

Southwest Energy Efficiency Project

2014 LEGISLATIVE ACTIVITY



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About SWEEP: The Southwest Energy Efficiency Project is a public interest organization dedicated to advancing energy efficiency in Arizona, Colorado, Nevada, New Mexico, Utah and Wyoming. For more information, visit www.swenergy.org.

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2014 LEGISLATIVE ACTIVITY SUMMARY

In the Southwest region, the state legislatures in Arizona, Colorado, New Mexico and Utah met during the first and second quarter of 2014. The Southwest Energy Efficiency Project (SWEET) actively engaged in each session to advance energy efficiency through sound and effective legislation. These efforts included researching and writing bill language, building coalitions, and testifying at committee hearings to advocate for the passage of energy efficiency legislation and, when necessary, opposing legislation that would hinder energy efficiency efforts.

Support for energy efficiency in the Southwest continues to grow as SWEET actively supported a total of 15 energy efficiency bills, of which 9 were signed into law. SWEET actively opposed two bills; both were ultimately defeated.

Significant milestones for energy efficiency in our region include the following:

- Colorado adopted five policies that will help advance energy efficiency in transportation. Adopted policies supported by SWEET include: authorizing state funding for Safe Routes to School program (HB 14-1301); creating tax incentives for alternative fuel trucks (HB 14-1326); expanding electric vehicle charging station grants; (SB 14-028); creating a regulatory framework for companies that coordinate ridesharing services (SB14-125); and increasing transparency in the High Performance Transportation Enterprise (SB 14-197).
- Utah adopted four policies that will help accelerate the adoption of electric vehicles in the Utah by making EVs more affordable and convenient. Two of the bills, HB 19 and HB 74, were top priorities for SWEET. HB 19 clarifies that businesses, governments, and other entities that want to re-sell electricity through electric vehicle charging stations are not regulated as a “public utility” or “electrical corporation” in Utah, thus encouraging more electric vehicle charging stations to be installed throughout the state. HB 74 (First Substitute) reauthorizes Utah’s clean fuel vehicle tax credit and increases the tax credit for electric vehicles and plug-in hybrid electric vehicles.

Although some legislative proposals that SWEET advocated in Colorado, New Mexico and Utah were not adopted, SWEET continues to work on advancing these policies in preparation for 2015 legislative sessions.

Details on SWEET’s 2014 legislative efforts, along with information on the outcome of energy efficiency bills all five states, are described below.

ARIZONA

SB 1227	Municipalities; counties; energy efficient codes	Oppose	Did not pass
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SB 1227: municipalities; counties; energy efficient codes

Sponsor: Senator Crandell

Bill Summary: SWEEP opposed this bill, which would have made it illegal for municipalities and their elected officials to adopt building energy codes that deliver cost-savings for constituents and make housing more affordable.

Bill Activity: SB 1227 passed out of the Senate Government and Environment Committee but was held awaiting third reading in the Senate.

For additional information regarding these bills, visit the website of the Arizona State Legislature, at <http://www.azleg.gov/>.

COLORADO

HB 14-1259	General Fund Transfer to State Highway Fund	Oppose	Did not pass
HB 14-1301	State Funding for Safe Routes To School Program	Support	PASSED
HB 14-1326	Tax Incentives for Alternative Fuel Trucks	Support	PASSED
SB 14-028	Expanded Electric Vehicle Charging Station Grants	Support	PASSED
SB 14-125	Transportation Network Companies Regulation	Support	PASSED
SB 14-197	Transparency in the High Performance Transportation Enterprise	Support	PASSED
SB 14-200	Alternative Fuel Vehicles in HOV lanes	Support	Did not pass

HB 14-1259: General Fund Transfer to State Highway Fund

Sponsor: Representative DelGrosso

Bill Summary: This bill would have transferred \$100 million from the General Fund to the Department of Transportation. As written, the bill specified that the funds could only be used for highways, and could not be used for transit or bicycle and pedestrian infrastructure. SWEEP opposed the bill unless amended to direct a significant portion of the funds to multimodal purposes.

Bill Activity: HB 14-1259 was amended by the House Committee on Transportation and Energy but died in Appropriations.

