy

HB 54/SB 374 – Underground Utilities Safety Enforcement

Sponsored by Rep. Marsh/Sen. Walley

Makes various changes concerning safety enforcement of underground utilities, including increasing the penalties that may be assessed for violations.

Included in those various changes concerning safety are the following:

- Enforces that the person responsible for the excavation or demolition must designate the location of the proposed area of excavation or demolition by marking the area, consistent with the marking standards established by prior law with "safety white" color-coded stakes or white paint;
- Establishes that the operator must not charge the person giving notice to the one-call service, the excavator, or property owner for the marking of its facilities. However, an operator may recover the costs of the marking of its facilities from customers in an appropriate ratemaking procedure; and
- Requires an excavator to exercise reasonable care to avoid damage caused by an excavation or demolition within the safety zone around the marked location of the underground utilities by hand digging when practical, utilizing pneumatic hand tools, or utilizing mechanical or technical methods approved by the facility owner or operator. Hand digging and non-invasive methods are not required for removal of pavement or concrete. As defined by the bill, "safety zone" means a strip of land at least four feet wide, but not wider than the width of the utility plus two feet on either side of the utility.

Revises the Primacy and Reclamation Act of Tennessee to provide a regulatory framework for the regulation of surface coal mining and reclamation activities.

Specifically, the bill:

- Transfers responsibility for administering the Act from the Tennessee Board of Energy and Natural Resources to the Commissioner of Environment and Conservation;
- Codifies various provisions of the federal Surface Mining Control and Reclamation Act of 1977 to specify such things as the contents of an application for a surface coal mining permit and the contents of reclamation plans. Under present law, many of the specific regulatory requirements are to be promulgated as rules and the rules must reflect the federal requirements;
- Adds a whistleblower protection provision whereby employees of coal mining operations who are discriminated against in their jobs for whistleblowing activities can seek compensation and reinstatement;
- Deletes the requirement that any rules promulgated under the act that are not substantively similar to federal requirements due to state law being more stringent than federal requirements be provided to the chairs of the agriculture and natural resources committee of the house of representatives and the energy, agriculture, and natural resources committee of the senate;
- Removes the requirement that a departure from environmental protection performance standards on an experimental basis must be approved by all state and federal agencies with jurisdiction over the environmental standards or practices for which departure is desired concur with the departure. Under this amendment, any such departures will require the approval of the commissioner and the U.S. Secretary of the Interior;
- Deletes a provision of prior law, which specifies that the general requirement that all permittees conform to the act when the federal government approves Tennessee's application for primacy, or any rules promulgated under the act upon the rules' effective date, does not require the regrading or replanting of any area on which the work was satisfactorily performed prior to such approval or effective date;
- Deletes an exemption from fee and bonding requirements for governmental entities that engage in activities regulated under the act;
- Replaces various statutorily set permit and acreage fees under the act with authorization for the commissioner to set the fees; and
- Revises some provisions for management of the coal mining protection fund to require the commissioner to administer the fund, specify that interest and other income from the fund's principal must stay in the fund, and expands authorization for use of monies in the fund so that proceeds from penalties may be used for reclamation, investigations, research, and other activities, and proceeds from bond forfeitures may be used for reclamation.

HB 131/SB 215 – Excluding Certain Items from Tangible Personal Property Definition

Sponsored by Rep. Hazlewood/Sen. Watson

Excludes from the definition of “tangible personal property” for sales and use tax purposes certain mains, pipes, pipelines, and tanks and certain railroads, railroad structures, substructures, tracks and the metal thereon, branches, switches, and other improvements thereon.

HB 229/SB 271 – Notification Process for Pipeline Easements

Sponsored by Rep. Vaughan/Sen. Yager

Establishes a process for notifying developers regarding the location of natural gas pipelines and easements for such pipelines for purposes of breaking ground on residential and nonresidential developments and provides pipeline operators with notice of such developments.

HB 408/SB 333 – Citizens Gas Utility District Board Modifications

Sponsored by Rep. Keisling/Sen. Yager

Replaces one county elected commissioner position on the board of commissioners for the Citizens Gas Utility District of Scott and Morgan counties with an at-large commissioner position, with such change to coincide with the district’s August 2025 election.

HB 1145/SB 285 – Critical Infrastructure Offense Revision

Sponsored by Rep. Grills/Sen. Rose

Revises the offense of critical infrastructure vandalism to include when a person knowingly:

- Interrupts or interferes with critical infrastructure or its operation; or
- Destroys or injures critical infrastructure or a farm.

HB 1603/SB 1626 – Mineral Severance Tax Records Requirements

Sponsored by Rep. Griffey/Sen. Stevens

Requires operators liable for the collection and payment to the county of a mineral severance tax to keep and preserve records necessary to determine the amount of the tax due and payable to the county for three years.

The bill is subject to local approval.

HB 1617/SB 1635 – Board of Waterworks, Sewerage, and Natural Gas Modifications

Sponsored by Rep. Calfee/Sen. Yager

Establishes additional qualifications for service as a member of the city of Rockwood’s Board of Waterworks, Sewerage, and Natural Gas by requiring one member to be on the city council, members to be property holders in their places of residence, and members to reside within their respective cities or unincorporated areas for one year preceding their appointment.

The legislation further establishes terms of service for board members and procedures for filling vacancies on the board.

Fossil Energy

HB 17 – Energy Service Choice

Sponsored by Rep. Deshotel

Prohibits a regulatory authority, planning authority, or political subdivision from adopting or enforcing a measure that has the purpose, intent, or effect of directly or indirectly banning, limiting, restricting, discriminating against, or prohibiting the connection or reconnection of a utility service or the construction, maintenance, or installation of infrastructure for a utility service based on the type or source of energy to be delivered to the end-use customer.

The bill further prohibits an entity from imposing any additional charge or pricing difference on a development or building permit applicant for utility infrastructure that encourages those constructing homes, buildings, or other structural improvements to connect to a utility service based on the type or source of energy to be delivered to the end-use customer or discourages the installation of facilities for the delivery of the service based on the type or source of energy to be delivered to that customer. The bill expressly does not limit the ability of a regulatory authority or political subdivision to choose utility services for properties they own.

HB 963 – Natural Gas Vehicle Grant Program Amendment

Sponsored by Rep. Lozano

Amends the Health and Safety Code to make a used natural gas vehicle that otherwise satisfies model year requirements and applicable statutory requirements a qualifying vehicle under the Texas Natural Gas Vehicle Grant Program.

