

STATE OF OKLAHOMA

2nd Session of the 52nd Legislature (2010)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 3028

By: Bengé

COMMITTEE SUBSTITUTE

An Act relating to energy; creating the Oklahoma Energy Security Act; stating certain goals; expressing legislative intent; declaring legislative intent to promote and increase renewable energy; establishing a renewable energy standard for the state by a certain date; providing definitions; providing for calculation of the amount of installed capacity of renewable energy generated in the state; declaring legislative intent to promote and increase natural gas energy development; establishing a natural gas energy standard; stating intent that new fossil fuel generation facilities use natural gas; requiring certain evidence to be presented; authorizing generation entities to use energy conservation measures; requiring conservation measures to be quantified annually; directing the Corporation Commission to make certain determination; stating legislative intent to promote and improve wind-energy development; establishing state goal to increase transmission capacity to meet the state renewal energy goal; requiring the Commission to develop plans and issue certain reports; stating legislative intent to increase the number of public access compressed natural gas fueling stations in the state; establishing a state goal to provide public access to compressed natural gas fueling stations; authorizing the Department of Central Services to enter into certain partnerships; requiring agreements to be subject to certain requirements; providing for codification; providing for noncodification; and providing an effective date.

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

2 SECTION 1. NEW LAW A new section of law not to be
3 codified in the Oklahoma Statutes reads as follows:

4 This act shall be known and may be cited as the "Oklahoma Energy
5 Security Act".

6 SECTION 2. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 801 of Title 17, unless there is
8 created a duplication in numbering, reads as follows:

9 It is hereby stated that the goal of the State of Oklahoma is to
10 reduce the dependence of Oklahoma and the United States on foreign
11 oil, to improve the security of the United States in the world and
12 to improve the economic well-being of the citizens of Oklahoma. The
13 Legislature hereby expresses its intent to take steps to increase
14 the energy independence of the United States by increasing the use
15 of domestic energy and renewable energy sources in Oklahoma. It is
16 further the goal of the State of Oklahoma to continue to expand
17 development of domestic energy and renewable energy production in
18 the state and increase the ability to export the domestic energy and
19 renewable energy produced in the state to the rest of the United
20 States.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 802 of Title 17, unless there is
23 created a duplication in numbering, reads as follows:

24

1 A. The Legislature declares that it is in the interest of
2 Oklahoma to promote renewable energy development in the state in
3 order to best utilize the abundant natural resources in the state.

4 B. It is hereby declared the intent of the State of Oklahoma to
5 increase the use of renewable energy in the state by setting a
6 renewable energy standard that will serve as a goal to be reached by
7 the year 2015.

8 C. There is hereby established a renewable energy standard for
9 the state that will serve as a goal for the year 2015. The
10 renewable energy standard shall be that fifteen percent (15%) of all
11 installed capacity of electricity generated within the state by the
12 year 2015 be generated from renewable energy sources.

13 D. For purposes of this section qualifying renewable energy
14 resources shall include:

- 15 1. Wind;
- 16 2. Solar;
- 17 3. Photovoltaic;
- 18 4. Hydropower;
- 19 5. Hydrogen;
- 20 6. Geothermal;
- 21 7. Biomass, which projects may include agricultural crops,
22 wastes, and residues, wood, animal and other degradable organic
23 wastes, municipal solid waste, and landfill gas; and

1 8. Other renewable sources approved by the Oklahoma Corporation
2 Commission.

3 E. The annual renewable energy percentage shall be determined
4 by dividing all installed capacity of renewable electricity
5 generated in Oklahoma by the total installed capacity of all
6 electricity generated in Oklahoma. Every electricity-generating
7 entity or company in Oklahoma shall report to the Commission by
8 March 1 each year the amount of renewable capacity installed and the
9 number of kilowatt hours generated in Oklahoma and from which source
10 of energy the electricity was produced.

11 SECTION 4. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 803 of Title 17, unless there is
13 created a duplication in numbering, reads as follows:

14 A. The Legislature declares that it is in the interest of
15 Oklahoma to promote natural gas energy development in the state in
16 order to take advantage of our vast natural gas resources and its
17 natural compatibility as with wind energy.

