The State Response to Climate Change: 50 State Survey

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Chapter 11: The State Response to Climate Change: 50 State Survey

Pace Law School Center for Environmental Legal Studies
Compiled and Edited by Laura Jensen, Kelly Nishikawa, and Benjamin Lowenthal*

Posted September 1, 2014 and reflecting developments through April 2014

This survey accompanies GLOBAL CLIMATE CHANGE AND U.S. LAW, Second Edition (Michael B. Gerrard and Jody Freeman, eds.) (American Bar Association 2014), which is available here.** It compiles state legislation, rules and executive orders that specifically address climate change as of the end of April 2014. It also includes a wide variety of state activities that may have an impact on greenhouse gases including legislation related to energy efficiency and renewable energy. The focus of this material is to provide readers with an understanding of the range of state activity that may contribute to greenhouse gas reduction and climate change. Some types of energy efficiency, alternative fuels and renewable energy legislation (such as tax credits for hybrid vehicles) are very similar from state to state; some laws have a short duration and therefore may not be codified (such as temporary tax credits); energy legislation is being enacted at an increasing pace. As a result, not all energy efficiency, alternative fuels and renewable energy legislation and other activity in every state are included in this compilation.

The material in this survey demonstrates how several states have taken analogous approaches to addressing climate change. For example, a growing number of states have adopted renewable portfolio standards and many states have adopted California’s greenhouse gas emissions standards for motor vehicles. In addition, states have formed regional initiatives to address climate change. Such actions, along with several other initiatives discussed herein, show how the states have emerged as leaders in addressing climate change.

PLEASE NOTE: THE LATEST INFORMATION ON EACH STATE IS ADDED TO THE END OF THE STATE SECTION TO ALLOW FOR CHRONOLOGICAL REFERENCE.***

* This chapter has been edited and updated by students at Pace Law School’s Global Center for Environmental Legal Studies overseen by Associate Director of Environmental Law Programs Laura Jensen. The following individuals have contributed to this iteration of the chapter: John Bowie ('14), Lisa Covert ('14), Michael DiCato ('14), Benjamin Lowenthal ('13), Kelly Nishikawa ('15), Kimberly Pierce Cortes ('14), Erik Roth ('15), T.J. Ruane ('14), Debra Stone ('13), Levan Thomas ('16), Charter Williams ('15), and Laura Young ('14). Special thanks to Kelly Nishikawa and Ben Lowenthal for their heroic efforts on this project.


*** Please note that the Global Center for Environmental Legal Studies will continue to compile legislation, rules, and executive orders that relate to climate change. We request that readers with new information or information that differs from that included in this chapter forward such information to Laura Jensen with the subject line “Chapter 11 Update” at EnvironmentalProgram@law.pace.edu.
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ALABAMA


In 1984, the Alabama Department of Economic and Community Affairs (ADECA) Energy Division began offering financial assistance for the installation of qualifying biomass energy systems in commercial, industrial and institutional facilities. Assistance was provided in the form of an interest subsidy on loans used to finance the projects, the maximum amount for any one project being $75,000.¹


In 1997, the Energy Division of Alabama Department of Economic and Community Affairs (ADECA) established the Local Government Energy Loan Program in order to advance energy efficiency for government and educational entities faced with budget restraints without funds to upgrade equipment and/or buildings for energy efficiency.²

The program offers no-interest loans for a term of up to ten years to small rural government agencies, including schools, for energy-efficiency equipment and building upgrades. The fund has an endowment of $2 million per year. The maximum loan amount is $350,000 for local governments, colleges and universities, and $350,000 per school campus not to exceed $500,000 per school system (until the loan has been fully repaid).³

In 1997, ADECA also established the Alabama STAR (Savings Through Analysis and Retrofits) Program providing prevailing interest-rate loans for energy-efficiency improvements to tax-exempt, public, and non-profit schools. Eligible improvements include lighting retrofits, heating, ventilation, and air conditions (HVAC) equipment, load management devices, and sewage and water systems improvements, among other measures. The fund has an endowment of $4.6 million per year. Individual loans cannot exceed $2 million.⁴

In December 1997, the University of Alabama released a report on the highest-ranking recommendations for a state climate change action plan. The report was based on the first phase of the project, a greenhouse gas (GHG) emissions inventory partially funded by EPA, conducted from 1990-1995.

2003: Regional Initiatives and Greenhouse Gas Reduction

In 2003 Alabama Partners for Clean Air (APCA) was established. APCA is an affiliation of public, private and nonprofit agencies and organizations working to implement voluntary transportation projects, program and strategies that will reduce emissions from mobile sources to improve air quality in Alabama counties. APCA activities contribute to attainment or maintenance of the National Ambient Air Quality standards (NAAQS) for ground-level ozone and particulate matter.

2007: Greenhouse Gas Reduction

In May 2007, Alabama along with thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas (GHG) emissions accurately, transparently and consistently across borders and industry sectors.” The Registry is a nonprofit collaboration among U.S. states and other North American territories and provinces that set consistent and transparent standards to calculate verify and publicly report GHG emissions into a single date base. This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.” As of March 2008, thirty-nine total states were participating in the Climate Registry.

On June 14, 2007, Governor Riley signed a bill, making the Center for Alternative Fuels activities part of Alabama law to promote, develop and encourage the use of alternative motor vehicle fuels. The Center was created within Alabama’s Department of Agriculture and Industries to act as an information clearinghouse for available federal

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6 Id.
8 Id.
10 Id.
11 Id.
grant funds, to provide a definition of alternative fuels and to set standards for alternative fuels.\textsuperscript{15}

\textbf{2008: Renewable Energy}

In July 2008, Alabama and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects.\textsuperscript{16} The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards were designed to help develop greater energy efficiency, conservation, and clean energy resources.\textsuperscript{17}

In August 2008, Alabama encouraged clean energy in its Biofuels for Schools Program (since renamed the Alabama Biodiesel Incentive Program\textsuperscript{18}), administered by Alabama Department of Economic and Community Affairs (ADECA). This program is limited to $50,000 and provides up to $2,500 to public school system applicants to convert the traditional fuel storage tanks on their school buses into B20 fuel storage tanks.\textsuperscript{19}

Also in 2008, Governor Riley awarded $1.1 million in grants to six local governments to develop alternative energy technologies.\textsuperscript{20}

\textbf{2009: American Recovery & Reinvestment Act (ARRA)}

On March 12, 2009, the DOE announced that Alabama was eligible for $55,570,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\textsuperscript{21} With the assistance of ARRA funding, Alabama made $9.26 million available in its weatherization program.\textsuperscript{22}

\textsuperscript{15} Id. §2-2-91.
\textsuperscript{17} Id.
An October 2009 report on the success of the Biomass Energy Program (an initiative of ADECA Energy Division that has promoted wood waste as an alternative biomass energy source for more than two decades23) concluded that since its conception in 1984, the Program: yielded a net savings of nearly $95 million in energy costs, reduced the potential amount of wood waste otherwise disposed of in landfills by 312,155 pounds per year, and saved 1.5 million tons of carbon dioxide from otherwise being produced.24

In November 2009, economic stimulus grants awarded by Governor Riley helped seventy schools in fourteen public school systems to save energy and reduce utility bills by upgrading equipment and making other improvements.25 Riley announced that more than $4 million in grants would be used in school systems to replace outdated heating, cooling and lighting systems with new energy efficient equipment.26

2010: Energy Efficiency

In early 2010, Alabama Department of Economic and Community Affairs (ADECA) launched the Alabama Energy Efficient Appliance Program with funds from the DOE to encourage residents to replace costly to operate, old, and inefficient appliances with new energy-efficient models.27

In November 2010, ADECA launched a $60 million revolving loan program designed to help existing industrial and commercial businesses finance energy-saving improvements to their facilities.28 The program, AlabamaSAVES™ (Sustainable and Verifiable Energy Savings), funded partly through the DOE as part of the American Recovery and Reinvestment Act (ARRA) and partly by private investment,29 provides two-percent interest-rate loans of $250,000 to $4 million to help existing industrial and commercial businesses to finance energy-saving improvements to their facilities.30

2011: Energy Efficiency

In March 2011, Alabama Department of Economic and Community Affairs (ADECA) announced it had distributed 33,975 rebates, amounting to more than $3.7

24 ALABAMA’S BIOMASS ENERGY PROGRAM, supra note 2 at 28.
26 Id.
29 Id.
30 Press Release, supra note 20.
million, since it launched the Alabama Energy Efficient Appliance Program in early 2010. \textsuperscript{31} In July 2011, ADECA announced an expansion of the AlabamaSAVES\textsuperscript{TM} loan program, reducing the minimum loan requirement from $250,000 to $50,000. \textsuperscript{32} This adjustment made the program more accessible to small businesses in the state.

In August and October 2011, Governor Bentley awarded $774,140 to eight school systems\textsuperscript{33} and $1.4 million to eleven local governments, respectively. \textsuperscript{34} The recipients used these funds to upgrade outdated equipment to more energy efficient models.

On November 15, 2011, Governor Bentley issued an executive order requiring all state departments and agencies to reduce energy consumption by 30\% by fiscal year 2015 relative to 2005 levels. \textsuperscript{35} In a press release, Bentley highlighted the state government’s significant energy consumption and the associated waste of taxpayer dollars. \textsuperscript{36}


Effective March 6, 2012, by order of the Alabama Public Service Commission, Alabama Power offered a Rate Rider Plug In Electric Vehicle (PEV) Business Electric Vehicle Time-of-Use (BEVT) rate for electricity purchased PEVs used for non-residential purposes. \textsuperscript{37} The electricity used for vehicle charging is metered separately from all other electricity use. Additionally, Alabama Power offers a Residential PEV rate for customers that can verify possession of a qualified PEV. \textsuperscript{38}

On May 3, 2012, House Bill 518 was enacted into law, creating The Alabama Public Interest Energy and Fuel Research and Development Grants Program within the Alabama’s Department of Agriculture and Industries’ (ADAI) Center for Alternative Fuels. \textsuperscript{39} The Program created an advisory commission to make recommendations and

\begin{flushright}
\textsuperscript{31} Shyrock \textit{supra} note 20.
\textsuperscript{36} Press Release, \textit{supra} note 29.
\textsuperscript{37} \textit{ALA. PUB. SERV. COMM’N, RATE RIDER PEV PLUG-IN ELECTRIC VEHICLE (OPTIONAL)} (Mar. 6, 2012), \url{https://www.pscpublicaccess.alabama.gov/pscpublicaccess/ViewFile.aspx?Id=c4cfe342-0492-4606-8221-62bf84b74f70}.
\textsuperscript{38} \textit{Id.}
\textsuperscript{39} \textit{ALA. CODE} § 2-2-111 (2012).
\end{flushright}
provides special funding for public interest energy and fuel research and development projects.  

On August 8, 2012, Governor Bentley awarded a $9,975 grant to the Alabama Clean Fuels Coalition to help educate the public about the benefits of alternative fuels such as “biodiesel, compressed natural gas, and propane.” The Alabama Clean Fuels Coalition, established in 1993 as part of the DOE’s Clean Cities Program, coordinates alternative-fuel vehicle activities in Alabama.

Also in August 2012, Governor Bentley awarded three Small Business Lighting Retrofit Program grants, totaling $15,000, from the Alabama Department of Economic and Community Affairs-based program funded by the DOE. The program provides a maximum grant of $5,000 per business location to help Alabama small businesses convert to energy efficient lighting.