HR 1311 – Texas Independent Producers and Royalty Owners Association Commemoration

Sponsored by Rep. Anderson

Commemorates the 75th anniversary of the Texas Independent Producers and Royalty Owners Association and extends to its members and staff sincere best wishes for continued success.

HB 1520 – Gas Utility Securitization Financing

Sponsored by Rep. Paddie

Provides securitization financing for gas utilities to recover extraordinary costs related to securing gas supply and providing service during natural and man-made disasters, system failures, or other catastrophic events and restoring systems after those types of events.

The securitization financing mechanism must provide rate relief to customers by extending the period during which the extraordinary costs were recovered from customers and support the financial strength and stability of gas utility companies. The Railroad Commission of Texas must ensure that securitization provided tangible and quantifiable benefits to customers and that the structuring and pricing of the customer rate relief bonds result in charges consistent with the terms of the applicable financing order and market conditions at the time of the pricing of the bonds.

HB 2201 – Oil and Gas Disposal Facilities

Sponsored by Rep. Ashby

Requires the Railroad Commission of Texas by rule to establish standards governing permissible locations for pits used by commercial oil and gas disposal facilities.

The rules must include a history of flooding in the 10 years preceding the construction of the pit as a factor in determining whether a proposed location of a pit was permissible.

HB 3416 – Triparty Relationship Provisions

Sponsored by Rep. Darby

Requires certain contractors, before entering into or renewing a triparty relationship agreement with a subcontractor or third party, to provide written notice to the subcontractor and third party.

A “triparty relationship agreement” is defined in the bill as any agreement pertaining to a well for oil, gas, water, or to a mine for a mineral that provides a subcontractor may provide any part of a contractors services required under a separate agreement with a third party and for a mutual or unilateral indemnity obligation between the contractor and third party.

The written notice to the subcontractor must:

- Describe the subcontractor’s indemnification obligations to the contractor and to the third party with respect to the services the subcontractor provides under any related agreement between the contractor and subcontractor;
- Be provided as a separate document from the agreements with the subcontractor and third party; and
- Be written in plain English in a manner that was designed to enable the subcontractor to understand the subcontractor’s contractual indemnity obligations in connection with any services performed by the subcontractor pursuant to the triparty relationship agreement.

The written notice provided to the third party must state whether the subcontractor possessed liability insurance coverage or qualified self-insurance as required by law for the subcontractor’s indemnity obligations in connection with any services performed by the subcontractor pursuant to the triparty relationship agreement. The notice must also provide any dollar limits of the subcontractor’s insurance policy or qualified self-insurance, if any. Finally, the bill provides that a contractor may satisfy the third party written notice by providing a certificate of insurance.

HB 3516 – Standards for Oil and Gas Waste

Sponsored by Rep. King

Requires the Railroad Commission of Texas (RRC), when adopting rules to govern the treatment and beneficial use of oil and gas waste, to establish:

- Minimum siting standards for commercial fluid recycling pits;
- Uniform technical and construction standards consistent with noncommercial recycling standards for fluid oil and gas waste;

- Minimum and maximum bonding and financial security amounts for commercial fluid recyclers; and
- Standards for sampling and analysis of fluid oil and gas waste.

The act also states that rules adopted to govern the treatment and beneficial use of oil and gas waste could not differ in treatment of commercial and noncommercial recycling of fluid oil and gas waste.

The legislation requires the RCC to approve or deny an application for a permit under the rules adopted within 120 days of receipt.

HB 3648 – Critical Systems Designation

Sponsored by Rep. Geren

Requires the Public Utility Commission and the Railroad Commission of Texas (RRC) to adopt rules to designate certain gas entities and facilities as critical during an energy emergency no later than September 1, 2021, and the measure requires the Public Utility Commission to provide a report to the Legislature by January 1, 2022.

The adopted rules must:

- Consider essential operational elements when defining critical customer designations and critical gas supply information, including natural gas production, processing, transportation, and the delivery of natural gas to generators;
- Ensure that transmission and distribution utilities, municipally owned utilities, electric cooperatives, and the Electric Reliability Council of Texas power region were provided with the critical customer designations determined by the RRC rules under the bill;
- Provide for a prioritization for load-shed purposes of gas entities and facilities designated as critical; and
- Provide discretion to transmission and distribution utilities, municipally owned utilities, and electric cooperatives to prioritize power delivery and restoration among the customers on their respective systems.

HB 3794 – First Purchaser Repeal

Sponsored by Rep. Geren

Repeals the first purchaser statute and replaces it with Property Code provisions establishing oil and gas liens based on real property for applicable interest owners.

HB 3973 – Abandoned Oil and Gas Wells Study

Sponsored by Rep. Walle

Creates a joint interim committee to study matters related to abandoned oil and gas wells in the state and review projected revenue to General Revenue Dedicated Oil and Gas Regulation and Cleanup Account No. 5155.

The bill requires the committee to report its findings and recommendations to the legislature no later than December 1, 2022.

SB 3 – Extreme Weather Response

Sponsored by Sen. Schwertner

Provides for the preparation for, prevention of, and response to extreme weather emergencies and extended power outages and establish related requirements for the Public Utility Commission (PUC), the Electric Reliability Council of Texas (ERCOT) organization, the Railroad Commission of Texas (RRC), the Texas Division of Emergency Management (TDEM), and the Texas Commission on Environmental Quality (TCEQ).

Specifically, the bill provides for the mapping of the state’s electricity supply chain, requires weather emergency preparedness for natural gas, electric, and water service entities, and provides for certain administrative and civil penalties. The bill also establishes the Texas Energy Disaster Reliability Council and the State Energy Plan Advisory Committee and creates a power outage alert. The bill also sets requirements for load management, provision of transmission service, and critical natural gas facilities during energy emergencies.

The measure also establishes the Texas Electricity Supply Chain Security and Mapping Committee in order to map the state’s electricity supply chain, identify related critical infrastructure sources, establish best practices to prepare facilities to maintain service in an extreme weather event and recommend oversight and compliance standards for those facilities, and designate priority service needs to prepare for, respond to, and recover from an extreme weather event.

