

2005 SWEEP LEGISLATIVE ACTIVITIES REPORT

The state legislatures in the SWEEP region typically meet annually, during the first and second quarter of the year. SWEEP actively engages in the legislative process, working to advance energy efficiency through state legislation, where appropriate. These legislative efforts range from researching and writing bill language, to building coalitions in support of energy efficiency legislation, to testifying at committee hearings and lobbying for the passage of bills.

2005 was a very active year for SWEEP and energy efficiency legislation in the Southwest, both in regards to the number of proposed bills as well as the number that passed. Through these efforts and others, support for energy efficiency across the Southwest continues to grow.

Following is a rundown of SWEEP's 2005 legislative activities, which focused on the states of Arizona, Colorado, Nevada, and New Mexico.

ARIZONA

House Bill 05-2278: Concerning Energy Codes for Cities and Towns

Sponsored by Rep. Lucy Mason (R-Prescott), HB 2278 was killed by the House Commerce Committee on February 15. The bill would have required municipalities in Arizona to adopt the 2003 International Energy Conservation Code (IECC) for Commercial Buildings within 12 months of the adoption of the bill.

- [HB 2278 Bill Language](#)

House Bill 05-2390: Concerning the Sale of Energy-Efficient Appliances

Another bill sponsored by Rep. Lucy Mason (R-Prescott), HB 2390 was signed into law by Arizona Governor Janet Napolitano on April 26. The bill was first adopted by the House of Representatives on March 24, and then in a slightly amended form by the Senate on April 14. This version of the bill was then agreed to by the House on April 20 before moving to the desk of Governor Napolitano.

HB 2390 sets minimum energy efficiency standards for 12 products not currently covered by federal standards, including torchiere light fixtures, exit signs, traffic signals, commercial refrigerators and freezers, commercial clothes washers, and external power supplies. Once the standards take effect in 2008, sales of non-compliant appliances will be banned. Energy efficiency standards similar to those in HB 2390 have been adopted by California, Connecticut, Maryland, New York, Oregon, Rhode Island, and Washington.

SWEEP estimates that HB 2390 will save Arizona consumers and businesses about \$680 million net by 2030; lower water use by 15 billion gallons per year by 2020; save 1.8 billion cubic feet of natural gas per year by 2020; and reduce peak electricity demand by 286 megawatts by 2020.

- [HB 2390 Final Bill Language, as adopted](#)
- [SWEEP's Fact Sheet in support of HB 2390](#)
- [Read the SWEEP press release regarding Governor Janet Napolitano's signing into law of HB 2390](#)

COLORADO

House Bill 1133: Energy Efficiency Program Funding

Sponsored by Rep. Tom Plant (D-Nederland) in the House of Representatives and Sen. Ken Gordon (D-Denver) in the State Senate, HB 1133 was vetoed by Colorado Governor Bill Owens on June 3. HB 1133 was adopted by the House of Representatives on March 14, and then in amended form by the State Senate on

April 5. The House concurred with the Senate amendments on April 14, sending the bill to Governor Owens for action, where the bill was vetoed.

Had it been signed into law, HB 1133 would have stimulated natural gas conservation programs by requiring the Colorado Public Utilities Commission (PUC) to remove barriers that make it difficult for natural gas utilities to carry out energy efficiency programs for residential customers. The bill then directed gas utilities to implement cost-effective energy efficiency programs once the PUC acted.

HB 1133 would have helped households reduce their natural gas use and cut their skyrocketing natural gas bills. The PUC would have promulgated rules to allow gas utilities to recover the cost for these programs from customers, and also to provide gas utilities with positive financial incentives for implementing cost-effective efficiency programs for their customers.

SWEEP estimated natural gas savings of 3 billion cubic feet per year by 2010 and 15 billion cubic feet per year by 2020, with the net economic benefits for households in Colorado reaching \$700 million. SWEEP worked closely with gas utilities in Colorado to develop the bill.

- [HB 1133 Bill Language, as sent to Governor Owens by the General Assembly](#)
- [SWEEP Fact Sheet in support of HB 1133](#)
- [SWEEP press release criticizing the veto of HB 1133 by Governor Owens](#)

House Bill 1162: Energy Efficiency Appliance Standards

Sponsored by Rep. Alice Borodkin (D-Denver) in the House of Representatives and Sen. Ken Gordon (D-Denver) in the State Senate, HB 1162 was vetoed by Colorado Governor Bill Owens on April 29. HB 1162 was adopted by the House of Representatives on February 14, and then in amended form by the State Senate on March 18. The House concurred with the Senate amendments on March 22, sending the bill to Governor Owens for action, where the bill was vetoed.

As adopted by the Colorado General Assembly, HB 1162 set minimum energy efficiency standards for 14 products not currently covered by federal standards, including torchiere light fixtures, exit signs, traffic signals, commercial refrigerators and freezers, commercial clothes washers, and external power supplies. Had the standards taken effect, sales of non-compliant appliances would have been banned beginning in 2008. Energy efficiency standards similar to HB 1162 have been adopted recently by California, Connecticut, Maryland, Oregon, and Washington.

SWEEP estimates that HB 1162 would have saved Colorado consumers and businesses about \$525 million by 2030; lowered water use by nearly 14 billion gallons during 2008-2020; saved 1.5 billion cubic feet of natural gas per year by 2020; and reduced peak electricity demand by 216 megawatts by 2020.