On September 4, 2012, the NGA announced the creation of a policy academy that consisted of four participating states—Alabama, Arkansas, Illinois and Iowa—focusing on energy efficiency in the industrial sector in order to improve productivity and competitiveness. The Policy Academy on Enhancing Industry Through Energy Efficiency and Combined Heat and Power, which initially ran from September 2012 to April 2013, included workshops, site visits, expert technical assistance, networking and a grant opportunities to support related activities. The first workshop took place in October 2012 in Portland, Oregon. It provided a forum for state policymakers to learn from experts on best practices related to industrial energy efficiency and sustainability.

Also in 2012, the U.S. Department of Agriculture (USDA), through its Intermediary Relending Program, awarded a $500,000 loan to the ADAI for the creation of a revolving loan program. The program would provide affordable financing to Alabama businesses and communities to assist with alternative fuel production, delivery

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40 Id.
42 Who We Are, ALA. CLEAN FUELS COAL. (Feb. 20, 2012), http://www.alabamacleanfuels.org/Who_We_Are/who_we_are.cfm.
44 Aug. 6 Press Release Supra note 41.
45 Id.
47 Id.
49 Id.
and energy savings investments. The first low-interest loan from ADAI created seven jobs.

In its second year, AlabamaSAVES™ ended 2012 by nearly tripling loan volume from 4 loans in 2011 to 11 loans in 2012, financing a total of nearly $11 million in energy projects.

2013: Greenhouse Gas Reduction and Energy Efficiency

On March 21, 2013, Governor Bentley issued an executive order establishing the Alabama Department of Transportation to appoint and employ a fleet manager to develop a Statewide Fleet Management Program. The Program will propose fleet management policies, procedures, and guidelines for all state agency, board, commission, and department fleets. The Program will also address future cooperation between the Department of Finance and the Green Fleet Review Committee, which ensure compliance with the Green Fleets Policy.

2014: Green Jobs, Green Energy, and Energy Efficiency

The Alabama Department of Agriculture and Industries (ADAI) has entered into an agreement with the USDA Rural Development’s Intermediary Relending Program to provide funding for the purpose of increasing local economic activity and employment in rural communities and of funding green energy projects. The ADAI is the conduit for these revolving loan funds and ultimate recipients may borrow between $25,000 and $125,000.

ALASKA

1997: Energy Efficiency, Green Building, and Green Technology

In 1997, Alaska Energy Authority (AEA) began its Rural Power Systems Upgrades (RPSU) Program, which has since expanded with federal funding from the Denali Commission. The RPSU concentrates on powerhouse and electrical distribution

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51 Id.
upgrades with a primary focus on the design and construction process to include energy efficiency, reliability, safety, and sustainability.  

**2004: Renewable Energy and Energy Efficiency**

In 2004, the Alaska legislature enacted Senate Bill (SB) 337, which granted the Alaska Energy Authority (AEA) the power to give loans to particular entities that focus on, among other facets: energy efficiency, energy conservation and alternative energy facilities and equipment. Potential recipients of the AEA power loans are: local utilities and governments; regional and village corporations and councils; and independent power producers for the development or upgrade of small-scale power production facilities, conservation facilities, and bulk fuel storage facilities.

**2005: Renewable Energy and Energy Efficiency**

On March 25, 2005, the Alaska Energy Authority (AEA) adopted a regulation that created the Alternative Energy and Energy Efficiency (AEEE) program. The AEEE program promotes using renewable resources as alternatives to fossil fuel-based power and heat, as well as enhancing energy production and end-use efficiency. The AEEE program is divided into eight separate program areas: Alaska Energy Inventory; AEA Biomass Energy; AEA Combined Heat and Power; Energy Efficiency and Conservation; AEA Geothermal; Hydroelectric; AEA Ocean and River Energy; and the AEA Wind Program.

**2006: Climate Change Adaptation**

In May 2006, the Alaska Legislature adopted House Concurrent Resolution 30, creating an Alaska Climate Impact Commission. The Commission is charged with assessing the impacts and costs of climate change to Alaska and developing recommendations for preventative measures potentially implemented by Alaskan communities and governments. The eleven-member commission released its final report in March 2008.

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59 Id.

60 Id.


63 CESA Member Alaska, supra.


65 Id.

2007: Climate Change Agreements and American Recovery and Reinvestment Act

On September 14, 2007, Governor Palin signed Administrative Order 238, which created the Climate Change Sub-Cabinet and tasked the new Sub-Cabinet with developing a climate change strategy. The Sub-Cabinet, comprised of the commissioners of the Departments of Commerce, Community and Economic Development; Environmental Conservation; Natural Resources; Fish and Game; and Transportation and Public Facilities, is charged with compiling Alaska’s climate change information and recommending policies to deal with the effects of, and to combat, climate change.

On September 21, 2007, Governor Palin signed Alaska on as an observer to the Western Climate Initiative, a collaboration launched in February 2007 between the Governors of Arizona, California, New Mexico, Oregon and Washington, to meet regional challenges raised by climate change.

2008: Renewable Energy

Effective August 20, 2008, the Alaska Legislature established the Renewable Energy Grant Program (REGP) administered by the Alaska Energy Authority (AEA), pursuant to House Bill (HB) 152. The Program established a five-year Renewable Energy Fund for renewable energy projects (extended in 2012) of $50 million per year, subject to yearly legislative approval. HB 152 also established a seven-member advisory board to consult with the AEA in the development of grant eligibility requirements as it developed criteria for the yearly legislatively approved REGP grants.

2009: Renewable Energy; American Recovery & Reinvestment Act (ARRA), and Green Jobs

In January 2009, the Alaska Energy Authority (AEA) and the Alaska Center for Energy and Power released Alaska Energy: A First Step Toward Energy Independence, A Guide for Alaskan Communities to Utilize Local Energy Resources. The report was designed “to increase the likelihood that energy solutions will become a reality [by engaging] Alaskans in the solution and [inviting] their active participation in the selection

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68 Id.
73 Id.
and ownership of their alternative energy sources.”


The letter to President Obama mentions Alaska’s recent signing of a license with TransCanada, a Canadian pipeline company, a contract that would provide “up to $500 million of state matching funds in order to assist the company in holding an open season and obtaining a [FERC] Certificate of Public Convenience and Necessity and similar certification in Canada.” The proposed ANGP is projected to supply a minimum of four billion cubic feet per day of natural gas to North American markets as early as 2019.

On March 12, 2009, the U.S Department of Energy (DOE) announced that Alaska was eligible for $28,232,000 under the State Energy Program (SEP) of the ARRA. The goals established for the 2008 SEP included: increasing energy efficiency, reducing reliance on imported energy, reducing the impacts of energy production and use on the environment, and improving the reliability of electricity and fuel supply. The following investments from 2009 ARRA funds were made by Alaska towards energy efficiency projects and programs: $10 million in Alaska state facilities, $8 million in schools and municipalities, $2.5 million in low income housing, $3.7 in a village facility energy efficiency program, and $4 million in resources and tools for communities and business.


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75 Id. at 4.
78 Id.
81 Id. at 5.
84 THE PEW CHARITABLE TRUSTS, THE CLEAN ENERGY ECONOMY: REPOWERING JOBS, BUSINESSES AND INVESTMENTS ACROSS AMERICA at
On August 20, 2009, Governor Parnell testified before a field hearing of the U.S. Senate Appropriations Subcommittee on Homeland Security in an effort to promote the development of a National Arctic Doctrine. Governor Parnell touted the Alaskan Arctic’s wealth of “traditional and renewable sources of energy” and stated that “[Alaska] can be America’s test-bed for renewable and alternative sources of energy.”

In September 2009, Governor Parnell continued to promote utilization of Alaska’s natural gas reserves through outer continental shelf development. In a letter to U.S. Secretary of Interior, Ken Salazar, Governor Parnell promoted a Draft Proposed Outer Continental Shelf Oil and Gas Leasing Program 2010 – 2015, highlighting the proposal’s economic, national security, and environmental benefits.

Also in 2009, the Alaska legislature made $100 million available for the Renewable Energy Grant Program (REGP) for the 2009 fiscal year, pursuant to the REGP enacted in 2008.


In March 2010, Governor Parnell joined nineteen other governors in a letter to the U.S. Environmental Protection Agency (EPA) urging it to stop its plan to regulate greenhouse gases (GHGs). The following week, the State of Alaska filed a motion to intervene in a lawsuit against EPA filed in the D.C. Circuit Court pertaining to these same GHG regulations.

85 Id., at 53.
87 Id.
In June 2010, Governor Parnell signed Senate Bills (S.B.) 243 and 277, both focused on encouraging development of renewable energy. S.B. 243 was designed to stimulate geothermal energy exploration by reducing the royalties collected on land leased for such exploration. S.B. 277 was also enacted to stimulate investment in renewable energy by exempting facilities from regulation (by the Regulatory Commission of Alaska and municipalities) that generate electricity entirely from renewable energy resources when that electricity is sold to regulated utilities. It was especially focused on the Fire Island Wind Project, Alaska’s first commercial-scale wind power facility, which began delivering renewable energy to Alaskan residents in the fall of 2012.

Also in 2010, Governor Parnell signed House Bill (H.B.) 306 and S.B. 220 (known as the Alaska Sustainable Energy Act). HB 306 “set a goal for Alaska to generate 50 percent of its electricity through renewable resources by 2025, primarily through hydroelectric projects” and set a goal to increase energy efficiency on a per capita basis by 15% by 2020.

S.B. 220 implemented “a statewide energy policy,” in part by creating an Energy Efficiency Revolving Fund in the Alaska Housing and Finance Corporation, which opened the opportunity for schools, municipalities and state governments to obtain low-interest funding for projects that promoted energy efficiency improvement to public buildings. The Fund is comprised of $250 million in bonds, and in 2010 was expected to create 1,500 to 2,000 construction jobs. S.B. 220 also created the Emerging Energy Technology Fund within the AEA. Pursuant to this Fund, the AEA makes grants to eligible applicants for demonstration projects of technologies that promote, enhance, or expand the diversity of energy supply sources related to renewable sources of energy and conservation of energy, among other things. Successful applicants need to demonstrate the capability to be commercially viable within five years.

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92 S. 243, 26th Leg., (Alaska 2010), http://www.legis.state.ak.us/PDF/26/Bills/SB0243Z.PDF.
93 S. 277, 26th Leg., (Alaska 2010), http://www.legis.state.ak.us/PDF/26/Bills/SB0277Z.PDF.
95 CIRI WIND ENERGY (October 20, 2010), http://www.ciri.com/content/company/FireIsland.aspx.
97 H.R. 306, 26th Leg., (Alaska 2010), http://www.legis.state.ak.us/PDF/26/Bills/HB0306Z.PDF.
98 S. 220, 26th Leg., (Alaska 2010), http://www.legis.state.ak.us/PDF/26/Bills/SB0220Z.PDF.
100 Id.
101 H.R. 306.
102 Id.
103 Id.
104 S. 220; Alaska Stat. § 42.45.375 (West 2010).
106 Id.
Also in 2010, the U.S. Department of Labor awarded the Alaska Workforce Investment Board (AWIB) a $3.6 million ARRA grant for “green job” training. This grant was contingent upon the formation of the Alaska State Energy Sector Partnership along with the AWIB’s adoption of an energy sector workforce plan for Alaska. The grant application proposed to train over 700 workers over three years to increase the supply of workers with energy-efficiency skills to support energy efficient user technology in the hydroelectric, wind turbine, geothermal, and biomass industries.