The committee must meet at least quarterly and to fulfill its requirements to:

- Map the state’s electricity supply chain to designate priority electricity service needs during extreme weather events;
- Identify and designate the sources in the supply chain necessary to operate critical infrastructure;
- Develop a communication system between critical infrastructure sources, the PUC, and the ERCOT organization to ensure that electricity and natural gas supplies are prioritized to those sources during an extreme weather event; and
- Establish best practices to prepare facilities to maintain electric and natural gas service in an extreme weather event and recommend oversight and compliance standards.

The map must be updated yearly. The PUC must also create, maintain, and update at least annually a database identifying critical infrastructure sources with priority electricity needs to be used during an extreme weather event. The information maintained in the database is considered confidential and not subject to disclosure under public information laws.

The measure also provides further requirements for weather emergency preparedness for gas supply chain facilities, gas pipelines, electric generation facilities, transmission providers, and water utilities. For gas supply chain facilities and gas pipelines, the RRC must inspect the facilities for compliance with weather emergency preparedness requirements under the bill, provide a facility’s owner with a reasonable period of time in which to remedy any violation discovered, and report to the attorney general any violation that was not remedied in that time. The RRC must prioritize inspection based on risk level.

The ERCOT organization must take the above action for generation assets and transmission providers in the power region, inspecting each facility for compliance with reliability standards established under the bill. The RRC must require a gas supply chain facility operator or gas pipeline operator and the PUC must require an electric generator that experienced repeated or major weather-related forced interruptions of production or service, as applicable,

to contract with a person who is not an employee of the operator or provider to assess weatherization plans, procedures, and operations and submit the assessment to the RRC or to the PUC and the ERCOT organization, as appropriate. The appropriate regulatory entity may require an operator or provider to implement recommendations in the assessment.

The RRC must require a gas supply chain facility operator to implement measures to prepare to operate during a weather emergency. A "gas supply chain facility" is a facility that is:

- Used for producing, treating, processing, pressurizing, storing, or transporting natural gas;
- Not primarily used to support liquefied natural gas pretreatment, liquefaction, or regasification facilities in the business of exporting or importing liquefied natural gas to or from foreign countries; and
- Otherwise regulated by the RRC and not regulated under laws governing gas utilities.

The weather emergency preparedness requirement applies only to a gas supply chain facility included on the electricity supply chain map created under the bill. If the RRC determines that a person violated a rule adopted under the bill, it must notify the attorney general of a violation that was not remedied in a reasonable amount of time. The attorney general must initiate a suit to recover a penalty for the violation in the manner provided under laws governing the regulation of natural gas.

The act also directs the RRC to adopt rules regarding measures a gas pipeline facility operator is required to implement to prepare the facility to maintain service quality and reliability during extreme weather conditions if the facility directly served a natural gas electric generation facility operating solely to provide power to the grid for the ERCOT power region and was included on the electricity supply chain map. The RRC is further required to assess an administrative penalty against a person if a rule violation is not remedied in a reasonable period in the manner provided by the bill, and the penalty for each violation may not exceed \$1 million. Each day a violation continues is considered a separate violation for the purpose of penalty assessment.

The legislation further directs the PUC to require each provider of electric generation service to implement measures to prepare generation assets to provide adequate electric generation service during a weather emergency according to reliability standards adopted by the PUC. This requirement applies only to a municipally owned utility (MOU), electric cooperative, power generation company, or exempt wholesale generator that sells energy in the ERCOT power region. ERCOT must review, coordinate, and approve or deny requests by electric generation providers for a planned power outage during any season and for any period. The PUC must also require each electric cooperative, MOU, and transmission and distribution utility (TDU) providing transmission service in the power region to implement measures to prepare facilities to maintain service quality and reliability during a weather emergency according to standards adopted by the PUC.

The bill also requires an affected utility to ensure the emergency operation of its water system during an extended power outage at a minimum water pressure of 20 pounds per square inch, or at a water pressure level approved by TCEQ, as soon as safe and practicable following the occurrence of a natural disaster. An affected utility may adopt and enforce limitations on water use while the utility is providing emergency operations. In accordance with TCEQ rules, an emergency preparedness plan for a provider of potable water must provide for certain things, including the sharing of auxiliary generator capacity with one or more affected utilities, the use of portable generators capable of serving multiple facilities and on-site electrical generation or distributed generation facilities, the hardening the electric transmission and distribution system serving the water system, the designation of the water system as a critical load facility, and water storage capabilities. Each affected utility that supplies, provides, or conveys raw

surface water must include in its emergency preparedness plan provisions for demonstrating the capability of each raw water intake pump station, pump station, and pressure facility to provide raw water service to its wholesale customers during emergencies. This requirement does not apply to raw water services deemed unnecessary or otherwise subject to interruption or curtailment during emergencies under a contract.

The bill directs the PUC to submit a weather emergency preparedness report to the lieutenant governor, the House speaker, and the Legislature by September 30 of each even-numbered year, and it must include an analysis of emergency operations plans of retail electric providers in addition to power generation entities. The RCC is directed to submit a similar report addressing weatherization preparedness and emergency operations plans developed by operators of facilities that produce, treat, process, pressurize, store, or transport natural gas and are included on the electricity supply chain map.

The act establishes the Texas Energy Disaster Reliability Council in order to:

- Prevent extended natural gas supply failures or power outages and implement procedures to manage emergencies caused by disasters;
- Maintain records of critical infrastructure facilities to maintain service in a disaster;
- Coordinate the delivery of fuel to serve human needs natural gas customers and providers of electric generation service in a disaster;
- Monitor supply chains for the electric grid to minimize service disruptions; and
- Make recommendations on methods to maintain the reliability of the ERCOT grid during a disaster.

The six-member council consists of the presiding officer and the executive director of the PUC, the chairman and the executive director of the RRC, the CEO of the ERCOT organization, and the chief of TDEM, who also serves as the presiding officer, according to the bill. By November 1 of each even-numbered year, the council must submit a report to the legislature on the reliability and stability of the electric supply chain that included recommendations on methods to strengthen the supply chain and to decrease the frequency of extended power outages caused by a disaster.

The measure further requires:

- TDEM to create a list of suggested actions for state agencies and the public to prepare for winter storms, organized by severity of storm based on the National Weather Service Winter Storm Severity Index; and
- The Department of Public Safety (DPS), with the cooperation of the Texas Department of Transportation (TxDOT), TDEM, the Office of the Governor, and the PUC, to develop and implement an alert to be activated when the power supply in the state is inadequate to meet demand.

