

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1241

By: Ivester

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5  
6 AS INTRODUCED

7 An Act relating to energy; amending 17 O.S. 2011,  
8 Sections 801.1, 801.2, 801.4, 801.5 and 801.6, which  
9 relate to the Oklahoma Energy Security Act; amending  
10 name of act; clarifying goal; stating requirements  
11 for use of renewable energy sources and natural gas  
12 by certain date; setting dates for certain  
13 requirements; modifying purpose for requirements;  
14 modifying certain percentage amounts; stating public  
15 interest for promoting certain transmission grid;  
16 requiring Corporation Commission to develop  
17 transmission expansion plan by certain date; stating  
18 public interest to promote compressed natural gas  
19 fueling stations; stating intent; stating goal by  
20 certain date; requiring public bidding; stating  
21 construction; providing for codification; and  
22 providing an effective date.

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

24 SECTION 1. AMENDATORY 17 O.S. 2011, Section 801.1, is  
amended to read as follows:

Section 801.1. This act shall be known and may be cited as the  
"Oklahoma Energy Security Act II".

SECTION 2. AMENDATORY 17 O.S. 2011, Section 801.2, is  
amended to read as follows:

1 Section 801.2. It is the goal of the State of Oklahoma to  
2 reduce the dependence of Oklahoma and the United States on foreign  
3 oil, use of electric generation fuel resources not located in or  
4 produced from this state, to improve the security of the United  
5 States in the world, minimize the use and contamination of water  
6 resources in electricity production in this state, and to improve  
7 the health and economic well-being of the citizens of Oklahoma. The  
8 Legislature hereby expresses its intent to take steps to increase  
9 the energy independence of the United States by increasing the use  
10 of domestic energy and renewable energy sources in Oklahoma, expand  
11 development of domestic energy and renewable energy production and  
12 increase the ability to export Oklahoma's domestic energy and  
13 renewable energy resources to the rest of the United States.

14 SECTION 3. AMENDATORY 17 O.S. 2011, Section 801.4, is  
15 amended to read as follows:

16 Section 801.4. A. The Legislature declares that it is in the  
17 public interest to promote renewable energy development in order to  
18 best utilize the abundant natural resources found in this state.

19 B. It is hereby declared the intent of the State of Oklahoma to  
20 increase the use of renewable energy in ~~the~~ this state by setting a  
21 renewable energy standard that will serve as a ~~goal~~ requirement to  
22 be reached by the year ~~2015~~ 2020.

23 C. There is hereby established a renewable energy standard for  
24 ~~the~~ this state that will serve as a ~~goal~~ requirement for the year

1 ~~2015~~ 2020. The renewable energy standard shall be a goal that  
2 ~~fifteen percent (15%)~~ thirty percent (30%) of all installed capacity  
3 of electricity generation within ~~the~~ this state by the year ~~2015~~  
4 ~~generated from~~ 2020 will use renewable energy sources as the fuel  
5 source, which will increase the use of renewable energy sources in  
6 electricity generation. The renewable energy standard requirement  
7 will be incrementally achieved with fifteen percent (15%) of  
8 installed capacity to be installed by the end of 2014, twenty  
9 percent (20%) by the end of 2016, twenty-five percent (25%) by the  
10 end of 2018 and thirty percent (30%) by the end of 2020.

11 D. For purposes of this section, qualifying renewable energy  
12 resources shall include:

- 13 1. Wind;
- 14 2. Solar;
- 15 3. Photovoltaic;
- 16 4. Hydropower;
- 17 5. Hydrogen;
- 18 6. Geothermal;
- 19 7. Biomass, which projects may include agricultural crops,  
20 wastes, and residues, wood, animal and other degradable organic  
21 wastes, municipal solid waste, and landfill gas;
- 22 8. Distributed generation from an eligible renewable energy  
23 resource where the generating facility or any integrated cluster of  
24

1 such facilities has an installed generating capacity of not more  
2 than five (5) megawatts;

3 9. Other renewable sources approved by the Commission; and

4 10. Demand side management and energy efficiency as provided in  
5 ~~Section 6 of this act~~ 801.6 of this title.

6 E. The annual renewable energy percentage shall be determined  
7 by dividing all installed capacity of renewable electricity  
8 generation in Oklahoma by the total installed capacity of all  
9 electricity generation in Oklahoma. Every electricity generating  
10 entity or company operating electricity generation facilities in  
11 Oklahoma shall report to the Commission by March 1 each year the  
12 installed capacity of each of its generating facilities, the number  
13 of kilowatt hours generated by each facility in Oklahoma and from  
14 which source of energy the electricity was produced.

15 SECTION 4. AMENDATORY 17 O.S. 2011, Section 801.5, is  
16 amended to read as follows:

17 Section 801.5. A. The Legislature declares that it is in the  
18 public interest to promote natural gas energy development in order  
19 to take advantage of our state's vast natural gas resources and its  
20 compatibility with wind energy.