HB 14-1301: State Funding for Safe Routes to School Program

Sponsors: Representative Bush and Senator Kerr

Bill Summary: SWEEP supported this bill, which appropriates \$3 million per year from the General Fund to be transferred to the Department of Transportation to fund Safe Routes to School. HB 14-1301 replaces federal funding that was eliminated in the MAP-21 federal transportation reauthorization, and allows the program to continue. Safe Routes invests in both infrastructure and programs to encourage children to walk and bike to school. In addition to the direct benefits for children, these programs help to create more pedestrian and bicycle friendly communities, which are important to reducing vehicles miles traveled.

Bill Activity: HB 14-1301 was amended by the House Committee on Transportation and Energy and passed the House on a vote of 42-20-3. It was further amended by the Senate Transportation Committee and passed the Senate on a vote of 24-11-0. The bill was signed by the Governor on May 14.

HB 14-1326: Tax Incentives for Alternative Fuel Trucks

Sponsors: Representatives Primavera and Scott; Senator Hodge

Bill Summary: SWEEP supported this bill, which creates tax credits for medium and heavy duty vehicles (including electric vehicles, natural gas vehicles, and hydrogen vehicles) and creates incentives to adopt EPA Smartway techniques to improve fuel efficiency by reducing drag on trailers. The bill creates a \$15,000 tax credit for medium duty trucks, and \$20,000 for heavy duty. While light duty vehicles account for the largest share of transportation energy use and emissions, the share from medium and heavy duty vehicles is projected to grow significantly. Providing incentives for cleaner and more efficient vehicles is an important strategy to address this sector.

Bill Activity: HB 1326 was amended by the House Committee on Transportation and Energy and passed the House on a 48-15-2 vote. The bill passed the Senate unamended on a vote of 27-8-0 and was signed by the Governor on June 6.

SB 14-028: Expanded Electric Vehicle Charging Station Grants

Sponsors: Senator Jones; Representatives Duran and Tyler

Bill Summary: SWEEP supported this bill, which makes private businesses, universities, state agencies and non-profits eligible for funding from the state's electric vehicle charging station fund.

The fund was previously available only to municipal and county governments. It is important to open up eligibility because many of the best locations for electric vehicle charging stations are at private businesses where customers are likely to stay longer periods of time.

Bill Activity: SB 14-028 was amended by the Senate Committee on Transportation, passed the Senate on a vote of 23-12-0 and passed the House unamended on a vote of 38-23-4. The bill was signed by the Governor on April 11.

SB 14-125 - Transportation Network Companies Regulation

Sponsors: Senators Jahn and Harvey; Representatives Pabon and Szabo

Bill Summary: This bill creates a regulatory framework for "Transportation Network Companies" (such as Lyft and Uber X) that coordinate ridesharing services. The Public Utilities Commission (PUC) argued that without new legislation the PUC would be compelled to issue cease and desist orders to such companies. SB 14-125 legalizes and regulates these services, and requires that drivers carry a certain level of insurance and undergo background checks. The legislation models regulatory standards adopted by the California PUC.

Over the last decade, there has been a significant shift towards lower per capita vehicle miles travelled and lower levels of vehicle ownership. The appearance of a range of internet enabled mobility services, including bike-sharing, car-sharing and TNCs can provide transportation options for Coloradans which could enable more people to make choices to have lower levels of ownership.

While SWEEP does not have a position on the specific insurance requirements or consumer protection standards that should be adopted, we do support the policy goal of allowing TNCs to operate in Colorado.

Bill Activity: SB 14-125 was amended by the Senate Committee on Business, Labor and Technology and passed the Senate on vote of 29-6-0. The bill was further amended by the House Committee on Transportation and Energy, the House Committee on Appropriations, and by floor amendment on third reading before passage on vote of 60-5-0. The bill was signed by the Governor on June 5.

SB 14-197 - Transparency in the High Performance Transportation Enterprise

Sponsors: Senators Jones and Herpin; Representatives Foote and Kraft-Tharpe

Bill Summary: SWEEP supported this bill, which expands the public information that the High Performance Transportation Enterprise (HPTE) is required to give before entering into a public private partnership to build and operate managed lanes. It also directs the HPTE to prioritize the movement of people, rather than vehicles; to study the suitability of managed lane projects for bus

rapid transit service; and to spend at least 10% of toll revenues on transit service within the corridor. The bill advances user fees and congestion pricing, and supports additional bus transit.