The PUC must also:

- Review the type, volume, and cost of ancillary services to determine whether those services continue to meet the needs of the electricity market in the ERCOT power region;
- Evaluate whether additional voluntary seasonal, month-ahead, or other forward products enhance reliability while providing adequate incentives for dispatchable generation; and

- Ensure that all generation resources, energy storage resources, and loads in the ERCOT power region are allowed to provide ancillary services on a voluntary basis and that the services are procured and costs recovered on an equitable and nondiscriminatory basis.

The ERCOT organization must require an owner or operator of distributed generation to register information necessary for the interconnection of the distributed generator with the organization and interconnecting TDU. This requirement does not apply to distributed generation serving a residential property. "Distributed generation" is defined as an electrical generating facility located at a customer's point of delivery, is connected at a voltage less than 60 kilovolts, and is connected in parallel operation to the utility system.

The PUC must adopt a system to allocate load shedding among entities providing transmission service in the power region during an involuntary load shedding event initiated by the ERCOT organization during an energy emergency. The system must provide for allocation of the load shedding obligation to each entity in different seasons based on historical seasonal peak demand in their service territory. The PUC must require electric cooperatives and MOUs providing transmission service to maintain lists of customers willing to voluntarily participate in load reduction and coordinate with municipalities, businesses, and customers that consumed large amounts of electricity to encourage voluntary load reduction. After each load shedding event, the PUC may conduct an examination of the implementation of load shedding, including whether each electric cooperative, MOU, and TDU complied with its plan filed with the PUC. The PUC and ERCOT must conduct simulated or tabletop load shedding exercises with providers of electric generation service and transmission and distribution service with at least one exercise conducted during a summer month and another during a winter month.

The measure requires the PUC and the RRC work together and each adopt rules to establish a process to designate certain natural gas facilities and entities associated with providing natural gas in this state as critical during an energy emergency. At a minimum, the PUC's rules must:

- Ensure that electric cooperatives, MOUs, TDUs, and the ERCOT organization are provided with critical customer designation and critical natural gas supply information;
- Provide for a prioritization for load-shed purposes of the designated entities and facilities during an energy emergency; and
- Provide discretion to electric cooperatives, MOUs, and TDUs to prioritize power delivery and restoration among the customers on their respective systems.

At a minimum, the RRC's rules must:

- Establish eligibility and designation requirements for persons under the jurisdiction of the RRC required to provide critical customer designation and critical natural gas supply information to electric cooperatives, MOUs, TDUs, and ERCOT;
- Require that only facilities and entities prepared to operate during a weather emergency may be designated as a critical customer; and
- Consider essential operational elements when defining critical customer designations and critical natural gas supply information.

An electric utility providing electric delivery service for a retail electric provider (REP) must provide to the REP information about:

- The electric utility's procedures for implementing involuntary load shedding initiated by the ERCOT organization;
- The types of customers considered critical care residential customers, critical load industrial customers, or critical load under the bill and the procedure for a customer to apply for such a designation; and
- Reducing electricity use at times when involuntary load shedding events may be implemented.

REPs must provide the above information periodically with bills sent to its retail customers, and MOUs and electric cooperatives must provide the same information periodically with bills sent to their retail customers.

The measure allows an REP to enroll a residential or small commercial customer in a wholesale indexed product only under certain circumstances, including if:

- The product caps the monthly average all-in price per kilowatt hour of electricity charged to the customer at a maximum of 200 percent more than the monthly average price of electricity during the same month for the prior year;
- The REP provides to each potential customer before enrollment and in each customer billing statement notice of the highest monthly average price for the next six months; and
- For service starting at the beginning of the next month, the REP allows the customer to switch without charge or penalty to a fixed rate product offered to other customers.

A "wholesale indexed product" is defined as a retail electric product in which the price a customer pays for electricity includes a direct pass-through of real-time settlement point prices determined by the ERCOT organization.

The bill further requires a retail public utility who must possess a certificate of public convenience and necessity or a district and affected county that furnished retail water or sewer utility service to defer collection of the full payment of bills that were due during an extreme weather emergency until after the emergency passes. The provider must work with customers to establish a pay schedule for deferred bills. The measure establishes a civil penalty if a gas utility disconnected natural gas service to a residential customer during an extreme weather emergency or failed to defer collection of the full payment of bills until the emergency was over.

Finally, the bill creates the State Energy Plan Advisory Committee, composed of 12 members appointed by the governor, lieutenant governor, and House speaker, to prepare a comprehensive plan that:

- Provides recommendations for removing barriers in the electricity and natural gas markets that prevent sound economic decisions;
- Provides recommendations for using methods to improve the reliability, stability, and affordability of electric service; and
- Evaluates the electricity market structure and pricing mechanisms used in the state, including the ancillary services market and emergency response services.

The state energy plan is due to the Legislature by September 1, 2022.

SB 2116 – Critical Infrastructure Restrictions

Sponsored by Sen. Campbell

Prohibits business or governmental entities from entering into contracts or other agreements relating to state critical infrastructure with certain foreign-owned companies.

Under the bill, “critical infrastructure” means a communication infrastructure system, cybersecurity system, electric grid, hazardous waste treatment system, or water treatment facility.

An entity is prohibited from contracting with a company if the company is headquartered in China, Iran, North Korea, Russia, or a designated country, or if the entity knew that the company was owned by or the majority of stock or other ownership interest of the company was primarily based in the aforementioned nations.

The measure also allows the governor, after consultation with the public safety director of the Department of Public Safety, to designate a country as a threat to critical infrastructure for purposes of the bill. The governor may consult the Homeland Security Council to assess a threat to critical infrastructure for purposes of making a designation.

SB 833 – Oil and Gas Producers Refund Claims

Sponsored by Sen. Campbell

Authorizes certain oil and gas producers who already file severance tax returns, but who do not hold sales tax permits, to file refund claims for overpaid sales and use taxes directly with the comptroller.

SB 1258 – Offset Well Drilling Requirements

Sponsored by Sen. Birdwell

Provides that an owner, lessee, or other agent in control of certain state land was not required to drill an offset well if the well producing oil and gas in commercial quantities was a horizontal drainhole well located in an unconventional fracture treated field, unless any take point in the horizontal drainhole well was located closer to the state land than the greater of:

- The minimum distance established by the applicable lease-line spacing requirement of the Railroad Commission; or
- A perpendicular distance of 330 feet.