2011: Energy Efficiency and Green Building

On January 5, 2011, the Alaska Energy Authority (AEA) awarded a $146,000 grant to the Cold Climate Housing Research Center to develop a statewide energy efficiency report. The grant was funded by a partnership with the Department of Energy (DOE) on the basis that the research would help Alaska to meet its goal of increasing statewide energy efficiency by 15% by 2020.

Also on January 5, 2011 and funded by the ARRA in an effort to meet the 15% energy efficiency goal proposed by HB 306 in 2010, the AEA announced the launch of its Alaska Commercial Energy Audit Program. The program provided qualifying owners of commercial buildings up to $7,000 to conduct energy audits. Between 2011 and 2012, the program aided 146 private businesses in paying for energy audits.

In May 2011, the Institute of Social and Economic Research at the University of Alaska Anchorage published the twenty-third edition of Alaska Energy Statistics 1960-2008 for the AEA, whose stated mission is to “reduce the cost of energy in Alaska.” The report provides a detailed analysis of the amount of electricity each utility then existing in Alaska generated, the type of fuel used for generation, and carbon dioxide emissions.
emissions levels.\textsuperscript{116} The report also includes a special section detailing Alaska’s 2008 amounts of energy produced, used, and exported.\textsuperscript{117}

On July 14, 2011, the Alaskan legislature passed,\textsuperscript{118} and Governor Parnell signed into law, S.B. 42,\textsuperscript{119} authorizing the AEA to pursue a large hydroelectric project (the Susitna-Watana Hydro project\textsuperscript{120}), which is projected to supply about half of Southcentral Alaska’s energy demand.\textsuperscript{121} The project will also help Alaska to meet its goal of obtaining 50% of its energy from renewable sources by 2025.\textsuperscript{122}

In December 2011, the AEA released a new report, \textit{Recommendations for Alaska Energy Efficiency and Conservation Public Education and Outreach},\textsuperscript{123} which included research-based recommendations for public messaging with the purpose of engaging the public in energy conservation efforts.\textsuperscript{124}

\textbf{2012: Renewable Energy and American Recovery & Reinvestment Act (ARRA)}

In February 2012, again funded by the ARRA, the Alaska Energy Authority (AEA) relaunched its Energy Audit Program (initiated in 2011), providing qualifying owners of commercial buildings up to $7,000 in costs for conducting an energy audit.\textsuperscript{125}

Effective May 3, 2012, the legislature enacted HB 250,\textsuperscript{126} which amended the Renewable Energy Grant fund established in 2009 that was originally set to expire in 2013. The bill extended the fund through June of 2023.\textsuperscript{127}

On June 14, 2012, Senate Bill 25, the Alaska Sustainable Strategy for Energy Transmission and Supply (ASSETS) Act, created new programs and powers within the

\begin{itemize}
\item \textsuperscript{117} \textit{Id}.
\item \textsuperscript{118} S. 42, 27th Leg., (Alaska 2011), http://www.legis.state.ak.us/PDF/27/Bills/SB0042Z.PDF.
\item \textsuperscript{120} \textit{Official Project Documents, SUSTINA-WATANA HYDRO} (Mar. 13, 2014), http://www.susitnadeticity.org/submit-comments-review-documents/.
\item \textsuperscript{122} \textit{Id}.
\item \textsuperscript{124} \textit{Id.}, at 3.
\item \textsuperscript{127} H.R. 250.
\end{itemize}
Alaska Industrial Development and Export Authority (AIDEA). The ASSETS program was created with a purpose of addressing Alaska’s energy needs by offering qualified energy development financing options. According to Governor Parnell, ASSETS will bring the state closer to its goal of generating 50% of its energy from renewable sources by 2025.

Through December 2012: the AEA Administered Renewable Energy Fund (established in 2008) made $114.5 million in grant payments; 51 of 114 upgrades were completed pursuant to AEA’s Rural Power Systems Upgrade Program; AEA’s Alternative Energy and Energy Efficiency (AEEE) program (established in 2005) managed and funded projects and initiatives totaling $234 million in state and federal funding; and AEA’s Emerging Energy Technology Fund (established in 2010) received 70 proposals and 16 projects were selected for funding in 2012. At the start of 2012, Alaska had 15.3 megawatts of installed energy capacity and by the end of 2012, Alaska’s total installed capacity increased to 63.8 megawatts.

2013: American Recovery & Reinvestment Act (ARRA) and Energy Efficiency

In 2013, for the third year in a row, Alaska Energy Authority (AEA) announced funding for energy efficiency audits for privately owned commercial buildings across Alaska. The AEA stated “results of past year program participants indicate average energy savings of roughly 1/3 resulting from economic efficiency investments…” On June 30, 2013, the AEA established the Village Energy Efficiency Program (VEEP), funded by the ARRA, which provides financial assistance to public facilities in rural communities with no greater than 8,000 residents. Funding is provided to conduct “energy audits, implement cost-saving energy efficiency improvements in public buildings and facilities, and implement conservation programs.” On July 1, 2013, The VEEP program announced funding availability of $900,000.

129 Sustainable Energy Transmissions, supra.
131 CESA Member Alaska, supra.
132 Id.
133 Id.
134 Id.
135 Alaska Commercial Energy Audit Program, supra.
136 Id.
138 End Use Efficiency VEEP, ALASKA ENERGY AUTH. (Mar. 20, 2014),
140 Project Fact Sheet, ALASKA ENERGY AUTH. (Mar. 20, 2014),
As of July 27, 2013, through the AEA-administered Renewable Energy Fund (established in 2008), $227.5 million were appropriated for 251 approved renewable energy project applications.\footnote{141 Project Fact Sheet, supra.}

Also in 2013, the AEA submitted a report on the Sustina-Watana Hydro project accomplishments and projections.\footnote{142 ALASKA ENERGY AUTH., SUSTINE-WATANA HYDRO REPORT TO THE LEGISLATURE 2013 (2013), http://susitna-watanahydro.org/annualreport13/annualreport.html.} The report estimated that after 12 years of operation (beginning in 2025), the cost of power created by the project will equal that of natural gas and will remain stable, while natural gas prices will continue to increase well beyond hydroelectric prices in the years beyond.\footnote{143 Id. at 8.}

\textbf{2014: Greenhouse Gas Reduction}

On January 6, 2014, the Alaska Energy Authority (AEA) released a program fact sheet on the current status of the Bulk Fuel Upgrades Program, funded by the state of Alaska and the Denali Commission since 2000.\footnote{144 Program Fact Sheet: Bulk Fuel Program, ALASKA ENERGY AUTH. (Mar. 20, 2014), http://www.akenergyauthority.org/FactSheets/PFS-BulkFuel.pdf.} The Program undertakes the design and construction of modern, code-compliant bulk fuel facilities in rural Alaska.\footnote{145 Id.} The increased storage capacity of the bulk tank storage will provide communities the option of utilizing only truck delivery, potentially eliminating all need for flying in fuel and reducing the number of overall deliveries.\footnote{146 Id.} With the 2014 addition of EPA’s fuel efficiency and GHG standards for medium- and heavy-duty trucks,\footnote{147 Paving the Way Toward Cleaner, More Efficient Trucks, US EPA OFFICE OF TRANSP. & AIR QUALITY (Mar. 20, 2014), http://www.epa.gov/otaq/climate/documents/420f11032.pdf.} the elimination of air cargo delivery will presumably reduce overall GHG emissions for Alaska fuel delivery. As of January 2014, in partnership with the Denali Commission, AEA has completed more than $304 million in Rural Bulk Fuel and Rural Power System Update projects.\footnote{148 CESA Member Alaska, supra.}

\textbf{ARIZONA}

\textbf{1995: Renewable Energy}

Arizona provides numerous incentives for residences and businesses to utilize energy sources that mitigate climate change. Under the Solar Energy Credit Law the state has since January 1995 provided taxpayers credits for installing solar or wind energy devices at their residences in Arizona.\footnote{149 Ariz. Rev. Stat. § 43-1083 (LexisNexis 2006).} The credit is 25% of the cost of a qualifying solar or wind energy device (with a $1,000 maximum allowable limit) against

\footnotesize{\begin{itemize}
\item \footnote{141 Project Fact Sheet, supra.}
\item \footnote{142 ALASKA ENERGY AUTH., SUSTINE-WATANA HYDRO REPORT TO THE LEGISLATURE 2013 (2013), http://susitna-watanahydro.org/annualreport13/annualreport.html.}
\item \footnote{143 Id. at 8.}
\item \footnote{144 Program Fact Sheet: Bulk Fuel Program, ALASKA ENERGY AUTH. (Mar. 20, 2014), http://www.akenergyauthority.org/FactSheets/PFS-BulkFuel.pdf.}
\item \footnote{145 Id.}
\item \footnote{147 Paving the Way Toward Cleaner, More Efficient Trucks, US EPA OFFICE OF TRANSP. & AIR QUALITY (Mar. 20, 2014), http://www.epa.gov/otaq/climate/documents/420f11032.pdf.}
\item \footnote{148 CESA Member Alaska, supra.}
\item \footnote{149 Ariz. Rev. Stat. § 43-1083 (LexisNexis 2006).}
\end{itemize}}
the taxpayer’s personal income tax. Devices that qualify for the credit include wind generators, wind-powered pumps, solar-powered water-heating systems, and solar-powered lighting systems.

1997: Renewable Energy

Since 1997, Arizona has offered a sales tax exemption of up to $5,000 for qualifying solar energy devices. Among the power generators meeting the law’s criteria are wind-powered water pumps, wind-powered electric generators, solar-powered lights, and solar-powered water-heating systems. The law is set to expire on January 1, 2011. On April 17, 2013 Governor Brewer signed House Bill (H.B.) 2259 amending § 42-1083. However, the Bill did not alter the credits allotted for installing solar or wind devices. On April 29, 2013 Brewer signed H.B. 2535 amending § 42-5075, but again the Bill did not alter the relevant tax credit for solar and wind installations.

2005: Renewable Energy

On February 11, 2005, Governor Napolitano issued Executive Order (EO) 2005-05 mandating that the design and construction of every new state-funded structure derive at least 10% of its energy from a qualifying renewable resource. The Order also requires that Arizona’s Administration and Transportation Departments, as well as the state’s School Facilities Board, annually present a report to Napolitano’s office and to the Department of Administration describing their efforts to derive energy from a renewable power source and assessing what actions are necessary to improve those efforts.


On February 28, 2006, the governors of Arizona and New Mexico signed an agreement to create the Southwest Climate Change Initiative. Both states now require that their Climate Change Advisory Groups work together to find methods to slow global climate change and reduce emissions of greenhouse gases (GHGs). In February 2006, the Arizona Corporation Commission introduced new Renewable Energy Standards that

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150 Id.
151 Id.
152 Id. §§ 42-5061, 42-5075(B)(14).
153 Id.
154 Id.
156 Id.
159 Id.
161 Id.
will, once adopted as a final rule, require 15% of the energy generated by regulated electric utilities to be from renewable sources by 2025. The rules will also require an increasing percentage of the state’s total resource portfolio to come from distributed generation. These standards were passed and adopted in November 2006. Arizona also has appliance efficiency standards for twelve appliances.

