

HB 2661 -- ENERGY INFRASTRUCTURE PROJECTS

SPONSOR: Costlow

This bill creates "Missouri Energy Infrastructure Bank" within the Environmental Improvement and Energy Resources Authority (EIERA) to act as a state energy financing institution for purposes of obtaining Federal support for energy infrastructure projects and the "Missouri Energy Infrastructure Fund" (Energy Fund) for money collected in the implementation of the Bank.

The bill grants the EIERA additional powers in relation to the Bank as set out in the bill, including making loans or providing other financial assistance to electric providers to finance or reduce the cost of certain infrastructure projects. In considering applications for eligible projects, the EIERA can request additional input from external experts, as to certain information specified in the bill.

The total aggregate amount of loans or other financial assistance provided by the Bank in any year is limited to an amount that would not jeopardize the validity of the Energy Fund. No electric provider can receive more than 40% of the loan or financial assistance in each calendar year unless a joint application is made. In which case, no more than 50% of the loan or financial assistance funds can be received by any single electric provider. The EIERA must reserve at least 40% of the amount available each year for loans and other financial assistance for energy infrastructure projects in rural areas, except as provided in the bill.

An electric provider, or more than one electric provider in a joint application, can apply to the EIERA for financial assistance to support an eligible project, as specified in the bill. An electric provider must submit an annual report to the EIERA detailing the progress of any approved eligible project and the use of the financial assistance provided to the electric provider while the electric provider is receiving financial assistance.

An electric provider and an economic development prospect can submit a joint application for a long-lead item or energy infrastructure project if the financial assistance from the Bank will facilitate an eligible project for a new or expanding industrial or commercial facility. The joint application must include certain specified information.

The bill lists sources the EIERA can use to capitalize the Energy Fund and to carry out the requirements of the Bank. If the EIERA determines that it is necessary that moneys be raised for eligible projects, it can issue bonds, as provided in the bill. The total aggregate principal amount of bonds issued by the EIERA may not exceed one billion dollars.

Bonds or other financial assistance issued by the EIERA do not constitute an obligation or debt of this state, or any of its political subdivisions. No member of the EIERA or any person executing bonds, other financial assistance, or other obligations of the EIERA is liable personally because of their issuance or execution. The bill specifies requirements that must be contained on the face of each bond, financial assistance, or other obligation and requirements for issuance of the bonds include that the bonds must be authorized by a resolution of the EIERA board. No bond can mature more than 40 years from its date of issue.

Any pledge made by the EIERA to secure its obligations with respect to bonds or other financial assistance is valid and binding from the time the pledge is made. The revenue, money, or property pledged and received by the EIERA is immediately subject to the lien of the pledge. No recording or filing of the resolution authorizing the issuance of bonds or other financial assistance, the trust indenture or other financing agreement securing the bonds or other financial assistance, or any other instrument is necessary to create or perfect any pledge or security interest granted by the EIERA to secure any bonds or other financial assistance.

The EIERA, subject to agreements with bondholders as may then exist, can purchase its outstanding bonds with any available funds.

The granting of other financial assistance by the EIERA can be authorized only by a resolution. The EIERA can execute instruments and enter into financing agreements containing the terms and conditions as it determined in connection with the provision of other financial assistance and securing its obligations with respect to other financial assistance and can pledge any of its revenues or funds to the payment of other financial assistance it provides.

Neither the EIERA nor any member, officer, employee, or committee acting on behalf of it is subject to any liability resulting from

carrying out any of the powers given in this bill, unless the officer or employee acted in an unreasonable or reckless manner.

The bill creates the "Strategic Energy Infrastructure Development Fund" (Strategic Development Fund), which before September 30, 2030, is to be used for infrastructure improvements in rural areas. Any funds remaining in the Strategic Development Fund after September 30, 2030, will be divided, with 50% of the funds used for infrastructure improvements and development in rural areas and 50% used for other energy infrastructure projects in other areas of the state. The Strategic Development Fund will be funded with moneys appropriated by the General Assembly and additional funding sources, including Federal grants, proceeds from gifts, grants, or contributions, and any other lawful source.

An electric provider and an economic development prospect or electric providers jointly can submit an application for funding from the Strategic Development Fund to facilitate an economic development project for a new or expanding industrial or commercial facility in rural areas. The requirements of the application and uses of the Strategic Development Fund are specified in the bill.

An electric provider is not eligible to be a direct recipient of funding from the Strategic Development Fund, except as specified in the bill.

At the end of each fiscal year, the EIERA must submit a report on the activities of the energy bank and use of the Strategic Development Fund for the preceding year to the Governor and General Assembly.