SB 1260 – Provisions for Drill Cuttings

Sponsored by Sen. Birdwell

Amends the Natural Resources Code to expand the scope of provisions granting the state a first lien on a responsible person’s interest in hydrocarbons to also include interest in any drill cuttings stored at a site or facility that has ceased oil and gas operations and that the responsible person has failed to clean up by the applicable deadline.

The bill authorizes the Railroad Commission of Texas to dispose of abandoned stored drill cuttings by contracting with a person to treat the drill cuttings at the site or facility for a subsequent beneficial use and selling the treated drill cuttings at a public auction or a public or private sale.

SB 1582 – Liquefied Petroleum Gas Licensing Provisions

Sponsored by Sen. Hughes

Allows the Railroad Commission of Texas (RRC) to contract with a proctoring service to prepare, administer, and grade or review the mandatory examination required to hold a liquefied petroleum gas license in Texas.

The bill also removes the ability for a contracted testing service to administer the examination before remitting the nonrefundable fee to the RCC.

SB 1668 – Examination Waivers

Sponsored by Sen. Hughes

Allows the Railroad Commission of Texas to waive the instruction and examination requirements for petroleum gas cylinder license applicants who have completed training under guidelines established by the Propane Education and Research Council.

SR 190 – Texas Oil and Gas Association Commendation

Sponsored by Sen. Birdwell

Commends the members of the Texas Oil and Gas Association and all who have contributed to the state's thriving oil and natural gas industry and extends to them best wishes for a rewarding Virtual Texas Energy Day at the Capitol.

Carbon Capture & Related Technology

HB 1284 – Onshore and Offshore Carbon Capture Jurisdiction

Sponsored by Rep. Paddie

Establishes the jurisdiction of the Railroad Commission of Texas (RRC) over all onshore and offshore injection and geologic storage of anthropogenic carbon dioxide.

The bill repeals the jurisdiction of the Texas Commission on Environmental Quality (TCEQ) over the injection of carbon dioxide produced by clean coal projects and transfers TCEQ's jurisdiction over standards for offshore carbon dioxide storage to the RRC. It also repeals a provision formerly forcing RRC's jurisdiction over carbon dioxide injection into certain saline formations subject to the Legislature's review.

It further requires RRC to adopt rules for the collection and administration of funds received by the commission for the proper management of carbon dioxide injection wells or storage facilities. Such funds must be deposited in the anthropogenic carbon dioxide storage trust fund established under the Natural Resources Code. Penalties collected by the RRC related to offshore carbon dioxide storage must be deposited in the fund, and the measure specifies that the fund may be used to finance permitting related to anthropogenic carbon dioxide injection and storage in addition to other uses established by current statute.

Decarbonization

HB 2361 – Flaring Emissions Reduction Preference

Sponsored by Rep. Landgraf

Requires the Texas Commission on Environmental Quality to include projects the reduce flaring emissions and other site emissions among those to which it should give preference, and it permits lease costs as an allowable expense for a grant project concerning installation of emissions reducing equipment.

HB 4472 – Texas Emissions Reduction Program Funding Uses

Sponsored by Rep. Landgraf

Amends the Health and Safety Code to broaden use of Texas Emissions Reduction Program funds within the Texas Emissions Reduction Plan Fund (TERP Fund) by the Texas Commission on Environmental Quality (TCEQ) for air monitoring equipment operations, fee based contracts, the energy efficiency loan guarantee program, and for remitting to the State Highway Fund for use by the Texas Department of Transportation (TxDOT) on congestion mitigation and air quality improvement projects in nonattainment areas.

The bill requires TCEQ to remit to TxDOT for such projects at least 35 percent of the amount deposited to the credit of the TERP Fund.

Waste Management

SB 601 – Beneficial Uses of Fluid Oil and Gas Waste

Sponsored by Sen. Perry

Establishes the Texas Produced Water Consortium to gather information resources studying the economic, environmental, and public health considerations of beneficial uses of fluid oil and gas waste.

According to the legislation, the commission is a consortium consisting of Texas Tech University, the agency advisory council, the stakeholder advisory council, the technical and economic steering committee, and private entities.

U.S. VIRGIN ISLANDS

Fossil Energy

B. No. 33-0300 – Limit on Gas Station Licenses

Establishes a limitation on the licenses issued for gasoline stations to take effect in five years.

The bill also imposes a five-year, territory-wide moratorium on the issuance of business licenses for gasoline stations and exempts gasoline stations that are to be constructed on a site previously occupied by a gasoline station from the moratorium.

UTAH

Fossil Energy

SCR 8 – Natural Resources and Energy Production Resolution

Sponsored by Sen. Hinkins

Emphasizes the federal government's legal obligation to hold lease sales under the Mineral Leasing Act.

The resolution also seeks to remind the federal government that the Federal Land Policy and Management Act requires the Bureau of Land Management to manage public lands for multiple uses and values, including Utah's crude oil, coal, and natural gas production and export.

VIRGINIA

Fossil Energy

HB 1850 – Motor Vehicle Power Source Regulations

Sponsored by Del. Reid

Authorizes motor vehicles powered primarily by means of electric battery power to exceed relevant weight limits by 2,000 pounds, provided that such weight is on the power unit and such weight does not exceed 82,000 pounds on an interstate highway.

The measure also modifies the weight exemption for motor vehicles fueled primarily by natural gas on an interstate highway from the difference between the weight of the natural gas tank and fueling system and a comparable diesel tank and fueling system to up to an additional 2,000 pounds, provided that such weight is on the power unit and does not exceed 82,000 pounds.

HB 1855 – Department of Energy Reorganization

Sponsored by Del. Sullivan, Jr

Renames the Department of Mines, Minerals and Energy as the Department of Energy. Within the department, the bill renames the Division of Mined Land Reclamation as the Division of Mined Land Repurposing and renames the Division of Energy as the Division of Renewable Energy and Energy Efficiency.

The bill makes substantive changes, removing the requirement that the Chief of the Division of Mines be appointed by the Governor and authorizing an employee other than the Virginia Gas and Oil Inspector to serve as the principal executive of the staff of the Virginia Gas and Oil Board. The act also provides that the Governor appoints the Chief Clean Energy Policy Advisor.

HB 1899/SB 1252 – Coal Tax Credit Sunset

Sponsored by Del. Hudson/Sen. Pike

Sunsets the Coal Employment and Production Incentive Tax Credit and Coalfield Employment Enhancement Tax Credit after tax year 2021 and prohibits the allocation of such credits on and after January 1, 2022.