On June 21, 2006, Governor Napolitano signed into law a bill that provides solar energy tax incentives for commercial and industrial projects. The law requires Arizona’s Department of Commerce to establish a solar energy income tax credit. It also removes the $5,000 tax exemption limit for retail and prime contracting classification and prohibits solar energy systems for on-site consumption from being added to property value. The tax credit would apply retroactively to the beginning of 2006. In May 2007 Napolitano signed H.B. 2491, increasing the 2006 solar energy income tax credit to include third-party organizations with installed or manufactured solar energy devices. The tax previously was only available to taxpayers with installed solar energy devices and third-party organizations that financed solar energy devices.

In addition, on September 8, 2006, Governor Napolitano signed an EO geared toward reducing GHG emissions. The EO establishes a statewide goal to reduce Arizona’s future GHG emissions to the 2000 emissions level by the year 2020, and to 50% below the 2000 level by 2040. It also created a Climate Change Executive Committee whose task it will be to develop a strategy to implement the recommendations in Arizona’s Climate Change Action Plan and to explore ways to meet Napolitano’s challenge of reaching the 2000 emissions level even sooner, by Arizona’s Centennial in 2012.

2007: Climate Change Agreements

In February 2007, Governor Napolitano established the Western Climate Initiative (WCI) with the governors of California, New Mexico, Oregon, and Washington in order

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166 Id.
167 Id.
168 Id.
169 Id.
171 Id.
173 Id.
175 Id.
to reduce GHG emissions and tackle climate change. On August 22, 2007, the Initiative set a regional GHG emission reduction goal of 15% below 2005 levels by 2020, or approximately 33% below business-as-usual levels. This regional target is compatible with and does not replace the states’ individual GHG reduction targets. Montana, Utah, and four Canadian provinces have joined the Initiative since 2007. The WCI announced draft essential requirements for the reporting of GHG emissions in July 2008. It also released Design Recommendations for the WCI Regional Cap-and-Trade Program on September 23, 2008.

The aforementioned document recommends that carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions should all fall under the cap-and-trade scheme. Regulated sources are electricity generation, combustion at industrial and commercial facilities, industrial process, fuel combustion from industrial, residential and commercial sources that are below the threshold for direct regulation, and transportation combustion of gasoline/diesel (excluding biofuels). Each of these sources must emit at least 25,000 metric tons of carbon dioxide equivalent annually in order to participate in the trade. The first compliance periods begins in 2012 and includes half of the economy-wide regulated emissions from the Initiative’s member jurisdiction for the electricity generation, industrial combustion and industrial process sectors. The second compliance period begins in 2015, adding the other regulated sectors and includes 90% of the economy-wide regulated emissions.

In May 2007, Arizona and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report GHG emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.” Additionally, on October 29, 2007, Arizona joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order

177 Id.
179 Id.
181 Id. at 1.
182 Id. at 1-2.
183 Id. at 3.
184 Id. at 17.
185 Id.
187 Id.
to combat global warming.\textsuperscript{188} ICAP will provide a forum for governments to share information regarding cap-and-trade systems and will work to ensure that market programs are compatible.\textsuperscript{189} In addition, ICAP will promote low-carbon products and services, innovations, and cost effective reductions.\textsuperscript{190}

\textbf{2008: Greenhouse Gas Reduction and Renewable Energy}

In April 2008, Governor Napolitano signed Senate Bill (S.B.) 1384, extending the Arizona Emissions Bank from 2009 until 2019.\textsuperscript{191} Permitted sources may generate credits for reducing certain emissions by an amount greater than that required by applicable law, rule, permit or order. Those credits can then be deposited in the Emissions Bank. Created in 2002, the Emissions Bank issues permits covering particulate matter, sulfur oxides, carbon monoxide, nitrogen oxides, and volatile organic compounds.\textsuperscript{192} All reductions that have occurred after August 17, 1999 and are permanent, quantifiable and enforceable may be eligible under the program.\textsuperscript{193}

In May 2008, Governor Napolitano vetoed H.B. 2017, which would have prohibited state agencies from “adopting or enforcing programs that would have in any way regulated the emission of greenhouse gas or motor vehicle fuel economy, without legislative approval through specific legislative authorization.”\textsuperscript{194}

Arizona biofuel standards were revised in June 2008 when Governor Napolitano signed H.B. 2621.\textsuperscript{195} The Bill establishes the Biofuels Conversion Program, which awards grants for the conversion of existing and the installation of new biofuels storage and dispensing equipment.\textsuperscript{196} Under this Program, eight companies were awarded $728,150 for eleven projects, and awards were not to exceed $75,000.\textsuperscript{197} Companies leveraged more than $1.6 million to provide Arizona more than $2.3 million in biofuels projects.\textsuperscript{198} The Bill also revises standards for various aspects of biofuel use including its storage and sale.\textsuperscript{199} Examples include the requirement that biodiesel dispensers be labeled with the volume percentage of biodiesel in the product being dispensed and that

\begin{itemize}
\item \textsuperscript{189} Id.
\item \textsuperscript{190} Id.
\item \textsuperscript{191} S.B. 1384, 48th Leg., 2nd Reg. Sess. (Ariz. 2008).
\item \textsuperscript{192} ARIZ. REV. STAT. ANN. § 49-410 (West 2002).
\item \textsuperscript{193} Id.
\item \textsuperscript{195} H.B. 2621, 48th Leg., 1st Reg. Sess. (Ariz. 2008).
\item \textsuperscript{196} Id. at 1.
\item \textsuperscript{198} Id.
\item \textsuperscript{199} H.B. 2621 at 5.
\end{itemize}
product transfer documents contain this percentage in the product being transferred.\textsuperscript{200}

On December 16, 2008, the Arizona Corporate Commission approved the 2009 Renewable Energy Standard and Tariff (REST) Implementation Plans for Arizona’s Public Utilities.\textsuperscript{201} In the short term, the utilities must attain a 2% renewable resource based energy generation in 2009.\textsuperscript{202} The plan mandates a 15% renewable resource energy production by 2025.\textsuperscript{203}


In further progress of its cap-and-trade program, the WCI released the third draft of the \textit{Background Document and Progress Report for Essential Requirements of Mandatory Reporting for the Western Climate Initiative} on January 6, 2009 for public comment.\textsuperscript{204} The reporting threshold is set at 10,000 metric tons of carbon dioxide in a year, well below the 25,000 metric ton threshold for participation in the cap-and-trade program.\textsuperscript{205} It is recommended that stationary combustion sources be subject to the reporting requirement as well as the sources listed in Table 1 of the document. These listed sources must report combustion and non-combustion emissions.\textsuperscript{206} Due to strong stakeholder support, it is recommended that reporting begin in 2011 for facilities that began operation before 2010.\textsuperscript{207} This will be in preparation for the commencement of the cap-and-trade program in 2012.

On March 12, 2009, the U.S. Department of Energy announced that Arizona was eligible for $55,447,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\textsuperscript{208}

In July 2009, WCI issued a White Paper on Offset Definition and Eligibility Criteria for comments to its stakeholders.\textsuperscript{209} The paper is the initial phase in development of the definition of an offset, and a major focus of the paper is additionality.\textsuperscript{210} WCI’s

\begin{thebibliography}{210}
\bibitem{200} H.B. 2621 at 7.
\bibitem{202} Id.
\bibitem{203} Id.
\bibitem{204} Background Document and Progress Report for Essential Requirements of Mandatory Reporting for the Western Climate Initiative, W. CLIMATE INITIATIVE (Jan. 6, 2009), \url{http://www.westernclimateinitiative.org/dmdocuments/mandatory_reporting_3rd_draft_010609.74.pdf}.
\bibitem{205} Id. at 10.
\bibitem{206} Id. at 11.
\bibitem{207} Id. at 16.
\bibitem{208} U.S. DEP’T OF ENERGY, NAT’L ENERGY TECH. LAB., STATE ENERGY PROGRAM FORMULA GRANTS, at 44 (Apr. 24, 2009), \url{http://www1.eere.energy.gov/wip/pdfs/sep_arra_foa.pdf}.
\bibitem{209} Comments on the Western Climate Initiative White Paper on Offset Definition and Eligibility Criteria, W. CLIMATE INITIATIVE (2009), \url{http://www.offsetsgroup.ca/pdf/Comments%20on%20WCI%20Offset%20Definition%20and%20Eligibility%20Criteria.pdf}.
\bibitem{210} Id.
\end{thebibliography}
Cap Setting and Allowance Distribution Committee released its Draft Statement of Principles on Competitiveness and the Review of Proposed Options for Addressing Industrial Competitiveness Impacts in August 2009. The purpose of the draft was to “guide the process by which WCI will evaluate competitiveness effects of a regional cap-and-trade program,” and also reviewed how other cap-and-trade programs address this issue. On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the WCI, and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

According to The Pew Charitable Trusts’ June 2009 Clean Energy Economy Fact Sheet for Arizona, Arizona’s clean energy economy grew by 11,578 jobs and 1,123 businesses from 1998 to 2007. As of June 2009, Arizona had attracted over $31 million in venture capital investment in clean energy industries.

On August 31, 2009, the attorneys general of New Jersey, Arizona, Connecticut, Delaware, and California sent senate leaders a letter urging them to pass climate change legislation that is stronger than the Waxman-Markey Bill. The attorneys general’s suggestions to the senators included that the bill contain measures that give states enforcement authority, requires public disclosure of all offset project documentation, and provides standing for citizen suits.

On September 15, 2009, Governor Brewer announced the disbursement of $9.5 million in grants to rural Arizona communities for the development and implementation of energy efficiency projects. The grants, which were issued in conjunction with Arizona’s Energy Efficiency and Conservation Block Grant (EECBG) Program under the ARRA of 2009, will be distributed to communities with populations of less than 35,000,

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212 *Id.*


215 *Id.*


217 *Id.*

and are projected to reduce utility costs and create jobs in the areas hit hard by the economic recession. $1.3 million was awarded to 15 communities for energy related projects and $1.4 million was awarded to 23 communities in EECBG grants. Also in the fall of 2009, the Arizona Public Service Co. (APS) issued close to $178,000 to Maricopa County for the installation of solar and other energy efficiency projects. The projects will not only save Maricopa County over $2 million in energy costs, but are also expected to reduce carbon emissions by 13 tons, an “amount equal to the annual emissions of 1,992 cars.”

Later in September 2009, Arizona Department of Environmental Quality (ADEQ) Director, Benjamin H. Grumbles, issued a statement applauding EPA’s announcement that it will require big companies to report and monitor GHG emissions. Grumbles also noted that ADEQ was pleased with EPA’s recent modifications of emissions reporting requirements for the lime industry.

On October 13, 2009, Governor Brewer issued a statement urging EPA to consider the long term negative impacts new federal rules will have on water delivery and jobs in many Arizona communities. According to Brewer, the costs of the new rules could shut down the Navajo Generating Station (NGS), and consequently endanger the operation of the Central Arizona Project (CAP), a water supply system powered by NGS. CAP currently delivers Colorado River water, reducing demands on the state’s limited groundwater supply and “provide[ing] a renewable surface water supply to roughly 80% of Arizona’s water users and taxpayers.” In 2011 Salt River Project, the operator of the Navajo Generating Station submitted to the U.S. Environmental Protection Agency (EPA) a report on the results of additional visibility modeling. In 2012 an updated report was submitted and on January 18, 2013 the EPA issued a proposed Best Available

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219 Id.
222 Id.
224 Id.
227 Id.
228 Id.
Retrofit Technology (BART) rule. In July 2013 a Technical Working Group reviewed the EPA’s rule and proposed an alternative rule which they in turn submitted to the EPA. As of September 2013 the rule is in its comment phase, which is set to conclude on October 4, 2013.

