

THE HOUSE OF REPRESENTATIVES
Thursday, April 10, 2008

Committee Substitute for
ENGROSSED
Senate Bill No. 1451

COMMITTEE SUBSTITUTE FOR ENGROSSED SENATE BILL NO. 1451 - By:
BALLENGER AND RICE of the Senate and RICHARDSON AND BROWN of the House.

An Act relating to environment and natural resources; creating the Oklahoma Energy Efficiency and Emission Reduction Program; stating purpose of the Program; stating legislative findings; specifying use of funds for matching grants; limiting amount of grants to certain percentage of project costs; directing the Department of Environmental Quality to enter into a contract or memorandum of agreement with grantees; specifying certain conditions and safeguards; requiring grant recipients to make certain reports and notice; requiring the Department to make certain determination; limiting award to a single entity; limiting administrative and technical assistance costs; directing the Department to issue an annual report; specifying contents of the report; amending 27A O.S. 2001, Section 2-8-202, which relates to the Central Interstate Low-Level Radioactive Waste Compact Commission; clarifying statutory language; authorizing the Department of Environmental Quality to use available funds to pay certain annual fees to the Commission; providing for codification; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

- 1 SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma
- 2 Statutes as Section 2-3-109 of Title 27A, unless there is created a duplication in
- 3 numbering, reads as follows:
- 4 A. There is hereby created the “Oklahoma Energy Efficiency and Emission
- 5 Reduction Program”, to be administered by the Department of Environmental Quality.

1 The purpose of the Oklahoma Energy Efficiency and Emission Reduction Program is to
2 fund activities and projects designed to reduce regional air pollution.

3 B. The Oklahoma Legislature finds that any activity or project that reduces
4 regional air pollution is desirable and advantageous and serves a compelling public
5 interest. Further, improved air quality enhances the health and quality of life for the
6 citizens of Oklahoma, helps maintain the abundant natural beauty and resources of the
7 state, and fosters the economic well-being of the state by reducing the potential that the
8 federal government will designate some or all of the state as in air-quality
9 “nonattainment” status, resulting in extremely burdensome additional regulatory
10 requirements.

11 C. 1. Any funds made available for the Oklahoma Energy Efficiency and Emission
12 Reduction Program shall be used by the Department for matching grants to
13 governmental and nongovernmental entities in Oklahoma to encourage the
14 implementation of recognized air pollution reduction measures, including, but not limited
15 to, the retrofitting of truck and bus fleets or locomotives to use cleaner fuels and the
16 installation and implementation of energy efficiency measures.

17 2. Grants awarded under the Program shall be limited to ninety-five percent (95%)
18 of the direct project costs in the case of governmental entities and seventy-five percent
19 (75%) of the direct project costs in the case of nongovernmental entities.

20 3. In making grant awards, the Department shall enter into a contract or
21 memorandum of agreement with the grantee that includes conditions and safeguards to
22 ensure that the matching funds are expended for the purposes specified and that the

1 state receives a clear benefit from the expenditure. In addition to any other conditions
2 and safeguards deemed necessary and appropriate:

- 3 a. the Department shall require grant recipients to submit a report
4 within a reasonable time after construction, installation, or
5 implementation of the project that summarizes the results, including
6 emissions reductions achieved and “lessons learned”. Information from
7 the reports may be used by the Department in evaluation of future
8 grant applications or proposals for the Oklahoma Energy Efficiency
9 and Emission Reduction Program or any similar grant program and to
10 determine the viability of other projects or programs that may be
11 proposed to control or reduce air pollution in the state, and
- 12 b. to secure the maximum possible benefit by increasing awareness of the
13 Oklahoma Energy Efficiency and Emission Reduction Program, the
14 Department may require any grant recipient to post notice in a
15 conspicuous place of participation in the Program and the nature of the
16 funded project.

17 4. Before making any grants, the Department shall determine to its satisfaction
18 that the proposed project will significantly reduce air pollution within the state. The
19 Department is authorized to set a deadline for grant applications, and if the total grant
20 funding sought exceeds the amount available under the Program, the Department shall
21 give priority to those projects that appear to achieve the maximum public health benefit
22 for citizens of the state.

1 5. Not more than twenty-five percent (25%) of the total sum available for grants
2 under the Program shall be awarded to any single entity. Application of this limit shall
3 not preclude participation by the recipient in any similar grant program in the future.

4 D. If funds are appropriated by the Legislature for the Oklahoma Energy Efficiency
5 and Emission Reduction Program, not more than One Hundred Thousand Dollars
6 (\$100,000.00) annually of the funds shall be used by the Department for personnel and
7 other costs associated with administration and management of the Program, and for
8 providing technical assistance to entities applying for and participating in the Program.

9 E. On or before September 1, 2009, and by September 1 each year thereafter, the
10 Department shall submit to the Governor, the Speaker of the House of Representatives,
11 and the President Pro Tempore of the Senate a report on the Oklahoma Energy
12 Efficiency and Emission Reduction Program. The report shall outline program
13 expenditures, estimate emission reductions achieved, and health or environmental
14 benefits associated with those reductions for the previous fiscal year, and any other
15 information the Department determines is necessary to aid the Governor and Legislature
16 in evaluating the Program.

17 SECTION 2. AMENDATORY 27A O.S. 2001, Section 2-8-202, is amended to
18 read as follows:

19 Section 2-8-202. A. The Environmental Quality Board, with the assistance of the
20 Radiation Management Advisory Council, shall promulgate, in accordance with the
21 Administrative Procedures Act, for the purpose of the compact, rules for the generating,

1 storing, packaging and transporting of low-level radioactive waste generated within
2 Oklahoma and the packaging and transporting of such waste passing through this state.

3 B. The Board rules shall be consistent with and may incorporate such standards of
4 the U.S. Nuclear Regulatory Commission and of the U.S. Department of Transportation
5 by reference. The Department of Environmental Quality shall administer and enforce
6 the provisions of the Central Interstate Low-Level Radioactive Waste Compact and the
7 rules of the Board.

8 C. The annual fees of the State of Oklahoma due the Central Interstate Low-Level
9 Radioactive Waste Compact Commission shall be apportioned among those generators
10 disposing of low-level radioactive waste as determined by the Central Interstate Low-
11 Level Radioactive Waste Compact Commission unless the Department determines to use
12 other funds available to it for that purpose.

13 SECTION 3. This act shall become effective July 1, 2008.

14 SECTION 4. It being immediately necessary for the preservation of the public
15 peace, health and safety, an emergency is hereby declared to exist, by reason whereof
16 this act shall take effect and be in full force from and after its passage and approval.

17 COMMITTEE REPORT BY: COMMITTEE ON NATURAL RESOURCES, dated 04-09-
18 08 - DO PASS, As Amended and Coauthored.