

HCS SCS SB 54 -- ENVIRONMENTAL REGULATIONS

SPONSOR: Koster (Emery)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Energy and Environment by a vote of 12 to 0.

This substitute changes the laws regarding renewable energy and environmental regulations. In its main provisions, the substitute:

(1) Establishes the Green Power Initiative which requires electric companies to make a good faith effort to ensure that 4% of total retail electric sales come from renewable energy technologies by 2012, 8% by 2015, and 11% by 2020. Renewable energy technologies include wind, water, solar power, animal wastes, and other technologies approved by the Department of Natural Resources;

(2) Allows the Missouri Public Service Commission to develop standards for good faith compliance by considering a variety of factors such as compliance costs and technological feasibility;

(3) Allows current renewable energy produced from sources in operation prior to August 28, 2007, to count towards the Green Power Initiative targets;

(4) Establishes reporting requirements for electric companies until 2022 and requires the commission to report to the General Assembly every two years. The Director of the Department of Economic Development will report every two years on the economic impact of the substitute, and the Director of the Department of Natural Resources will report on the environmental impact every two years;

(5) Requires the Missouri Air Conservation Commission to establish pollutant fees for a three-year-period unless it is necessary to make an annual adjustment by rule;

(6) Renames the Missouri Ethanol and Other Renewable Fuel Sources Commission to the Missouri Alternative Fuels Commission, increases its membership from seven to nine, and allows the Governor to appoint five members instead of three. The commission's responsibilities are expanded to include different renewable energy sources, and new duties are specified in the substitute;

(7) Requires the Commissioner of the Office of Administration to ensure that 70% of all new state vehicles are flexible fuel vehicles that can use E85; and

(8) Allows yard waste to be disposed of in landfills that are certified as legitimate bioreactors by the Department of Natural Resources.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$5,000 in FY 2008, \$5,150 in FY 2009, and \$5,304 in FY 2010. Estimated Income on Other State Funds of \$0 in FY 2008, \$20,678 in FY 2009, \$20,678 in FY 2010.

PROPONENTS: Supporters say that the bill implements feasible renewable energy targets that will benefit Missouri by encouraging economic growth and reducing pollution. The agricultural industry will benefit from corn and livestock demand.

Testifying for the bill were Senator Koster; Missouri Energy Development Association; Department of Agriculture; and Midwest Alliance for Renewable Energy.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that it is a good first step, but mandatory targets might be more effective. Member utilities currently make use of renewable energy whenever it is economically feasible to do so, and some forms of solar power are consistent during peak use hours.

Testifying on the bill were Sierra Club; Missouri Association of Municipal Utilities; and P. J. Wilson, Heartland Renewable Energy Society.