In November 2009, on the heels of Arizona’s implementation of a Renewable Energy Tax incentive, Governor Brewer announced that the world’s largest solar cell manufacturer, China-based Suntech Power Holdings, would relocate its headquarters to Arizona. Suntech established their headquarters in Goodyear, Arizona, but then it was shut down in March 2013.

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec. North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.” North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.

2010: Market-Based Solutions, Climate Change Agreements, Renewable Energy, and Energy Efficiency

In July 2010, the Arizona Corporation Commission adopted an Electric Energy Efficiency Resource Standard with the goal of reducing public utility energy consumption by 22% by 2020. The Commission later adopted a similar Gas Energy Efficiency Standard in August 2010 with the goal of reducing gas consumption by 6% by 2020, relying primarily on energy efficiency programs.

230 Id.
231 Id.
232 Id.
238 See id.
240 Id.
The WCI partners, including Arizona, released their Design for the WCI Regional Program Report, a culmination of two years of work in July 2010. The report details the WCI partners’ strategies for reducing their GHG emissions by 15% below 2005 levels by 2020, and uses a market-based approach of emissions trading among selected industries. The program is expected to launch in January 2012. The first phase of the program started January 2013 and the second phase is scheduled to begin in 2015.

In August 2010, Governor Brewer signed EO 2010-14 (the Governor’s Policy on Climate Change, superseding EO 2010-06), which ushered in several significant changes to Arizona’s climate change policies. First, under EO 2010-14, Arizona will continue to be a member of the Arizona-Sonora Regional Climate Change Initiative (ASRCCI), created by an agreement signed in June 2005, in order to further cooperation “on developing a regional inventory of GHG emissions and identifying emissions reduction and energy efficiency opportunities.” Second, Arizona will no longer require businesses to join The Climate Registry as reporters – they will instead be asked to join voluntarily, since the U.S. EPA developed its GHG reporting rule. Third, EO 2010-14 also established the Climate Change Oversight Group, and charged it with monitoring the WCI and advising the Governor on Arizona’s position in relation to the WCI’s actions. The Group must also monitor federal legislation, rules and EOs relating to climate change, and must advise the Governor on what position Arizona should take in response. The Group is set to expire on December 31, 2012. Fourth, under EO 2010-14, Arizona pulled out of the cap-and-trade program of the WCI, citing the economic downturn as impetus for the change in policy. However, the State will remain a member of the WCI. Finally, EO 2010-14 stated that Arizona’s goal is to have all state vehicles, with the exception of certain law enforcement vehicles, run on alternative fuels or meet low-GHG emission standards by January 2012. The program was implemented by the Arizona Department of Transportation, in consultation with the Arizona Department of Environmental Quality.

Governor Brewer announced that the Arizona Commerce Authority (ACA) would distribute $2.7 million in grants to renewable energy manufacturers, in order to allow

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242 Id.
245 Id.
246 Id.
247 Id.
248 Id.
249 Id.
them to expand their facilities. The grants were awarded to six companies in August 2010 and will create nearly 180 jobs.251

In December 2010, the ACA announced that it awarded $1 million to the Inter-Tribal Council of Arizona through its Weatherization Assistance Program, to provide energy upgrades to an estimated 126 homes from 19 Arizona Native American Tribes. Through weatherization assistance, more than 6.2 million low-income families have received funding since 1997 to make their homes more energy-efficient.252

2011: Green Jobs and Climate Change Agreements

Governor Brewer announced in February 2011 that a solar component manufacturing firm, Gestamp Solar Steel, would base its operations in Arizona, creating an estimated 300 jobs.253 Similarly, in March 2011, Brewer announced that the First Solar Manufacturing Company will expand its operations in Arizona, and is expected to create 600 jobs.254

In May 2011, Governor Brewer signed an EO moving the state’s energy office to the Governor’s Office as the new Governor’s Office of Energy Policy.255

In November 2011, Arizona and five other states exited from the WCI in order to join North America 2050, an organization which promotes carbon dioxide capture and sequestration techniques, offset projects for emissions trading programs and a focus on sustainable biomass in order to achieve meaningful emissions reductions.256

2012: Renewable Energy

Twice in 2012, Arizona moved up the national ranking for solar production. In March, Governor Brewer announced Arizona moved into third place nationally thanks to

a 333% increase in solar production from 2010 to 2011. In September, Arizona moved into second place thanks to the addition of another 111 megawatts, trailing only California in terms of solar production.

2014: Renewable Energy

In February 2014, Governor Brewer announced the establishment of *emPOWER Arizona: Executive Energy Assessment and Pathways*, a master energy plan for the state. The Plan examined the 10 year energy outlook for the state and aimed to set out best practices to increase solar energy development and foster statewide coordination to reduce energy consumption among other goals. It also established an Energy Advisory Board to oversee, review and update the plan.

ARKANSAS

1999: Green Technology

Act 976 of 1999 offers an energy technology development tax credit of up to 50% of the amount spent during the taxable year on a facility located within the state which designs, develops, or produces photovoltaic devices, electric vehicle equipment, or fuel cells.

2001: Renewable Energy

On April 19, 2001, Governor Huckabee signed into law the Arkansas Renewable Energy Development Act that required the state’s electric utilities to offer net metering for solar, wind, hydroelectric, geothermal, and biomass systems, as well as fuel cells and microturbines fueled by renewable sources.

2003: Market-Based Solutions and Fuels

Since 2003, the Arkansas Biodiesel Incentive Act has offered a tax refund to businesses that use biobased products, including ethanol and biodiesel. The Act also provides biodiesel suppliers an income tax credit of up to 5% of the costs of the facilities and equipment used in the wholesale or retail distribution of biodiesel fuels. In

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261 *Id.*
265 *Id.*
addition, the Act allows the Alternative Fuels Commission to provide grants for the production of biodiesel of up to $0.10 per gallon for a maximum of five million gallons per producer per year for a period not to exceed five years. 266 This Act expired on June 30, 2007.267

The Arkansas Alternative Fuels Commission Act of 2003 established a seven-member alternative fuels commission to develop, coordinate, and promote the utilization of alternative motor fuels throughout the state.268 The Commission was also charged with providing grants and loans for research and projects supporting alternative fuels.269

2005: Transportation

Recent legislation enacted in 2005 directs the Arkansas Office of Procurement to develop and implement a plan for all state agencies to reduce petroleum consumption of their vehicles by at least 10% by January 1, 2009, through measures that include alternative fuels and hybrid vehicles.270 As an incentive, the Energy Office of the Arkansas Department of Economic Development offers state agencies rebates on the purchase of hybrid vehicles equal to the sales tax paid for the vehicles.271 The rebates are funded through oil overcharge funds and are available on a first-come, first-served basis.272

2007: Greenhouse Gas Reduction

In April 2007, Governor Beebe signed House Bill (H.B.) 2460, creating the Governor’s Commission on Global Warming (GCGW).273 The GCGW was charged with determining the ecological and economic impacts of global warming on Arkansas and identifying and recommending policies for reducing global warming pollutants. The GCGW released its final report on October 30, 2008, which contains 54 policy recommendations.274 It was recommended that the state reduce its GHG emissions 20% below 2000 levels by 2020, 35% below 2000 levels by 2525, and 50% below 2000 levels by 2035.275 These recommendations fall into four categories: energy supply; residential, commercial, and industrial; transportation and land use; agriculture, forestry and waste.276

266 Id.
267 Business Incentives and Credits, ARK. DEP’T OF FIN. AND ADMIN. (Sept. 4, 2013), http://www.dfa.arkansas.gov/offices/exciseTax/TaxCredits/Pages/BusinessIncentivesandTaxCreditPrograms.aspx#5.
268 ARK. CODE. ANN. §§ 15-10-601 to -701 (West 2006).
269 Id. § 15-10-701.
272 Id.
275 Id.
276 Id. at EX-14.
2009: American Recovery & Reinvestment Act

On March 12, 2009, the Department of Energy announced that Arkansas was eligible for $39,416,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA). Governor Beebe also signed an agreement to support federal climate change legislation. The agreement contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.

2010: Energy Efficiency and Renewable Energy

The Arkansas Energy Office (AEO), through ARRA funds, has implemented several programs geared toward increasing energy efficiency and renewable energy sources in the state. In February 2010, the AEO provided grants to fund a training program at community colleges for jobs in energy efficiency. As part of the training program, the grants will allow up to 600 participating students to take 60 courses.

Governor Beebe announced in October 2010 that the AEO would expand the Industry Energy Technology Revolving Loan program, allowing more private companies to participate and use the revolving loan funds for energy efficiency projects, such as phasing out inefficient equipment and installing renewable energy systems. This $3.5 million program was fully funded by ARRA.

2011: Energy Efficiency and Transportation/Fuels

In March 2011, the American Council for an Energy-Efficient Economy (ACEE) released a report, Racing Efficiency in Arkansas: Opportunities for a Clean Energy Economy. The report examines various methods and policies through which Arkansas could increase its energy efficiency. If Arkansas were to implement the suggested projects and policies across its commercial, residential, industrial, and transportation sectors, the state could achieve significant energy savings and economic benefits.

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transportation sectors, it could generate more than 11,000 jobs, $240 million in state revenue, and $3.2 billion in savings on consumers’ energy bills by 2025.Using $2.2 million in ARRA funds, Arkansas launched a rebate program for alternative fueled vehicles. The state reimbursed up to half the extra cost of buying or converting vehicles to natural gas. Applications were due by the end of 2011 and all unused funds were then returned to the federal government. As of December 11, 2011, $392,235 had been spent to convert 58 cars and trucks.

2012: Energy Efficiency

In February 2012, the AEO announced “Track and Save,” a new program allowing residents to check energy meters out from libraries to track their energy consumption.

In September 2012, the National Governors Association (NGA) announced coordination with four states, Alabama, Arkansas, Illinois and Iowa, in a policy academy that will focus on energy efficiency in the industrial sector in order to improve productivity and competitiveness. The Policy Academy on Enhancing Industry Through Energy Efficiency and Combined Heat and Power will include two workshops, site visits, expert technical assistance, networking and a grant opportunity to support related activities.

CALIFORNIA

1991: Transportation/Fuels

In 1991, California mandated efficiency standards to guide the purchase of fuels, vehicles, and tires for state motor fleets. Legislation from 2005 requires the formulation of alternative fuel targets for state fleets, to be set for 2012, 2017, and 2022. Furthermore, California integrates environmental considerations into all of its state purchasing guidelines.