The bill provides that if Coal Employment and Production Incentive tax credits were earned prior to January 1, 2022, the credit holder may claim the credits in subsequent tax years pursuant to the applicable carryover requirements of current law, however, such credit holders are limited to claiming \$1 million in carryover credits per taxable year. The act directs the Department of Mines, Minerals and Energy to convene a stakeholder process to report by December 1, 2021, on recommendations for how the Commonwealth can provide economic transition support to the coalfield region.

HB 1925 – Virginia Brownfield and Coal Mine Renewable Energy Grant Fund and Program

Sponsored by Del. Kilgore

Establishes the Virginia Brownfield and Coal Mine Renewable Energy Grant Fund and Program.

The bill provides that no allocation of funds must be made to the fund or program unless federal funds are available to cover the cost of such allocation. The fund and program are to be administered by the Department of Mines,

Minerals and Energy (DMME) for the purpose of awarding grants to renewable energy projects that are located on brownfields or previously coal mined lands.

Grants are to be awarded on a basis of \$500 per kilowatt of nameplate capacity from renewable energy sources that are located on previously coal mined lands and \$100 per kilowatt of nameplate capacity from renewable energy sources that are located on brownfields, and no more than \$10 million must be awarded to any previously coal mined lands project and no more than \$5 million to any single brownfield project. No more than \$35 million must be allocated per year by the grant program. Of the \$35 million, \$20 million must be reserved for previously coal mined lands projects. If less than \$20 million is distributed to such projects, the remaining funds may be reallocated to brownfield projects.

The bill also requires the DMME, in consultation with the Department of Environmental Quality and stakeholders, to develop a handbook for renewable energy and energy storage development on brownfields and previously coal mined lands. Finally, the bill requires the DMME to submit an annual report regarding administration of the fund and program to the General Assembly.

HB 2293 – Local Gas Severance Tax Extension

Sponsored by Del. Morefield

Extends the sunset date from January 1, 2022, to January 1, 2024, for authority to impose an additional local gas severance tax that is dedicated to the local Coal and Gas Road Improvement Fund, the Virginia Coalfield Economic Development Fund, and water, sewer, and natural gas systems and lines.

SB 1265 – Land-Disturbing Activities Inspection

Sponsored by Sen. Deeds

Authorizes the Department of Environmental Quality to conduct inspections of the land-disturbing activities related to construction of any natural gas transmission pipeline equal to or greater than 24 inches inside diameter, rather than the previous 36 inches specified.

The bill also clarifies certain instances that may give rise to such inspection and authorizes the department to issue a stop work instruction for every work area in Virginia if substantial adverse impacts or likely adverse impacts are found on a repeated, frequent, and widespread basis.

SB 1284 – Commonwealth Clean Energy Policy

Sponsored by Sen. Favola

Establishes the Commonwealth Clean Energy Policy, replacing the Commonwealth Energy Policy.

The bill sets out the energy policy and objectives of the Commonwealth Clean Energy Policy, which include:

- Recognizing that effectively addressing climate change and enhancing resilience will advance the health, welfare, and safety of the residents of the Commonwealth and that addressing climate change requires reducing greenhouse gas emissions across the Commonwealth's economy sufficient to reach net-zero emission by 2045 in all sectors, including the electric power, transportation, industrial, agricultural, building, and infrastructure sectors;

- Recognizing the need to promote environmental justice and ensure that it is carried out throughout the Commonwealth and the need to address and prevent energy inequities in historically economically disadvantaged communities; and
- Continuing to prioritize economic competitiveness and workforce development in an equitable manner.

SB 1453 – Mines and Mining in the Virginia Energy Plan Revisions

Sponsored by Sen. Edwards

Creates proposed Title 45.2 (Mines, Minerals, and Energy) as a revision of existing Title 45.1 (Mines and Mining) and existing Title 67 (Virginia Energy Plan).

Proposed Title 45.2 consists of 21 chapters divided into five subtitles: Subtitle I (Administration), Subtitle II (Coal Mining), Subtitle III (Mineral Mines), Subtitle IV (Gas and Oil), and Subtitle V (Other Sources of Energy; Energy Policy).

The measure organizes the laws in a more logical manner, removes obsolete and duplicative provisions, and improves the structure and clarity of statutes pertaining to the administration of the Department of Mines, Minerals and Energy, underground and surface coal mining, underground and surface mineral mines, the Virginia Gas and Oil Act, energy from wind, solar, geothermal, and nuclear sources, and energy policy. The bill moves the remaining provisions of Title 67 that are not appropriate for inclusion in proposed Title 45.2 into other existing titles of the Code.

The bill has a delayed effective date of October 1, 2021, and is a recommendation of the Virginia Code Commission.

HB 2293 – Local Gas Severance Tax Extension

Sponsored by Del. Morefield

Extends the sunset date from January 1, 2022, to January 1, 2024, for authority to impose an additional local gas severance tax that is dedicated to the local Coal and Gas Road Improvement Fund, the Virginia Coalfield Economic Development Fund, and water, sewer, and natural gas systems and lines.

SB 1311 – Natural Gas Pipeline Provisions

Sponsored by Sen. McClellan

Requires an applicant for a natural gas transmission pipeline greater than 36 inches inside diameter to submit in the application a detailed erosion and sediment control plan and stormwater management plan subject to Department of Environmental Quality review and approval.

After receipt of such application, the bill directs the department to issue a request for information about how the erosion and sediment control plan and stormwater management plan will address activities in or related to upland areas and requires the applicant to respond. The bill further directs the department to consider such information in developing a draft certification or denial, and to take certain additional public notice steps.

The measure prohibits the department and the State Water Control Board from expressly waiving certification of a natural gas transmission pipeline of greater than 36 inches inside diameter the federal Clean Water Act and requires the department or board to act on any certification request within a reasonable period of time pursuant to federal law.

Carbon Capture & Related Technology

SB 1374 – Carbon Sequestration Task Force

Sponsored by Sen. Lewis, Jr.

Directs the Secretary of Natural Resources, jointly with the Secretary of Agriculture and Consumer Services, to convene a task force for the purpose of studying carbon sequestration in the Commonwealth and submit a report of its findings before the first day of the 2022 Session of the General Assembly.