- [HB 1162 Bill Language, as adopted by the State Legislature](#)
- [SWEEP Fact Sheet in support of HB 1162](#)
- [SWEEP/Environment Colorado press release announcing final passage of HB 1162](#)
- [SWEEP press release denouncing the veto of HB 1162 by Governor Owens](#)

NEVADA

Senate Bill 188/Assembly Bill 385/Assembly Bill 03: Making Various Changes Relating to Energy

Though not adopted in the State Legislature's regular session, both SB 188 and AB 385 (sponsored by the Senate Commerce and Labor Committee and the Assembly Commerce and Labor Committee, respectively) were incorporated into an omnibus energy efficiency and renewable energy bill, Assembly Bill 03, that both

houses of the legislature approved during a special legislative session held on June 7. The bill was signed into law by Nevada Governor Kenny Guinn on June 17.

Most significantly, AB 03 revises provisions governing the state of Nevada's renewable energy portfolio standard, allowing electric utilities to receive credits under the portfolio standard for energy savings from certain energy efficiency measures. Energy efficiency measures are defined as any measure designed, intended, or used to improve energy efficiency if the measure is: installed on or after January 1, 2005; located at the service location of a retail customer in Nevada; reduces the consumption of energy by the retail customer; and the acquisition or installation of the measure is directly subsidized, in whole or in part, by the electric utility for the retail customer. SWEET is optimistic that this provision will stimulate a large expansion of electric utility energy efficiency programs.

AB 03 also establishes policies that will lead to the construction of more energy-efficient "green" buildings by both the public and private sectors. All new construction or major retrofits by state agencies are required to meet the green building standards of the United States Green Building Council's Leadership in Energy and Environmental Design (LEED[®]) program or an equivalent standard. The legislation also establishes partial exemption from property taxes for privately owned buildings that are certified at the LEED silver level or higher.

In addition, AB 03 updates the statewide building energy code for portions of the state without local energy codes, and it directs the Nevada State Office of Energy to prepare a report for the legislature on model appliance efficiency standards that have been adopted by other states. Several states have adopted energy efficiency standards for appliances that are not currently covered by the federal standards.

SWEET assisted with the development and advocacy of the energy efficiency provisions in AB 03, in particular the modification of the state's clean energy portfolio standard. This proposal was included in the Nevada Energy Efficiency Strategy, a report prepared by SWEET that was issued in January 2005.

- [Assembly Bill 03 Bill Language, as adopted by the State Legislature](#)
- [Read SWEET's press release regarding the passage of AB 03](#)

NEW MEXICO

House Bill 32: Energy Efficiency and Renewable Energy Bonding

Sponsored by Rep. Mimi Stewart (D-Albuquerque), HB 32 was signed into law by New Mexico Governor Bill Richardson on April 5. The bill was adopted unanimously by the House of Representatives on February 14, and also adopted unanimously by the State Senate on March 16.

As adopted, HB 32 will enact the Energy Efficiency and Renewable Energy Bonding Act, which will provide procedures for the installation of energy efficiency and renewable energy measures in state and school district buildings across New Mexico, and will authorize the issuance of bonds to pay for these improvements.

- [HB 32 Bill Language](#)

House Bill 619/Senate Bill 644: Efficient Use of Energy

Sponsored by Rep. James Madalena (D-Jemez Pueblo) in the House of Representatives, and by Sen. Carlos Cisneros (D-Questa) in the State Senate, HB 619/SB 644 was signed into law by New Mexico Governor Bill Richardson on April 5. The bill was first adopted by the House of Representatives on February 28, and by the Senate in amended form on March 4. The House concurred with the Senate version of the bill on March 15, sending it to the governor's desk for action.

In August 2004, Governor Richardson appointed a Utility Energy Efficiency Task Force to examine energy

efficiency opportunities in the state. The Task Force included representatives from public interest groups, industrial energy consumers, investor-owned utilities, distribution cooperatives, AARP, and other stakeholders; SWEEP was an active participant in the Task Force. After lengthy negotiations, the Task Force drafted the language that would become HB 619/SB 644, the "Efficient Use of Energy Act."

The bill requires public utilities (both electric and natural gas) to evaluate and implement cost-effective programs that reduce energy demand and consumption. It defines cost-effective as programs passing the Total Resource Cost (TRC) test. It allows public utilities to recover costs through a tariff rider for approved energy efficiency and load management programs. The tariff rider shall not exceed 1.5% of the customer's bill or \$75,000 per year, except with the advice and consent of the entity designated to represent residential customers (currently the Attorney General). It also provides a self-direct option for large users. Utilities in New Mexico are already developing and proposing energy efficiency programs in response to this new law.

- [HB 619/SB 644 Bill Language](#)
- [HB 619/SB 644 Fact Sheet](#)
- [SWEEP's HB 619/SB 644 Final Passage Press Release](#)

House Bill 720: Natural Resource Conservation Bids

Sponsored by Rep. Ben Lujan (D-Santa Fe), HB 720 was signed into law by New Mexico Governor Bill Richardson on April 5. HB 720 will amend the Public Facility Energy Efficiency and Water Conservation Act to allow for additional sureties to guarantee contract performance, and will also amend the state's procurement code to clarify that certain contracts may provide for both the design and installation of energy efficiency and water conservation measures.

- [HB 720 Bill Language](#)