1996: Renewable Energy

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283 Id.
287 Id.
288 CAL. PUB. RES. CODE § 25722 (West 2001).
289 CAL. HEALTH & SAFETY CODE § 43866 (West 2005).
290 CAL. GOV’T CODE § 65041 (West 2002).
Starting in 1996 California required its major utilities to collect revenue from their customers to support the state’s Renewable Resource Trust Fund.²⁹¹ Collectively, the utilities must pay the following amounts annually: $228,000,000 for energy efficiency and conservation activities; $135,000,000 for renewable energy; and $62,500,000 for research, development, and demonstration.²⁹² Senate Bill (S.B.) 1036, signed in October 2007, repeals the Renewable Resource Trust Fund.²⁹³

1998: Climate Action Plan

California first developed a climate change action plan in 1998.²⁹⁴

2002: Renewable Portfolio Standard and Greenhouse Gas Reduction

In 2002, in further support of renewable power sources, California adopted a renewable portfolio standard program, mandating utilities to obtain 20% of their electricity from renewables by 2017.²⁹⁵ The standards were later accelerated, requiring 20% renewables by 2010 and 33% by 2020.²⁹⁶ The list of eligible sources is probably the most extensive in the nation, including biomass, solar thermal, photovoltaics, wind, geothermal, fuel cells, small hydropower, digester gas, landfill gas, ocean wave, ocean thermal, and tidal current.²⁹⁷

In 2002, the California legislature directed the California Air Resources Board (CARB) to adopt regulations requiring the maximum feasible and cost-effective reduction of greenhouse gas (GHG) emissions from motor vehicles beginning in model year 2009.²⁹⁸ Chapter 5 includes a more in depth discussion of the vehicle GHG reduction requirement.

2005: Greenhouse Gas Reduction

In 2005, by executive order (EO), California established the following milestones for reduction in all GHG emissions: by 2010, emissions reduced to 2000 levels; by 2020, reduced to 1990 levels; and, by 2050, reduced to 80% below 1990 levels.²⁹⁹ EO S-20-04 directs state-owned buildings to reduce energy use 20% by 2015 (based on 2003 building energy use).³⁰⁰

²⁹⁶ Id.
²⁹⁷ Id. §§ 399.11 – 399.17.
²⁹⁸ CAL. HEALTH & SAFETY CODE § 43018.5 (West 2002).
In 2005, the California Public Utility Commission (CPUC) ordered that the value of $8/ton of carbon dioxide be included in the cost calculations for long-term utility planning and in the evaluation of bids for future electricity or demand-side management. This signifies that the CPUC believed that it was prudent to address the risk of the future regulation of carbon dioxide.\(^{301}\)

**2006: Climate Change Agreements, Greenhouse Gas Reduction, and Market-Based Solutions**

On July 31, 2006, Governor Schwarzenegger and British Prime Minister Blair signed a mission statement, which “commit[s] both California and Great Britain] to urgent action to reduce greenhouse gas emissions and promote low carbon technologies.”\(^{302}\) The agreement establishes a forum for California and Great Britain to share experiences and research efforts, and to educate “the public on the need for aggressive action to address climate change and promote energy diversity.”\(^{303}\) It also commits both California and Great Britain to: (1) evaluate and implement market-based mechanisms that spur innovation; (2) study the economics of climate change; (3) collaborate on technology research; and (4) enhance linkages between the scientific communities of California and Great Britain.\(^{304}\)

Additionally, California passed several pieces of legislation in 2006 aimed at reducing the state’s GHG emissions. In August, Governor Schwarzenegger signed his Million Solar Roofs Plan into law.\(^{305}\) This plan aimed to have one million green roofs in the state by 2018.\(^{306}\) Signed as S.B. 1, this legislation gave the CPUC the authority to regulate municipal-owned utilities under the plan, expand the offer of the solar net met program to 2.5% of customers, and to require developers of more than fifty single family homes to offer solar system installation in the homes.\(^{307}\) Under this Plan on December 1, 2008, Schwarzenegger announced the completion of the first of a proposed 150 installations of solar roofing on commercial buildings in Southern California.\(^{308}\)

On September 27, 2006, Governor Schwarzenegger signed the California Global

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\(^{301}\) This measure is discussed in more detail in Chapter 10.


\(^{303}\) Id.

\(^{304}\) Id.


\(^{306}\) Id.


Warming Solutions Act, Assembly Bill (AB) 32.309 The Bill aims to reduce the state’s global warming emissions to 1990 levels by 2020 and institutes a mandatory emissions reporting system to monitor compliance.310 The Bill also allows for market mechanisms to provide incentives to businesses to reduce GHG emissions while safeguarding local communities.311 In April 2007, CARB released Proposed Early Actions to Mitigate Climate Change in California.312 This draft report’s proposed early actions are part of the AB 32 implementation process, and CARB must adopt the measures as regulations by 2010.313

On September 29, 2006, Governor Schwarzenegger signed S.B. 1368.314 The new law directed the California Energy Commission (CEC) to set a GHG performance standard for electricity procured by local publicly owned utilities, whether it is generated within state borders or imported from plants in other states, and will apply to all new long-term electricity contracts.315 Earlier in the same week, on September 26, Schwarzenegger signed S.B. 107, which requires California’s three major biggest utilities – Pacific Gas & Electric, Southern Edison, and San Diego Gas & Electric – to produce at least 20% of their electricity using renewable sources by 2010.316

In addition to state-level efforts, on October 16, 2006, Governor Schwarzenegger and New York Governor Pataki announced plans to link emissions trading between the carbon markets being developed for California and the states participating in the Regional Greenhouse Gas Initiative (RGGI).317 California and the RGGI states hope to achieve their emissions reduction targets in a more efficient manner by combining markets.318

In December 2006, the CPUC signed onto the Western Public Utility Commissions’ Joint Action Framework on Climate Change, an inter-state agreement with the public utility commissions of New Mexico, Oregon, and Washington.319 Under the agreement, the utility commissions will work together to recommend ways to identify, develop, and implement greater energy efficiency, demand response capability, low-carbon technologies, and GHG emissions standards.

310 Id.
311 Id.
313 CAL. HEALTH & SAFETY CODE § 38560.5(b) (West 2006).
315 Id.
318 Id.
2007: Climate Change Agreements, Cap-&-Trade, Greenhouse Gas Reduction, Energy Efficiency, and Fuels

In February 2007, Governor Schwarzenegger established the Western Climate Initiative (WCI) with the governors of California, Arizona, New Mexico, Oregon, and Washington in order to reduce GHG emissions and tackle climate change. On August 22, 2007, the WCI set a regional GHG emission reduction goal of 15% below 2005 levels by 2020 or approximately 33% below business-as-usual levels. This regional target is compatible with and does not replace the states’ individual GHG reduction targets. Montana, Utah, and four Canadian provinces joined the WCI subsequent to 2007. The WCI announced draft essential requirements for the reporting of GHG emissions in July 2008. It also released Design Recommendations for the WCI Regional Cap-and-Trade Program on September 23, 2008.

The aforementioned document recommends that carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions should all fall under the cap-and-trade scheme. Regulated sources are electricity generation, combustion at industrial and commercial facilities, industrial process, fuel combustion from industrial, residential and commercial sources that are below the threshold for direct regulation, and transportation combustion of gasoline/diesel (excluding biofuels). Each of these sources must emit the equivalent of at least 25,000 metric tons of carbon dioxide annually in order to participate in the trade. The first compliance period began in 2012 and included half of the economy-wide regulated emissions from the WCI’s member jurisdiction for the electricity generation, industrial combustion and industrial process sectors. The second compliance period begins in 2015, adding the other regulated sectors and includes 90% of the economy-wide regulated emissions.

In May 2007, California and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report GHG emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first

322 Id.
324 Id.
326 Id. at 8.
327 Id. at 8-9.
328 Id. at 10.
329 Id. at 24.
330 Id.
step in developing robust programs to reduce greenhouse gas emissions.” The California Climate Action Registry completed one of these programs in September 2007: the Forest Sector Protocol. This protocol provides the procedures for reporting biological carbon stocks and carbon dioxide emissions from forests.

In connection with the California Global Warming Solutions Act of 2006’s target of reducing statewide GHG emissions to 1990 levels by 2020, CARB approved early action measures to ensure progress toward this goal in June and again in October 2007. These measures include a low-carbon fuel standard; a restriction on “do-it-yourself” automotive refrigerants, which will curb refrigerant losses from vehicle air conditioning systems; the increased use of equipment that captures landfill methane; retrofitting trucks and trailers with devices that reduce aerodynamic drag; establishing port electrification that requires docked ships to shut off their auxiliary engines; the use of alternative chemistry development, emissions abatement, and recovery and recycling to reduce perfluorocarbon emissions; the reduction of propellants in consumer products; regulations to ensure proper tire inflation; and a ban on the use of sulfur hexafluoride for non-essential uses when available alternatives exist.

Governor Schwarzenegger signed AB 532 in October 2007, extending the date for solar energy equipment installation on all state buildings, parking facilities, and swimming pools from January 1, 2007 to January 1, 2009. Further, AB 532 required that solar energy equipment be installed on state buildings and parking facilities constructed on or after January 1, 2008, which was extended from January 1, 2003.

In October 2007, Governor Schwarzenegger signed AB 809, which added conduit hydroelectric facilities of 30 megawatts (MW) or less that commenced operation before January 1, 2006 and those that commenced operation after December 31, 2005, which do not adversely impact stream uses, volume or flow, as well as existing hydroelectric generation facilities that make efficiency improvements, to the state’s eligible renewable energy resources. California’s energy suppliers must also disclose to all customers the mix of resources they use to generate power. The disclosure forms have been standardized, and utilities are expected to deliver them four times each year.

332 Id.
336 Id.
338 Id.
340 Id. §§ 398.1-.5.
341 Id.
On October 25, 2007, CARB approved regulations to help attain the state’s goal of reducing GHG emissions.\textsuperscript{342} The regulations included “Smartway Truck Efficiency” measures that reduce aerodynamic drag in trucks and trailers, port electrification for docked ships, a reduction of perfluorocarbons from the semiconductor industry, a reduction of propellants in consumer products, proper tire inflation, and a reduction of sulfur hexafluoride from the non-electricity sector.\textsuperscript{343} CARB projects that these measures will reduce GHG emissions by three million metric tons annually.\textsuperscript{344}

California has established appliance efficiency standards for seventeen products and estimates these regulations will save consumers $3 billion over fifteen years.\textsuperscript{345} In October 2007, Governor Schwarzenegger signed several other energy bills that set efficiency standards. AB 662 empowers the CEC to increase appliance water efficiency standards,\textsuperscript{346} and AB 1560 mandates that the Commission include water efficiency and conservation standards in the current energy efficiency building standards.\textsuperscript{347} AB 1109 creates the California Lighting Efficiency and Toxics Reduction Act, which banned the manufacturing and sale of incandescent light bulbs and mandates that the Commission establish energy efficiency standards for general purpose light bulbs.\textsuperscript{348}

Additionally in October 2007, Governor Schwarzenegger signed AB 1470, enacting the Solar Water Heating and Efficiency Act of 2007, which sets a goal of replacing natural gas water heaters within the state with 200,000 solar water-heating systems by 2017.\textsuperscript{349} AB 1470 directs that this should be accomplished through a financial incentive program created by the CPUC and funded by surcharges added to natural gas bills.\textsuperscript{350}

In October 2007, Governor Schwarzenegger signed AB 1103, which requires electric utilities to keep energy consumption records for nonresidential buildings that they service and also requires building owners and operators to give prospective buyers, lessees, and lenders benchmarking information regarding a building’s energy consumption.\textsuperscript{351} The Waste Heat and Carbon Reductions Act (AB 1613) enables the CPUC to require utilities to increase energy efficiency by buying excess electricity from combined heat and power systems that capture waste heat.\textsuperscript{352}

In October 2007, Governor Schwarzenegger signed AB 118, creating the Alternative and Renewable Fuel and Vehicle Technology Program, which will provide

\textsuperscript{343} Id.
\textsuperscript{345} Id.
\textsuperscript{348} Assemb. B. 662, 2007 Leg., Reg. Sess. (Cal. 2007).
\textsuperscript{349} Assemb. B. 1560, 2007 Leg., Reg. Sess. (Cal. 2007).
\textsuperscript{350} Assemb. B. 1109, 2007 Leg., Reg. Sess. (Cal. 2007).
\textsuperscript{351} Assemb. B. 1470, 2007 Leg., Reg. Sess. (Cal. 2007).
\textsuperscript{352} Assemb. B. 1613, 2007 Leg., Reg. Sess. (Cal. 2007).
grants and loans for the development and implementation of alternative fuel and vehicle technologies that will help attain the state’s climate change policies. AB 118 also created the Alternative and Renewable Fuel and Vehicle Technology Fund in order to finance the Program and requires an annual transfer of $10,000,000 to the Fund from the Public Interest Research, Development, and Demonstration Fund. Increases in vehicle and vessel registration fees and identification plate service fees would generate further revenue for the Fund.