The bill directs the task force to:

- Consider possible methods of increasing carbon sequestration within the natural environment through state land and marine resources use policies; agricultural, aquacultural, and silvicultural practices; and other practices to achieve restoration of natural resources and long-term conservation;
- Recommend short-term and long-term benchmarks for increasing carbon sequestration;
- Develop a standardized methodology to establish baseline carbon levels and account for increases in carbon sequestration over time;
- Identify existing carbon markets and considerations relevant to potential participation by the Commonwealth; and
- Identify other potential funding mechanisms to encourage carbon sequestration practices in the Commonwealth.

Decarbonization

SB 1282 – Greenhouse Gas Emissions Inventory

Sponsored by Sen. Morrissey

Directs the Department of Environmental Quality to conduct a statewide baseline and projection inventory of all greenhouse gas emissions and to update such inventory every four years.

The bill requires that the inventory be published and included in the annual report of the State Air Pollution Control Board, and it also authorizes the board to adopt regulations necessary to collect data needed to conduct, update, and maintain the inventory. The bill exempts proprietary information collected by the department is exempted from the mandatory disclosure requirements of the Virginia Freedom of Information Act, according to the legislation.

HB 1834/SB 1247 – Notice Requirements for Carbon-Emitting Power Plants

Sponsored by Del. Subramanyam/Sen. Deeds

Requires each owner of a large carbon-emitting power plant to provide notice to relevant localities and state agencies about the decision to close the plant within 30 days of making such decision.

The bill requires localities in which such facilities are located, and planning district commissions in such localities, to conduct public hearings regarding the impending closure within six months of receipt of such notice, and it requires the Division of Energy to maintain a public website listing the facilities subject to the requirements of the bill and their anticipated closure dates.

As part of an integrated resource plan, the measure requires each utility to submit a facility retirement study for its carbon-emitting facilities and disclose the study to relevant localities and state agencies.

HB 2001 – Electric Vehicle Charging Infrastructure Requirements

Sponsored by Del. Helmer

Requires that any executive branch agency or institution or locality entering the design phase for the construction of a new building greater than 5,000 gross square feet in size or the renovation of a building where the cost of the renovation exceeds 50 percent of the value of the building ensure that such building has sufficient electric vehicle charging infrastructure and has features that permit the agency or institution to track the building's energy efficiency and carbon emissions.

The bill authorizes the Director of the Department of General Services to grant exemptions to such standards, in writing and with certain terms. The bill requires agencies to annually report to the Governor the energy efficiency and carbon emissions metrics for each such building built or renovated. Localities are required to design such building projects according to the same or similar standards, or more stringent standards if adopted by ordinance. The act also requires that localities incorporate appropriate resilience and distributed energy features.

Finally, the measure requires that any exemption from the standards granted by resolution of the governing body of a locality be made in writing and explain the basis for granting the exemption. It contains a delayed enactment of July 1, 2023, with respect to the provisions related to any locality with a population of less than 100,000.

WASHINGTON

Decarbonization

HB 1091 – GHG Reduction via Transportation Fuel

Sponsored by Rep. Fitzgibbon

Directs the Department of Ecology to adopt rules establishing a Clean Fuels Program (CFP) to limit the aggregate, overall greenhouse gas (GHG) emissions per unit of transportation fuel energy to 20 percent below 2017 levels by 2038.

The measure makes the start of the program compliance obligations contingent upon the enactment of an additive transportation act and makes reductions in the carbon intensity of fuels beyond 10 percent below 2017 levels contingent upon the satisfaction of three other criteria.

It excludes exported fuel, fuel used by vessels, railroad locomotives, and aircraft, and certain other categories of transportation fuel from the CFP's GHG emission intensity reduction requirements.

The bill also requires the CFP to include processes for the registering, reporting, and tracking of compliance obligations and to establish bankable, tradeable credits used to satisfy compliance obligations, and it requires annual reporting by Ecology on the CFP, as well as an analysis of the program's first five years by the Joint Legislative Audit and Review Committee.

Finally, the act retains the current distribution of revenue under the 2015 transportation revenue package, eliminating changes that would have been triggered as a result of the establishment of a CFP and allows proposed small biofuel refinery siting or expansion to optionally receive site certification through the Energy Facility Site Evaluation Council process.

SB 5126 – Regarding Washington Climate Commitment Act

Sponsored by Sen. Carlyle

Establishes a cap and invest program for greenhouse gas emissions to be implemented by the Department of Ecology.

The measure also:

- Directs distribution of auction revenues for the Forward Flexible Account and for specified purposes including clean transportation, natural climate resiliency, clean energy transition and assistance, and energy efficiency projects;
- Requires an environmental justice review to ensure that the cap and invest program achieves reduction in criteria pollutants in overburdened communities highly impacted by air pollution;
- Convenes an Environmental Justice and Equity Advisory Panel to provide recommendations on the development and implementation of the cap and invest program; and
- Directs that compliance obligations for covered and opt-in entities will not take effect until a separate additive transportation funding act is enacted.

WEST VIRGINIA

Fossil Energy

HB 2581 – Real Estate and Personal Property Adjustments

Sponsored by Del. Graves

Enacts new measures generally relating to the valuation, assessment, review, and appellate rights of property owners regarding valuation, classification, and taxability of real estate and personal property taxation.

The bill directs the Tax Commissioner to, no later than July 1, 2021, propose emergency rules concerning the valuation of property producing oil, natural gas, natural gas liquids, or any combination thereof, and it provides a methodology to determine fair market value and net proceeds.

HR 18/SR 28 – Coal-fired Power Plants Importance

Sponsored by Del. Reynolds/Sen. Phillips

Recognizes the importance of coal-fired power plants and coal resources to the state's future.

HB 2667 – Cost Savings Program Creation

Sponsored by Del. Riley

Creates a cost saving program for state buildings regarding energy efficiency.

The measure requires energy-savings contracts to include provisions relating to energy cost savings guarantees and deficiency payments, and it provides for audit and potential removal of energy metering devices installed at state buildings.

The bill establishes an energy savings program and contracting program within Division of Energy and benchmarking and energy efficiency goals for state buildings, such that it reduces energy usage for electricity, natural gas, fuel oil, and steam in all state buildings under the care, custody, and control of the state by 25 percent below 2018 levels by 2030.

HB 2842 – Energy Service Choice

Sponsored by Del. Higginbotham

Forbids a municipality, political subdivision, or a local governing body from enacting any code, ordinance, or land use regulation that prohibits, has the effect of prohibiting, or regulates in any manner a public utility or department of public utilities from furnishing a utility service to a utility customer based on an energy source which is provided or used by a utility service.

