

House Bill 829

By: Representatives Thomas of the 100th, Drenner of the 86th, Buckner of the 130th, and Porter of the 143rd

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to
2 electrical service, so as to promote the development of renewable energy and energy
3 efficiency in this state by implementing renewable energy and energy efficiency portfolio
4 standards for electric suppliers; to define certain terms; to repeal conflicting laws; and for
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to electrical service,
9 is amended by enacting a new Article 2 to read as follows:

10 "ARTICLE 2

11 46-3-70.

12 It is the policy of this state to promote the development of renewable energy and energy
13 efficiency through the implementation of a Renewable Energy and Energy Efficiency
14 Portfolio Standard (REPS) that will do all of the following:

- 15 (1) Diversify the resources used to reliably supply energy to consumers in this state;
16 (2) Provide greater energy independence and security through the use of indigenous
17 energy resources available within this state;
18 (3) Encourage private investment in renewable energy and energy efficiency; and
19 (4) Improve air quality, promote public health, protect the environment, conserve the
20 natural resources of this state, and provide other benefits to energy consumers and
21 citizens of this state."

1 46-3-71.

2 As used in this article, the term:

3 (1) 'Electric supplier' means any electric light and power company subject to regulation
4 by the Commission, any electric membership corporation furnishing retail service in this
5 state, or any municipality which furnishes such service within this state.

6 (2) 'Energy efficiency measure' means a physical change to a building or equipment
7 implemented on or after January 1, 2007, that results in a permanent reduction in overall
8 demand for grid-connected electric power while maintaining the same or improved level
9 of energy service, including but not limited to combined heat and power (CHP) or other
10 thermal energy or a demand response measure or load limiting measure only to the extent
11 that the measure results in a demonstrated, long-term shift in the consumption of electric
12 power by a retail customer from a peak demand period to a nonpeak demand period.

13 (3) 'New renewable energy facility' means a facility that generates electric power that
14 was first placed into service on or after January 1, 2007, and that delivers electric power
15 generated by the use of a renewable energy resource to an electric supplier.

16 (4) 'Renewable energy resource' means a solar, wind, hydropower, geothermal, or ocean
17 current or wave energy resource; a biomass resource, including agricultural waste, animal
18 waste, wood waste, energy crop, or landfill methane; or hydrogen, metered waste heat,
19 or other metered thermal energy derived from a renewable energy resource. 'Renewable
20 energy resource' does not include a fossil fuel, municipal solid waste, or nuclear energy
21 resource.

22 46-3-72.

23 (a) Each electric supplier shall be subject to a Renewable Energy and Energy Efficiency
24 Portfolio Standard (REPS), as provided by this Code section.

25 (b) For each calendar year 2009, 2010, 2011, and 2012, the total REPS requirement shall
26 increase by an amount equal to at least 1 percent of the total electric power in kilowatt
27 hours sold by an electric supplier to its retail electric power customers in this state during
28 the previous calendar year and shall be supplied by new renewable energy facilities or
29 saved due to the implementation of energy efficiency measures. For each calendar year
30 2013, 2014, 2015, and 2016, the total REPS requirement shall increase by an amount equal
31 to at least 1.5 percent of the total electric power in kilowatt hours sold by an electric
32 supplier to its retail electric power customers in this state during the previous calendar year
33 and shall be supplied by new renewable energy facilities or saved due to the
34 implementation of energy efficiency measures. For each calendar year 2017, 2018, 2019,
35 2020, and 2021, the total REPS requirement shall increase by an amount equal to at least
36 2 percent of the total electric power in kilowatt hours sold by an electric supplier to its

1 retail electric power customers in this state during the previous calendar year and shall be
 2 supplied by new renewable energy facilities or saved due to the implementation of energy
 3 efficiency measures. The percentage shall increase on an annual basis so that by calendar
 4 year 2021, and for each calendar year thereafter, an amount equal to at least 20 percent of
 5 the total electric power in kilowatt hours sold by an electric supplier to its retail electric
 6 power customers in this state during the previous calendar year shall be supplied by new
 7 renewable energy facilities or saved due to the implementation of energy efficiency
 8 measures.