Additionally, on October 29, 2007, California joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming. ICAP provides a forum for governments to share information regarding cap-and-trade systems and works to ensure that market programs are compatible. In addition, ICAP promotes low-carbon products and services, innovations, and cost effective reductions.


On March 27, 2008, CARB voted to triple the number of zero emissions vehicles that had been proposed for automakers to produce from 2012 through 2014. The amendment raises the number of pure zero emission vehicles required from 2,500 to 7,500. In addition, CARB approved the allocation of nearly $200 million for cleaner school buses. The program will replace the oldest school buses still operating in the state as well as replace or retrofit an additional 4,500 high-polluting buses serving public schools.

In June 2008, CARB released a draft Scoping Plan to reduce state GHG emissions to 1990 levels by 2020 as mandated by AB 32. Key plan suggestions include developing a state cap-and-trade program that will link to the WCI’s regional cap-and-trade program, increasing California’s renewable portfolio standard from 20% by 2010 to 33% by 2020, setting new vehicle efficiency standards, setting higher building and

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354 Id.
355 Id.
357 Id.
358 Id.
appliance efficiency standards, and implementing a low carbon fuel standard. The Its Scoping Plan was released in October 2008. The Plan proposes the largest sectorial reductions to come from transportation. These reductions will be implemented via the light-duty vehicle GHG standards (to be set under the authority of S.B. 375) and the Low-Carbon Fuel Standard. CARB voted on the Scoping Plan in November 2008.

Commercial, residential and industrial owners are eligible for a property tax exemption of up to 100% of the value of certain types of solar energy systems. Residential owners can also take tax deductions for the interest on loans for energy efficiency updates. In addition, California requires all utilities to offer net metering for solar and wind systems with a capacity of up to 1 MW. The state’s investor-owned utilities are also required to offer net metering for biogas and fuel cell systems.

In order to stimulate voluntary action toward GHG emissions reductions, California also created a climate action registry. The registry is a non-profit entity mandated to help various governmental and private actors set baselines for measuring emissions; develop reduction programs; and synchronize their programs with federal and international best practices. It acts as both an informational clearinghouse and policy-making hub. Its mandate is broad and encompassing, as it covers not only “traditional” sources of GHG emissions and remediation, such as fossil fuel-based power generators, but also forest management practices. Supporting the goals of the Registry, at least every two years the Energy Resources Conservation and Development Commission must make a comprehensive energy sector assessment, including forecasts for supply, production, transportation, delivery, distribution, demand, and prices. These reports are meant to foster energy policies that are environmentally sound and maintain energy grid reliability. The Registry closed in December 2010.

In April, the CPUC created the California Institute for Climate Solutions (CICS). The goals of CICS are to support research that either leads to reductions in GHG emissions in the electric and natural gas sectors or mitigates the impacts of climate change. The Its Scoping Plan was released in October 2008. The Plan proposes the largest sectorial reductions to come from transportation. These reductions will be implemented via the light-duty vehicle GHG standards (to be set under the authority of S.B. 375) and the Low-Carbon Fuel Standard. CARB voted on the Scoping Plan in November 2008.

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change in California and to hasten the deployment of technologies that have the “highest potential to reduce emissions in the electric and natural gas sectors.”\footnote{377}{Id.} Also in April, the CPUC approved a plan to evaluate the feasibility of a Clean Hydrogen Power Generation plant to advance clean coal technology.\footnote{378}{Id.} The plant would convert coal into predominantly hydrogen and carbon monoxide gases. The hydrogen would then be used as a fuel source while the carbon monoxide gas would be sequestered underground.

In May 2008, the CPUC approved one of the largest wind power contracts in America.\footnote{379}{Press Release, Cal. Pub. Util. Comm’n, CPUC Approves One of the Largest Wind Power Contracts in the U.S. (May 15, 2008), http://docs.cpuc.ca.gov/WORD_PDF/NEWS_RELEASE/82717.PDF.} The contract provides for the development of at least 1,500 MW from wind generating facilities to be constructed in the Tehachapi Wind Resource Area.\footnote{380}{Id.} It is estimated that by 2015, “the development will have the capacity of three large gas fired power plants, but will produce zero greenhouse gas emissions.”\footnote{381}{Id. (quoting Commissioner Rachelle Chong).}

The CPUC showed its support for other renewable energy resource technologies when it authorized the Pacific Gas & Electric Company to include manure management projects in the portfolio of projects supported by the ClimateSmart Program.\footnote{382}{Press Release, Cal. Pub. Util. Comm’n, CPUC Approves Biogas Management Project for PG&E (June 12, 2008), http://docs.cpuc.ca.gov/WORD_PDF/NEWS_RELEASE/84074.PDF; see also ClimateSmart Program Concludes and Celebrates Accomplishments, PG&E (Nov. 10, 2011), http://www.pgecurrents.com/2011/11/10/climatesmart™-program-concludes-and-celebrates-accomplishments/. The ClimateSmart Program was launched in 2007 and concluded in 2011, and it was the nation’s first utility program to give customers an opportunity to voluntarily balance out their energy-related GHG emissions.} Methane emissions from livestock operations are a significant source of climate change gases. This project aims to capture and destroy the methane before it is released into the atmosphere. Manure management is now the second type of project to be included in the ClimateSmart program in addition to forestry offsets.\footnote{383}{Id.}

In July 2008, the California Building Standards Commission voted to adopt the nation’s first statewide green building code.\footnote{384}{CAL. CODE REGS. tit. 24, § 11 (2008).} The Code establishes green building standards that aim to reduce GHG emissions from structures. It includes mandatory components with a delayed effective date for housing as well as voluntary standards for non-residential occupancies.\footnote{385}{Id.}
In August 2008, Governor Schwarzenegger joined Colorado’s Governor Ritter and the Alliance of Automobile Manufacturers to launch the EcoDriving Program. The Program is part of a nationwide effort to save consumers money on their gasoline, reduce fuel consumption and cut carbon dioxide emissions. Later that month, California joined forces with other out-of-state entities. Schwarzenegger announced that the six Mexican Border States and California have joined together with Pacific Gas & Electric and the California Climate Action Registry in a memorandum of understanding (MOU) to combat climate change. Both the public and private signatories will focus on reducing GHGs while working to create clean air and water and reduced exposure to toxic pollutants.

In September 2008, California won a $500,000 grant from the federal Department of Energy to implement an energy-efficient model state code for building construction and renovation. Also, in that month, Governor Schwarzenegger signed AB 3018. This Bill, entitled the California Green Collar Jobs Act of 2008, requires the California Workforce Investment Board to create a special committee to be called the Green Collar Jobs Council. The Council will develop a strategic initiative to address the need of a highly skilled green workforce in the state. The Bill provides six specific duties for the council as it develops the initiative.

The California Long Term Energy Efficiency Strategic Plan was released by the CPUC in September 2008. The Plan aims to eliminate market barriers impeding the state from achieving its long-term energy goals. It discusses strategies in various areas, including the residential, commercial, industrial and agricultural sectors. In the residential sector, the Plan proposes that new buildings will produce zero net energy by 2020 and also contains policies seeking to make low income residential units more energy efficient. It proposes that new and a significant number of existing buildings...
produce zero net emissions by 2030.\textsuperscript{397} The Plan outlines various, specific market manipulation strategies to make energy efficiency more cost-effective.

Governor Schwarzenegger announced on September 26, 2008 that he would organize a global climate summit to take place in California in November 2008 where political leaders from across the globe can discuss climate change issues.\textsuperscript{398} The summit was held in California from November 18-19, 2008 and resulted in a MOU on deforestation.\textsuperscript{399} However, this sentiment to address climate change issues shifted four days later when he vetoed S.B. 1762.\textsuperscript{400} This Bill proposed to create the California Climate Change Institute where the University of California would conduct research and development with the purpose of achieving the state-mandated GHG emission cuts.\textsuperscript{401} In explaining the veto, Governor Schwarzenegger reflected the opinion of other state agencies that it was undesirable to place the Institute solely within the University of California system.\textsuperscript{402} He also found the Bill to be “premature” in anticipation of CARB’s Scoping Plan to reduce GHG emissions.\textsuperscript{403}

On October 1, 2008, Governor Schwarzenegger signed S.B. 375.\textsuperscript{404} This Bill requires the State Air Resources Board to set regional caps on GHG emissions from automobiles and light trucks.\textsuperscript{405} In an effort to achieve these caps, the Bill creates a “Sustainable Communities Strategy,” directing metropolitan planning organizations to produce long-term housing transportation plans with the goal of reducing GHG emissions.\textsuperscript{406} The Bill also states that if the Commission on State Mandates determines that the Bill mandates costs, these costs will be reimbursed by the state.\textsuperscript{407}

The CARB was allocated a $5.6 million special fund and 25.8 positions in the 2008-09 State Budget for implementation of the Global Warming Solutions Act of 2006.\textsuperscript{408} Specifically, these resources are for the implementation of the Low-Carbon Fuel Standard and for the development of other GHG reduction measures.\textsuperscript{409}

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{397} Id. at 30.
\item \textsuperscript{399} Governor’s Global Climate Summit, \textit{http://www.climatechange.ca.gov/events/2008_summit/} (Sept. 6, 2013).
\item \textsuperscript{400} S.B. 1762, 2008 Leg., Reg. Sess. (Cal. 2008), \textit{http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_1751-1800/sb_1762_bill_20080903_enrolled.pdf}.
\item \textsuperscript{401} Id.
\item \textsuperscript{402} John Howard, \textit{Governor Rejects Climate-Change Institute at UC}, \textit{Capitol Weekly} (Oct. 2, 2008, 12:00 AM), \textit{http://www.capitolweekly.net/article.php?xid=sx5leuivix2dpv5}.
\item \textsuperscript{403} Id.
\item \textsuperscript{404} S.B. 375, 2008 Leg., Reg. Sess. (Cal. 2008), \textit{http://www.pewclimate.org/docUploads/SB%20375.pdf}.
\item \textsuperscript{405} Id. at 86.
\item \textsuperscript{406} Id.
\item \textsuperscript{407} Id.
\item \textsuperscript{409} \textit{Id.} at 21.
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Governor Schwarzenegger announced a partnership between California and SunEdison, a solar energy service provider, to install solar panels on fifteen California State University campuses. These panels will provide a total of 8 MW of electricity, the equivalent of removing 48,937 cars from the road. Schwarzenegger also helped launch a 5 MW solar thermal power plant in Bakersfield on October 23, 2008. This plant is the first solar thermal power plant to come online in the state in over fifteen years and it is a demonstration for utility-scale solar thermal power generation. A larger solar thermal power plant is being built in San Luis Obispo with a 177 MW capacity.