Bill Activity: SB 14-197 was passed with floor amendment in the Senate on vote of 25-10-0 and passed the House unamended on vote of 35-29-1. The bill was signed by the Governor on June 4.

SB 14-200 - Alternative Fuel Vehicles in HOV lanes

Sponsors: Senators Jones and King; Representatives Moreno and Rankin

Bill Summary: SWEEP supported this bill, which would have expanded the number of permits available for toll free use of HOV and High Occupancy Toll (HOT) lanes from 2,000 to 6,000, and limited the eligible vehicles to electric vehicles, plug-in hybrid electric vehicles, hydrogen vehicles, propane vehicles and compressed natural gas vehicles, and hybrid vehicles with a combined fuel economy greater than 40 mpg. SB 200 also limited the length of time a permit can be held to 4 years in order to assure that permits will always be available to incentivize adoption of cleaner vehicles.

Bill Activity: SB 12-200 was amended by the Senate Committee on Transportation but died in Appropriations.

For additional information regarding these bills, visit the website of the Colorado General Assembly, at <http://www.leg.state.co.us>.

New Mexico

HB 124	Home Energy & Water Efficiency Tax Credit	Support	Did not pass
HB 136	Electric Vehicle Income Tax Credit	Support	Did not pass
HB 39	Low-income Residential Energy Conservation	Support	Did not pass
SB 85	Residential Low-income Energy Conservation	Support	Did not pass

HB 124: Home Energy & Water Efficiency Tax Credit

Sponsor: Representative Carl Trujillo

Bill Summary: SWEEP supported this bill, which provides an income tax credit for improvements to efficiency for a residence that result in at least 20% savings in energy or water use. Tax credits for energy efficiency improvements range from \$1200-\$2500, depending on the percentage of

efficiency improvements. Tax credits for water efficiency improvements range from \$200-\$500, depending on the percentage of efficiency improvements.

Bill Activity: HB 124 passed the House Energy and Natural Resources Committee, and then the Taxation and Revenue Committee introduced a substitute. The substitute bill passed the Appropriations and Finance Committee, but later stalled.

HB 136: Electric Vehicle Income Tax Credit

Sponsor: Representative Jim Trujillo

Bill Summary: SWEEP supports this bill, which incentivizes the purchase or lease of electric vehicles as well as the installation of commercial electric vehicle charging units.

Experts agree that electric vehicles (EVs) will garner larger market shares over the next several years throughout the United States. Why? This advanced technology is a much better match to the needs of more and more people because operating costs are far less than for conventional vehicles, contributions to air pollution are much lower, and our overall quality of life is improved by removing the noise and smoke from gas powered vehicles.

To ensure that New Mexicans can benefit from this advanced transportation technology and that New Mexico remains competitive in the EV market, this bill proposes a tax credit of \$2,500 for the purchase or lease of an EV, and a tax credit in the amount of 30% of the costs associated with a charging unit installation with a cap of \$3,000 for a conventional and \$5,000 for a solar powered charging unit.

Bill Activity: HB 136 passed the House on a 36-24-10 vote, but died in the Senate Finance Committee.

HB 39: Low-income Residential Energy Conservation

Sponsor: Representative Cote

Bill Summary: SWEEP supported this bill, which would have provided an appropriation of \$1,000,000 for low income residential energy efficiency programs administered by the NM mortgage finance authority. (Identical to SB 85)

Bill Activity: HB 39 passed the House Energy and Natural Resources Committee, but died in Appropriations and Finance.

SB 85: Residential Low-income Energy Conservation

Sponsor: Senator Richard C. Martinez

Bill Summary: SWEEP supported this bill, which would have provided an appropriation of \$1,000,000 for low income residential energy efficiency programs administered by the NM mortgage finance authority. (Identical to HB 39)

Bill Activity: SB 85 passed the Senate Conservation Committee but died in the Finance Committee.