21 B. It is further declared the intent of the Legislature to  
22 promote natural gas energy development in this state by establishing  
23 a natural gas energy standard ~~to~~ requirement that sixty-five percent  
24 (65%) of all electricity generation within the state will utilize

1 natural gas as the fuel source by the end of the year 2020, which  
2 will increase the use of natural gas as an electricity generation  
3 fuel. The natural gas standard requirement will be incrementally  
4 achieved with fifty percent (50%) of electricity resources needed  
5 provided by natural gas fired generation by the end of 2014, fifty-  
6 five percent (55%) by the end of 2016, sixty percent (60%) by the  
7 end of 2018 and sixty-five percent (65%) by the end of 2020.

8 C. There is hereby established a natural gas energy standard  
9 requirement to supplement the increased volume of renewable energy  
10 and, to capitalize on the state's abundant natural gas resources,  
11 and protect and promote the health of the citizens of Oklahoma. The  
12 natural gas energy standard shall be achieved by declaring natural  
13 gas as the preferred choice of electric generation for new fossil  
14 fuel generating facilities in this state after ~~the effective date of~~  
15 ~~this act~~ November 1, 2010 through January 1, 2020.

16 D. Beginning January 1, 2011, through January 1, 2020, it is  
17 the intent of ~~the~~ this state that new fossil fuel generating  
18 facilities and added capacity to existing fossil fuel generating  
19 facilities built in this state be powered by natural gas. Any  
20 electricity generating entity in ~~the~~ this state choosing a fossil  
21 fuel source other than natural gas may provide evidence to the  
22 Corporation Commission, or other appropriate regulatory body of  
23 those entities not regulated by the Commission, that the fossil fuel

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1 source chosen by such entity is in the best interest of this state's  
2 electric consumers.

3 SECTION 5. AMENDATORY 17 O.S. 2011, Section 801.6, is  
4 amended to read as follows:

5 Section 801.6. Energy efficiency and demand side management are  
6 important components to maximizing the energy resources of our  
7 state. Therefore, every electricity generating entity in Oklahoma  
8 may use energy efficiency and demand side management measures to  
9 assist ~~the~~ this state in meeting its renewable energy standard.  
10 Provided, however, that demand side management may not be used to  
11 meet more than ~~twenty five percent (25%)~~ twelve and one-half percent  
12 (12.5%) of the overall ~~fifteen percent (15%)~~ thirty percent (30%)  
13 renewable energy standard for ~~the~~ this state. Energy conservation  
14 measures shall be described and quantified to the Corporation  
15 Commission on March 1 annually. The Commission shall make the final  
16 determination of the amount of generation capacity the electricity  
17 generating entity conserved and determine to what degree that will  
18 count toward meeting the renewable energy standard for ~~the~~ this  
19 state.

20 SECTION 6. NEW LAW A new section of law to be codified  
21 in the Oklahoma Statutes as Section 287 of Title 17, unless there is  
22 created a duplication in numbering, reads as follows:

23 A. The Legislature declares that it is in the public interest  
24 to promote the development of a robust transmission grid to

1 facilitate delivery of renewable energy and improve reliability of  
2 the electric transmission system. It is further in the public  
3 interest, in cooperation with electricity transmission entities and  
4 the Southwest Power Pool, to promote wind-energy development in this  
5 state to the extent that the renewable energy generated from wind  
6 can be utilized in every part of this state and exported to other  
7 states.

8 B. The Legislature and the Corporation Commission shall work  
9 with the Southwest Power Pool to develop a plan to expand  
10 transmission capacity in this state and monitor the construction of  
11 new transmission facilities in this state through the year 2020.  
12 The Commission shall report on the progress in expanding  
13 transmission capacity by January 1, 2014, and January 1, 2017, with  
14 a final report issued by January 1, 2020.

15 SECTION 7. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 78f of Title 74, unless there is  
17 created a duplication in numbering, reads as follows:

18 A. The Legislature declares that it is in the public interest  
19 to promote public access to compressed natural gas (CNG) fueling  
20 stations in this state.

21 B. It is the intent of the Legislature to increase the number  
22 of public access CNG fueling stations located along the interstate  
23 highway system in this state.

24

1 C. It shall be the goal to have at least one public CNG fueling  
2 station located approximately every one hundred (100) miles along  
3 the entire interstate highway system in this state by the year 2015.  
4 The goal shall increase to at least one public CNG fueling station  
5 approximately every fifty (50) miles by the year 2025.

6 D. The Department of Central Services through the Fleet  
7 Management Division may take steps to meet the goal set forth in  
8 this section by cooperating with or entering into partnership  
9 agreements with private entities to construct the necessary CNG  
10 fueling stations for use by the public, state agencies and political  
11 subdivisions of the state. Any agreement to construct a CNG fueling  
12 station pursuant to this section shall be subject to the public  
13 bidding requirements as set forth in The Oklahoma Central Purchasing  
14 Act.

15 SECTION 8. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 801.7 of Title 17, unless there  
17 is created a duplication in numbering, reads as follows:

18 Nothing in the Oklahoma Energy Security Act shall be construed  
19 to impair the authority of the Corporation Commission to ensure  
20 reasonable rates for consumers.

21 SECTION 9. This act shall become effective November 1, 2012.

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