18 B. It is hereby declared the intent of the State of Oklahoma to
19 promote natural gas energy development in the state by setting a
20 natural gas energy standard that will serve to increase the use of
21 natural gas as an electricity-generation fuel.

22 C. There is hereby established a natural gas energy standard to
23 supplement the increased volume of renewable energy and to
24 capitalize on the state's abundant natural gas resources. The

1 natural gas energy standard shall be achieved by declaring natural
2 gas as the preferred choice of electric generation for fossil fuel
3 generating facilities in this state after the effective date of this
4 act through January 1, 2020.

5 D. Beginning January 1, 2011, through January 1, 2020, it is
6 the intent of the state that new fossil fuel generation facilities
7 built or expanded in this state be powered by natural gas. Any
8 electricity-generating entity in the state choosing a fossil fuel
9 source other than natural gas may provide evidence to the Oklahoma
10 Corporation Commission or other similar appropriate regulatory body
11 that the fossil fuel source is in the best interest of the Oklahoma
12 electric consumers.

13 SECTION 5. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 804 of Title 17, unless there is
15 created a duplication in numbering, reads as follows:

16 The State of Oklahoma recognizes that energy efficiency and
17 demand-side management are important components to maximizing our
18 energy resources. Therefore, every electricity-generating entity in
19 Oklahoma may use energy conservation measures to assist the state in
20 meeting its renewable energy standard. Such energy conservation
21 measures shall be described and quantified to the Corporation
22 Commission on March 1 annually. The Corporation Commission shall
23 make the final determination of the amount of kilowatts per hour the
24 electricity-generating entity saved and determine to what degree

1 that will account toward meeting the renewable energy standard for
2 the state.

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

6 A. The Legislature declares that it is in the interest of
7 Oklahoma to promote the development of a robust transmission grid to
8 facilitate delivery of renewable energy and improve reliability. It
9 is also in the public interest of Oklahoma, in cooperation with
10 electricity transmission entities and the Southwest Power Pool, to
11 promote wind-energy development in the state to the extent that the
12 renewable energy generated from wind can be utilized in every part
13 of the state and can be exported to other states.

14 B. It is hereby declared the intent of the State of Oklahoma to
15 promote wind-energy development by increasing the capability of
16 transmitting the electricity generated by wind across the state and
17 to other states.

18 C. There is hereby established a state goal to increase
19 electricity transmission capacity so that the renewable energy goal
20 of fifteen percent (15%) can be reached by the year 2015. The state
21 and the Corporation Commission shall work with the Southwest Power
22 Pool to develop plans to expand transmission capacity in the state
23 and shall monitor the construction of new transmission facilities in
24 the state until the year 2020. The Commission shall report on the

1 progress in expanding transmission capacity by January 1, 2014, and
2 January 1, 2017, with a final report issued by January 1, 2020.

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

6 A. The Legislature declares that it is in the interest of
7 Oklahoma to promote public access to compressed natural gas (CNG)
8 fueling stations in the state.

9 B. It is hereby declared the intent of the State of Oklahoma to
10 increase the number of public access CNG fueling stations located
11 along the interstate highway system in the state.

12 C. There is hereby established a state goal to have at least
13 one public CNG fueling station located approximately every one
14 hundred (100) miles along the entire interstate highway system in
15 the state by the year 2015. The state goal shall increase to at
16 least one public CNG fueling station approximately every fifty (50)
17 miles by the year 2025.

18 D. The Department of Central Services through the Fleet
19 Management Division may take steps to meet the state goal set forth
20 in this section by cooperating with or entering into partnership
21 agreements with private entities to construct the necessary CNG
22 fueling stations for use by the public, state agencies and political
23 subdivisions of the state. Any agreement to construct a CNG fueling
24 station pursuant to this section shall be subject to the public

bidding requirements as set forth in the Oklahoma Central Purchasing
Act.

SECTION 8. This act shall become effective November 1, 2010.

52-2-9858 KB 02/17/10