For additional information regarding these bills, visit the website of the New Mexico State Legislature, at <http://www.nmlegis.gov/lcs/>.

UTAH

HB 19	Electric Vehicle Battery Charging Service Amendments	Support	PASSED
HB 41	Clean Fuel School Buses and Infrastructure	Support	Did not pass
HB 74	Energy Efficient Vehicle Tax Credits	Support	PASSED
HJR 05	Uniform Building Code Commission Review of Proposed Building Code Changes Joint Resolution	Support	PASSED
SB 99	State Vehicle Efficiency Requirements	Support	PASSED

HB 19: Electric Vehicle Battery Charging Service Amendments

Sponsors: Representative Arent; Senator Okerlund

Bill Summary: SWEEP supported this bill, which clarifies that businesses and governments that install electric vehicle charging stations and “sell” the electricity to drivers are not regulated as public utilities. This bill removes an obstacle to the expansion of electric vehicle charging infrastructure.

Bill Activity: HB 19 was amended by the House Public Utilities and Technology Committee and passed the House on a vote of 64-0-11. The bill passed the Senate on a vote of 24-0-5 and was signed by the Governor on March 20.

HB 41: Clean Fuel School Buses and Infrastructure

Sponsor: Representative Handy

Bill Summary: This bill would have provided grants to school districts for lower emission school buses and for alternative fuel infrastructure. As introduced, it applied to compressed natural gas and “clean diesel” buses. SWEEP supported the bill, and advocated that it be amended to include electric school buses and vehicle charging infrastructure.

Bill Activity: HB 41 was amended by the House Education Committee and passed the House on a vote of 73-1-1. The bill passed the Senate Natural Resources, Agriculture, and Environment Committee but died on the Senate floor.

HB 74: Energy Efficient Vehicle Tax Credits

Sponsor: Representative Snow

Bill Summary: SWEEP supported this bill, which increases the tax credit for plug-in hybrid electric vehicles from \$605 to \$1,250 and increases the tax credit for battery electric vehicles to \$2,500. It also specifies that lessees are able to take the tax credits when vehicles are leased rather than purchased. Passage of this bill will encourage higher levels of market penetration for plug-in hybrid and battery electric vehicles.

Bill Activity: HB 74 was amended by the House Revenue and Taxation Committee and passed the House on a vote of 59-13-3. The Senate passed a substitute bill on a vote of 18-10-1. The House concurred and the bill was signed by the Governor on March 29.

HJR 05: Uniform Building Code Commission Review of Proposed Building Code Changes Joint Resolution

Sponsor: Representative Nielson

Bill Summary: SWEEP supported this joint resolution, which recognizes the Uniform Building Code Commission's role to advise the Division of Occupational and Professional Licensing and the Utah Legislature on building and energy codes. The resolution encourages the Legislature to take guidance on building and energy code matters from the Commission prior to legislative action, ensuring that proposed legislation has been thoroughly analyzed.

Bill Activity: HJR 05 was amended by the House Judiciary Committee and was passed with floor amendment in the House on a vote of 71-0-4. The resolution was further amended on the Senate floor, and passed the Senate on a vote of 25-0-4. HJR 05 was signed by the President of the Senate and the Speaker of the House on February 24.

SB 99: State Vehicle Efficiency Requirements

Sponsor: Senator Jenkins

Bill Summary: As introduced, this bill mandated that by July 1, 2018, 50% of the state's vehicle fleet that carry passengers would be required to be natural gas vehicles. SWEEP supported the bill and argued that the bill should be amended to include plug-in hybrid and battery electric vehicles. The bill was modified in committee to include vehicles that meet Tier 2 Bin 2 of the United States EPA vehicle emission requirements, which does include battery electric vehicles.

Bill Activity: The original bill was substituted by the Senate Government Operations and Political Subdivisions Committee, changing the title from "Natural Gas State Vehicle Requirements" to "State Vehicle Efficiency Requirements." The substitute bill passed the Senate on a vote of 27-1-1. It was amended on the House floor, passed the House on a vote of 75-0-0, and was signed by the Governor on March 29.

For additional information regarding these bills, visit the website of the Utah State Legislature, at <http://le.utah.gov/>.