

HCS SCS SB 54 -- RENEWABLE ENERGY AND ENVIRONMENTAL REGULATIONS

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

(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. The Missouri Public Service Commission is required by July 1, 2008, to develop standards for good faith compliance by considering a variety of factors such as compliance costs and technological feasibility. Current renewable energy produced from sources in operation prior to August 28, 2007, will be allowed to count toward the initiative targets. Reporting requirements are established for electric companies until 2022, and the commission is required 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 bill, and the Director of the Department of Natural Resources will report on the environmental impact every two years;

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

(3) Renames the Missouri Ethanol and Other Renewable Fuel Sources Commission as 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 bill;

(4) Requires the Commissioner of the Office of Administration to ensure that 70% of all new state vehicles are flexible fuel vehicles that can use E-85 fuel;

(5) Allows, beginning August 28, 2007, yard waste to be disposed of in landfills that are approved as bioreactors by the Department of Natural Resources and use the landfill gas produced for the generation of electricity;

(6) Establishes the Net Metering and Easy Connection Act to replace the Consumer Clean Energy Act which is repealed. All utilities regulated by the Missouri Public Service Commission will be required to provide net metering services to their customers. The utilities will pay for the meters and grant

credits for the production of renewable energy from customer generators. Rules governing the allocation of credits and purchase of equipment, other net metering practices, required reports, and legal liability are specified in the bill;

(7) Increases, beginning August 28, 2007, the maximum surface mining permit fees required under Section 444.772, RSMo, to \$800 for a permit fee, \$400 for a site fee, and \$10 per acre with a maximum of \$3,000 for a per-acre fee. The Land Reclamation Commission may increase the fees up to \$1,000 for a permit fee, \$400 for a site fee, and \$20 for a per-acre fee;

(8) Requires individuals engaged in surface mining to pay a geologic resources fee in addition to the surface mining permit fee which will be deposited into the Geologic Resources Fund. A person who mines less than 5,000 tons of gravel annually will not have to pay the fee. Beginning August 28, 2007, geological resource fees will be \$50 for a permit fee, \$50 for a site fee, and \$6 for a per-acre fee. Fees for each permit per site may not exceed \$100, and the department may assess a geological resources fee for each acre up to \$10. The fees expire December 31, 2020. Upon appropriation, moneys in the fund will be used to assist the mineral industry. An Industrial Minerals Advisory Council is established, with its membership requirements and powers specified;

(9) Changes the penalty for the criminal disposition of more than 2,000 pounds of demolition waste from a class A misdemeanor to a class D felony. Knowingly disposing of demolition waste on property that one owns will be a class C misdemeanor unless payment is received for allowing the disposal; in which case, the penalty will be a class D felony. Waste disposal for normal farming and manufacturing operations is allowed if it does not create a health threat or nuisance. The penalty for the disposal of more than 500 pounds of residential or commercial waste is increased from a class A misdemeanor to a class D felony. The maximum civil penalty is increased from \$1,000 to \$5,000 per day for a violation by a solid waste processing facility and from \$100 to \$500 per day for the violation of an environmental regulation governing waste disposal;

(10) Establishes the Missouri Environmental Covenants Act which allows for the removal of a site from the registry of hazardous waste sites maintained by the department if it poses no current threat of contamination and an environmental covenant is entered into between the department and the holder who owns and controls the site. Holders may be individuals, businesses, political subdivisions, and other types of legal entities. An environmental covenant may contain numerous requirements including the department's inspection and regulation of the site

and the permissible uses of the site. Procedures for the creation, filing, implementation, and termination of an environmental covenant are specified in the bill. Environmental covenants do not supersede prior interests in the land, but will apply prospectively to many actions involving the site. Certain storage tanks are exempt from the provisions of the bill. The department must maintain a database of all environmental covenants; and

(11) Extends the period of time by five years during which annual adjustments cannot be made to the per-ton fee required to be remitted to the Department of Natural Resources by operators of solid waste sanitary landfills and transfer stations except when needed to fund the operating costs of the department. The bill also extends for the same time period the requirement that any annual adjustment made to the fee will not exceed the percentage increase of the federal Consumer Price Index for all urban consumers.

The bill becomes effective January 1, 2008.