

# **Energy and Water Savings Legislation, 2007; SWEEP FOLLOWED BILLS**

## **SUCCESSFUL BILLS IN 2007 LEGISLATION**

### **HB 2496 - Schools; Energy and Water Savings (Contracting Mechanism for Schools) (SRP)**

*Increases energy efficiency and reduces utility (energy and water) costs in schools by creating a utility savings contracting mechanism to enable energy and water saving projects.*

Reduces utility costs in schools by creating an energy and water savings contracting mechanism to allow utility cost savings accounted for in the Maintenance & Operations portion of school budgets to pay for the capital investment in energy or water saving measures. This enables schools to use funding from utility companies to implement energy and water saving measures.

Passed House, Senate and is signed by the Governor.

### **HB 2494 - Energy; Water; Savings Loan Fund (Striker: grant fund for schools)**

*Develops a grant fund for cost-effective energy and water saving projects in existing schools, to reduce utility costs in schools. (Priority in House majority platform)*

Develops a grant fund of \$2.5 million to assist existing school facilities in implementing energy and water saving projects. Fund to be administered by the School Facilities Board, with technical assistance provided by the Department of Commerce Energy Office.

Passed the House, Senate, and is signed by the Governor.

### **HB 2491 - Solar Energy Tax Credit; Application (technical correction)**

*Clarifies that the commercial solar energy tax credit may be claimed by a third party.*

Technical correction to the commercial solar energy tax credit that passed last year. Clarifies that the tax credit may be claimed by a third party, such as the developer of the solar project.

Passed House, Senate and is signed by the Governor.

### **SB1254: real property; signage; solar devices.**

makes it more difficult for Homeowners' Associations (HOAs) to block installation of solar energy panels. It states that homeowners' associations can't prohibit solar panels, but they can have reasonable restrictions on placement of them, provided the restrictions do not block the installation, impair the function, restrict the use, or adversely affect the cost or efficiency of the device. It provides for attorneys' fees for the prevailing party in litigation relating to this.

Passed House, Senate and is signed by the Governor.

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### **HB 2638 – Local Energy Plans (Cajero-Bedford) (Susan Culp, Sonoran Institute)**

Amends ARS Title 9: Cities and Towns - 9-461.05 and Title 11: Counties 11-821, relating to City and County plans, adding a new energy section to:

- Encourage and reward efficient use of energy in the community;
- Assess policies and practices that provide for greater use of renewable energy sources.

The Growing Smarter Oversight Council, recommended this change in its 2006 report.

Passed the House, Senate, and is signed by the Governor.

## **UNSUCCESSFUL BILLS IN 2007 LEGISLATION**

### **HB 2493 – Energy Production; Tax Credit (Combined Heat and Power) (Southwest Gas)**

*Provides a state tax credit to encourage efficient combined heat and power (CHP) systems.*

Provides a tax credit (1.5 cents for each kWh produced) for the production of electricity from efficient and clean Combined Heat and Power systems (CHP), which generate electricity and thermal energy from a single fuel source (previously labeled “cogeneration”). CHP systems can also be used to provide dedicated power to essential services in case of a grid emergency. Includes caps of \$2 million total annually and \$100,000 per installation. Includes language allowing the tax credit to be claimed by a third party, such as the developer of the CHP project, for example, if the customer is a non-tax paying entity.

Passed House Committees; in the House money box (initial budget), but removed from draft budget during week of 4/16 (working to get it reinstated in House budget). Died in the Budget process.

### **HB 2497 - Public Buildings; Energy Savings Goals**

*Reduces state utility costs by increasing the energy savings goals for state facilities.*

Increases the energy savings goals in ARS 34-451.C (10% reduction in energy use per square foot of floor area by 2008, and 15% reduction per square foot of floor area by 2011) by adding a provision to increase the energy savings percentage to 20% per square foot of floor area on or before July 1, 2015. In addition, clarifies that 34-451.E (requirement to purchase cost-effective Energy Star or FEMP-designated products) applies to all state agencies, universities, community colleges, and schools, and not solely to the state building systems currently listed in 34-451.C. Changes the Energy Office annual reporting date to October 1 (from July 1).

Passed House Committees, but on the House money bill list; not in the money box. Apparently it is stalled partly as an issue in the budget discussions between the Governor and the House. Died in the budget process.

### **HB 2495 - Schools; Energy Performance Standards (SFB Standards, Consider LEED)**

*Increases energy efficiency and reduces utility costs in new schools.*

Implements energy and water performance standards (to be approved by the School Facilities Board) that all new school projects approved after June 30, 2007 must meet. Requires that the

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School Facilities Board consider Leadership in Energy and Environmental Design (LEED) standards for new schools. The amendment in WA provides a funding mechanism (5% of the base cost of a new school) and caps any increase in cost at 5% of the base cost.

Passed House Committees, but on the House money bill list; and not in the House money box. Existing schools (HB2494) considered a higher priority by House leadership. Died in Budget.

### **HB 2691- Renewable Energy Enterprise Zones**

Uses the existing enterprise zone system to create incentives for the installation of new large solar generation and renewable system manufacturing. Adds language to the enterprise zone statute to create Renewable Energy Enterprise Zones (ARS Chapter 41, Chapter 10, Article 2), and rewards power producers and manufacturers that locate and operate in enterprise zones in Arizona.

Did not move forward in the House. Didn't get past first read.