9 (c) By January 1, 2022, at least four-tenths of 1 percent of the total electric power in
 10 kilowatt hours sold by an electric supplier to its retail electric power customers in this state
 11 shall be supplied by a combination of new solar electric facilities and new metered solar
 12 thermal energy facilities that use one or more of the following applications: solar hot
 13 water, solar absorption cooling, solar dehumidification, solar thermally driven refrigeration,
 14 and solar industrial process heat. As used in this subsection, 'new' means a facility that was
 15 first placed into service on or after January 1, 2007. An electric supplier shall comply with
 16 the requirements of this subsection according to the following schedule:

| 17 | <u>Year</u> | <u>Cumulative Set-Aside for Solar by Year</u> |
|----|-------------|---|
| 18 | 2009 | 0.005% |
| 19 | 2010 | 0.015% |
| 20 | 2011 | 0.035% |
| 21 | 2012 | 0.060% |
| 22 | 2013 | 0.900% |
| 23 | 2014 | 0.120% |
| 24 | 2015 | 0.150% |
| 25 | 2016 | 0.180% |
| 26 | 2017 | 0.220% |
| 27 | 2018 | 0.260% |
| 28 | 2019 | 0.300% |
| 29 | 2020 | 0.350% |
| 30 | 2021 | 0.400% |

31 (d) An electric supplier may meet the requirements of this Code section by:

- 32 (1) Generating electric power at a new renewable energy facility;
- 33 (2) Reducing energy consumption through the implementation of an energy efficiency
 34 measure;
- 35 (3) Purchasing electric power from a new renewable energy facility; or

1 (4) Any combination of paragraphs (1), (2), and (3) of this subsection.

2 (e) By January 1, 2022, no single renewable energy resource shall supply more than
3 one-half of the cumulative renewable energy resources employed to comply with the REPS
4 requirement of this Code section.

5 (f) Electric power supplied by a new renewable energy facility or saved due to the
6 implementation of an energy efficiency measure located within the service area of the
7 electric supplier or contracted for delivery in this state may be used to meet the
8 requirements of this Code section. Any electric power that is supplied by a new renewable
9 energy facility or saved due to the implementation of an energy efficiency measure that
10 exceeds the requirements of this Code section for any calendar year may be credited toward
11 the requirements of this Code section in the following calendar year.

12 (g) The Commission shall adopt rules to implement the provisions of this Code section.
13 In developing the rules, the Commission shall:

14 (1) Allow an electric supplier to meet up to 50 percent of its REPS requirements through
15 savings due to the implementation of energy efficiency measures;

16 (2) Provide for the monitoring of compliance with and enforcement of the REPS
17 requirements;

18 (3) Prevent the double counting of resources or measures used to meet the REPS
19 requirements in another state to meet the REPS requirements of this Code section;

20 (4) Establish an alternative compliance payment as an alternative method for electric
21 suppliers to comply with the REPS requirement for a calendar year if the cost of
22 compliance cannot be recovered by the electric supplier through electric rates. The
23 Commission shall provide that alternative compliance payments shall be credited to a
24 separate REPS Attainment Fund. The Commission shall use funds in the REPS
25 Attainment Fund only to develop renewable energy and energy efficiency measures that
26 promote compliance with the REPS requirement; and

27 (5) Include a procedure as an alternative to the procedure set out in Article 2 of Chapter
28 2 of this title to annually adjust the rates of public utilities to allow timely recovery of all
29 reasonable costs of complying with this Code section.

30 (h) No later than January 15 of each year, the Commission shall submit a report on the
31 activities taken by the Commission to implement, and by electric suppliers to comply with,
32 the requirements of this Code section to the General Assembly and the Governor. The first
33 report required by this subsection shall be submitted no later than January 15, 2008."

34 SECTION 2.

35 All laws and parts of laws in conflict with this Act are repealed.