The measure further forbids a municipality, political subdivision, or a local governing body from enacting any code, ordinance, or land use regulation that would prohibit or regulate a customer of a public utility or department of public utilities from purchasing, using, or connecting or reconnecting to a utility service based on the energy source provided or used by a utility service, and it further bans a municipality, political subdivision, or a local governing body from enacting any code, ordinance, or land use regulation that would prohibit or regulate a public utility or department of public utilities from utilizing vehicles, equipment, machinery, or tools, to provide utility services to a utility customer based on the energy source used by or powering those vehicles, equipment, machinery, or tools used by a utility service.

SB 404 – Office of Oil and Gas Permitting

Sponsored by Sen. Smith

Establishes an application fee of \$2,500 to modify an existing permit issued by the Department of Environmental Protection's Office of Oil and Gas and provides that the department secretary may allow and deny said modification applications and may create forms.

SB 542 – Aggregate Fuel Supply Requirements

Sponsored by Sen. Phillips

Requires all public electric utilities maintain a contract for a 30-day aggregate fuel supply for the remainder of the life of existing coal-fired plants and that public electric utilities provide advance notice of retirement, shutdown, or sale of electricity-generating units.

SB 641 – Coal Severance Tax Funds for Cleanup Program

Sponsored by Sen. Phillips

Allows for the use of coal severance tax funds in funding litter cleanup programs.

SB 677 – Mine Inspector Termination

Sponsored by Sen. Phillips

Authorizes the Director of the Office of Miners' Health, Safety, and Training to terminate tenured mine inspectors and provides for a hearing process related to a mine inspector's termination.

The bill also updates language regarding capacitors used for power correction, electrical work performed on low, medium, or high voltage circuits or equipment, and the use of gas-detecting devices.

SCR 55 – Atlantic Coast Pipeline Support

Sponsored by Sen. Karnes

Supports the Atlantic Coast Pipeline and the use of natural gas as a critical source of energy across the state.

SCR 202 – Coal Mine Reclamation Funding

Sponsored by Sen. Blair

Urges the federal government to allocate \$8 billion for coal mine reclamation funding to the state.

Decarbonization

HB 2382 – Rules Authorization

Sponsored by Del. Foster

Authorizes the Department of Environmental Protection to promulgate certain legislative rules.

Specifically, the bill authorizes the department to promulgate a legislative rule relating to:

- Ambient air quality standards;
- Standards of performance for new stationary sources;
- Control of air pollution from combustion of solid waste;
- Control of air pollution from municipal solid waste landfills;
- Acid rain provisions and permits;
- Emission standards for hazardous air pollutants;
- Control of greenhouse gas emissions from existing coal-fired electric utility generating units;
- Requirements governing water quality standards;
- Hazardous waste management systems; and
- Voluntary remediation and redevelopment rule.

HR 14/SR 35 – Clean Energy Recognition

Sponsored by Del. Hanshaw/Sen. Nelson

Recognizes the value of clean energy including abundant job opportunities, economic growth, energy independence, consumer choice, lower energy prices, and a cleaner environment and that clean energy, including generation from renewable sources such as wind, solar, and hydro power as well as nuclear, natural gas, and energy storage, plays an important role in West Virginia's diverse energy portfolio.

WISCONSIN

Fossil Energy

HB 27 – Consumer Advocacy Program

Sponsored by Rep. Kuglitsch

Requires investor-owned electric and natural gas public utilities to provide annual funding of up to \$900,000 to an independent nonpartisan consumer advocate, the Citizens Utility Board (CUB).

CUB must use the funding to represent and protect the interests of Wisconsin residential, small commercial, and small industrial energy customers in proceedings before the Commission. The funding cannot be used for lobbying activities or for participation in Commission proceedings that only involve municipal utilities. On an annual basis, CUB must submit for Commission approval a budget, consistent with its statutory funding purpose, for reasonable operating costs, including salaries, benefits, overhead and the maintenance of an operating reserve. Energy utilities are required to pay their proportionate share (based on the number of residential, small commercial, and small industrial meters) of the approved budget directly to CUB.

WYOMING

Fossil Energy

HB 189 – Severance Tax Exemptions on Natural Gas Consumed On-site

Sponsored by Rep. Burkhart, et al.

Declares that natural gas consumed on the site where it is produced and would have otherwise been vented or flared under the authority of the Wyoming oil and gas conservation commission has no value and is exempt from taxation as long as the natural gas is certified by the Wyoming Oil and Gas Conservation Commission as to have originated from a qualifying well.

HB 207 – Coal Fired Generation Facility Closures-Litigation Funding

Sponsored by Reps. Andrew, et al.

Appropriates \$1.2 million from the general fund to the Attorney General for purposes of pursuing litigation against other states (and other states' agencies) that enact and enforce laws that impermissibly impede Wyoming's ability to export coal or that cause the early retirement of coal-fired electric generation facilities.

The act requires the Attorney General to report annually until 2030 to the Joint Minerals, Business and Economic Development Interim Committee on the expenditure of any of the appropriated funds for litigation and the status of any litigation initiated or concluded using the appropriated funds and any recommendations for further legislation or funding that may be necessary.

Finally, the measure makes various legislative findings that note the importance and economic impact of coal in Wyoming and in the United States, the disproportionate impact other states' laws have had on Wyoming coal, and the need to consider litigation to protect Wyoming's economic interests.

ABOUT US

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. 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.

SSEB was created by state law and consented to by Congress with a broad mandate to contribute to the economic and community well-being of the southern region. The Board exercises this mandate through the creation of programs in the fields of energy and environmental policy research, development and implementation, science and technology exploration, and related areas of concern. SSEB serves its members directly by providing timely assistance designed to develop effective energy and environmental policies and programs and represents its members before governmental agencies at all levels.

OUR GOALS

- *Perform essential services that provide direct scientific and technical assistance to state and territorial governments;*
- *Develop, promote, and recommend policies and programs on energy, environment, and economic development that encourage sustainable growth;*
- *Provide technical assistance to executive and legislative policy-makers and the private sector in order to achieve synthesis of energy, environment, and economic issues that ensure energy security and supply;*
- *Facilitate the implementation of energy and environmental policies between federal, state, territory, and local governments and the private sector;*
- *Sustain business development throughout the region by eliminating barriers to the use of efficient energy and environmental technologies; and*
- *Support improved energy efficient technologies that contribute to a clean global environment while protecting indigenous natural resources for future generations.*





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