Two energy measures were on the ballot in California’s 2008 election. Proposition 7 required California’s utilities to increase their purchase of electricity generated from renewable resources by 2% annually to meet the Renewables Portfolio Standard requirements of 20% by 2010 to 40% by 2020 and 50% by 2025. Proposition 10 sought to provide a total of $5 million to fund alternative energy research and to subsidize high fuel economy or alternative fuel vehicle purchases. A majority of voters rejected these propositions.

Governor Schwarzenegger welcomed an innovative, first-of-its-kind airplane flight, which landed in San Francisco on November 14, 2008. The flight has potential to cut more than 25 metric tons of GHG emissions on a single, trans-Pacific flight. This would occur by new communication technology, which allows air traffic controllers to communicate with pilots mid-flight. This earlier communication allows pilots to have a more continuous decent to arrival so that less fuel is consumed.

Three days after the flight landed in San Francisco, Governor Schwarzenegger signed EO S-14-08 to streamline the renewable energy project approval process and to increase the Renewable Energy Standard to 33% by 2020.

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411 Id.
413 Id.
418 Id.
To further promote its cap-and-trade program, the WCI released the third draft of the *Background Document and Progress Report for Essential Requirements of Mandatory Reporting for the Western Climate Initiative* on January 6, 2009 for public comment.\(^{420}\) The draft sets the reporting threshold at 10,000 metric tons of carbon dioxide in a year, which is well below the 25,000 metric ton threshold for participation in the cap-and-trade program.\(^{421}\) It recommends that stationary combustion sources be subject to the reporting requirement as well as the sources listed in Table 1 of the document. These listed sources must report combustion and non-combustion emissions.\(^{422}\) Due to strong stakeholder support, the plan recommends that reporting begin in 2011 for facilities that began operation before 2010.\(^{423}\) This is in preparation for the commencement of the cap-and-trade program in 2012.

On November 14, 2008, Governor Schwarzenegger issued EO S-13-08\(^{424}\) implementing a plan for sea level rise and climate change impacts.\(^{425}\) The EO designated four key actions: (1) a statewide climate change assessment that identifies the state’s most vulnerable areas and devises adaptation strategies by early 2009; (2) the request for a National Academy of Science expert panel to advise on sea level rise impacts; (3) interim guidance to state agencies on planning for “sea level rise in designated coastal and floodplain areas for new projects;” and (4) the production of a report on critical existing and planned infrastructure projects vulnerable to sea level rise.\(^{426}\)

A few days after addressing sea level rise impacts, Governor Schwarzenegger took a step towards reducing the climate change impacts created by tropical deforestation.\(^{427}\) In collaboration with governors from Illinois, Wisconsin, and six states and provinces in Indonesia and Brazil, he signed a MOU “focused on reducing emissions from deforestation and land degradation (REDD) programs.”\(^{428}\) Among the MOU’s chief provisions were a commitment to promoting carbon sequestration, “develop[ing] rules to ensure that forest-sector emission reductions and sequestration could pass the strict criteria outlined in California’s AB 32 Scoping Plan,” development of an action plan by early 2009.\(^{429}\)

In December 2008, Schwarzenegger announced the approval of a Sunrise


\(^{421}\) *Id.* at 10.

\(^{422}\) *Id.* at 11.

\(^{423}\) *Id.* at 16.


\(^{426}\) *Id.*


\(^{428}\) *Id.*

\(^{429}\) *Id.*
Powerlink Project that will assist the state in reaching its 33% renewable energy goal.\textsuperscript{430}

In response to legislation adopted in 2007, the Governor’s Office of Planning and Research (OPR) issued a preliminary draft of California Environmental Quality Act (CEQA) guideline amendments in early January 2009.\textsuperscript{431} The amendments will advise state agencies on how to analyze GHG impacts created by new projects.\textsuperscript{432} Once submitted to California’s Natural Resources Agency, that agency has until January 1, 2010 to begin the formal rulemaking process.\textsuperscript{433} The amendments were approved in February 2010 and became effective on March 18, 2010.\textsuperscript{434}

\textbf{2009: Climate Change Adaptation, Renewable Energy, Cap & Trade, Climate Change Agreements, Green Jobs, Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, Renewable Portfolio Standards, American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels}

On January 21, 2009, Governor Schwarzenegger sent a letter to President Obama requesting that the EPA promptly address California’s Clean Air Act waiver request.\textsuperscript{435} A month later, Schwarzenegger and eleven other governors signed a letter to President Obama, urging him to form a strong state/federal leader partnership in administrating and initiating a national climate change program.\textsuperscript{436} This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believe that their states have played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.”\textsuperscript{437} The letter also contains suggestions for how a national climate change program should be implemented. One of these suggestions is for the national government to recognize the private investments that have been made in current cap-and-trade programs and to preserve the clean energy plans that are funded by the proceeds from these programs.\textsuperscript{438}

\textsuperscript{432} Id.
\textsuperscript{433} Id.
\textsuperscript{434} Id.
\textsuperscript{435} Id.
\textsuperscript{438} Letter from Arnold Schwarzenegger, Governor of Cal., M. Jodi Rell, Governor of Conn., Charlie Crist, Governor of Fla., Kathleen Sebelius, Governor of Kan., Martin O’Malley, Governor of Md., Deval Patrick, Governor of Mass., John S. Corzine, Governor of N.J., Bill Richardson, Governor of N.M., David Paterson, Governor of N.Y., Theodore R. Kulongoski, Governor of Or., Christine O. Gregoire, Governor of Wash., Jim Doyle, Governor of Wis., to Barack Obama, President of the United States of America (Jan. 29, 2009), http://web.archive.org/web/20090214185812/http://www.wisgov.state.wi.us/docview.asp?docid=15821.
\textsuperscript{439} Id. at 1.
\textsuperscript{440} Id. at 2.
On January 23, 2009, CARB created a Regional Targets Advisory Committee (RTAC) tasked with making recommendations on factors to include and methodologies to use in CARB’s target setting process mandated by S.B. 375.\textsuperscript{439}

On January 28, 2009, the CPUC reported that Californians’ installations of solar power in 2008 had doubled the amount installed in the previous year.\textsuperscript{440} On that same day the legislature introduced S.B. 104, a measure that would allow CARB to regulate nitrogen trifluoride, or NF3.\textsuperscript{441} NF3 was not among the GHGs addressed in AB 32.\textsuperscript{442} A 2008 study done by the University of California, Irvine found that the gas has “a global-warming potential 17,000 greater than carbon dioxide,” and “persists in the atmosphere for centuries.”\textsuperscript{443}

In late February 2009, Governor Schwarzenegger proposed the creation of a state Department of Energy to facilitate one-stop permitting for renewable energy projects.\textsuperscript{444} Current procedures divide the task of permitting among nine agencies.\textsuperscript{445} Consolidation into one agency is aimed at expediting completion of projects that can take ten to twelve years in California.\textsuperscript{446}

On February 26, 2009, CARB issued two proposed rules targeting emissions of fluorinated gases.\textsuperscript{447} The first rule regulates semiconductor manufacturers that utilize fluorinated gases above a certain level.\textsuperscript{448} The rule sets performance based emissions standards for the gases and owners and operators using fluorinated gases have until 2012 or 2014 to comply.\textsuperscript{449} The second rule targets sulfur hexafluoride (SF6), a GHG that has an impact 20,000 times greater than carbon dioxide.\textsuperscript{450} The rule phases out use of SF6 in non-utility, non-semiconductor applications.\textsuperscript{451}

\begin{footnotesize}
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\item S.B. 375, 2009 Leg., Reg. Sess. (Cal. 2009); see also S.B. 375 Regional Targets Advisory Committee, CAL. ENVTL. PROT. AGENCY, AIR RES. BD., (last modified May 13, 2010), http://www.arb.ca.gov/cc/sb375/rtac/rtac.htm.
\item Bill to Regulate a Harmful ‘Greenhouse’ Gas 17,000 Times More Damaging Than Carbon Dioxide, AMERICAN CHRONICLE (Jan. 28, 2009), http://amchron.soundenterprises.net/articles/view/89122; see also S.B. 104, 2009 Leg., Reg. Sess. (Cal. 2009).
\item Id.
\item Id.
\item Id.
\item Id.
\item Id.
\item Id.
\item Id.
\item Id.
\item Id.
\item Id.
\end{itemize}
\end{footnotesize}
While CARB was addressing SF6 emissions, California’s Environmental Protection Agency sent a letter to U.S. Environmental Protection Agency’s Administrator, Lisa Jackson, with its design recommendations for a federal climate program.452 Among the recommendations are: preservation of state programs already in place, retirement of federal allowances, linking to trading programs outside of North America, and setting GHG emission caps 50% to 85% below 2000 levels by 2050.453

The California legislature also targeted climate change in February 2009. California State Senator Pavley introduced S.B. 523, a Bill that creates a “feed-in tariff” on renewable electricity.454 The Bill was amended in the Senate, but it died in 2010.455

On March 5, 2009, CARB issued a proposed regulation that would implement the Low Carbon Fuel Standard.456 The regulation would promote the alternative-fuel vehicles market and increase the diversity of available alternative fuels.457 The regulation would require that fuels entering the California market would “meet and average declining standard of ‘carbon intensity.’”458

Also in early March 2009, CARB began rulemaking aimed at recognizing “early action” in GHG reductions.459 The rule will designate which projects are eligible for “early action” credits and will likely include a cut-off date.460 The rule was projected to be finalized in 2010.461

California’s Climate Action Team issued a draft of its Second Biennial Climate Change Impact Assessment in March 2009.462 The report consolidates 37 scientific studies by various state agencies. The forecasted impacts through the year 2100 include $100 billion in property losses from sea level rise, a 14 to 28% reduction in irrigation areas, and a 58% increase in wildfires.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that California was eligible for $226,093,000 under the State Energy Program of the

453 Id.
457 Id.
458 Id.
460 Id.
461 Id.
American Recovery and Reinvestment Act (ARRA).  

On April 23, 2009, Governor Schwarzenegger applauded CARB’s Low Carbon Fuel Standard. The standard requires fuel producers to reduce carbon in fuels sold in California and a 10% reduction by 2020 with increasing future reduction targets.

On May 1, 2009, Governor Schwarzenegger sent a letter to U.S. Energy Secretary Chu requesting that modifications be made to the ARRA funding guidelines for smart grid technology. The current guidelines would hold large California utilities to the same funding caps as smaller utilities. Later that week, California became the first state in the nation to apply for ARRA funding for its ambitious energy initiatives under the State Energy Program.

Governor Schwarzenegger applauded a solar power deal between Pacific Gas & Electric and Brightsource in a statement issued on May 13, 2009. The deal will expand solar contracts by 1,310 MWs – enough to power $530,000 homes during peak usage. Later that month, Schwarzenegger highlighted advancements in fuel cell technology while participating in the annual 1,700 mile hydrogen road tour. California is expanding on its existing hydrogen network of 26 fueling stations that currently support 300 hydrogen vehicles.

On May 21, 2009 Governor Schwarzenegger also signed an agreement to support federal climate change legislation. The agreement contains two principles: the support

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465 Id.
466 Letter from Arnold Schwarzenegger, Governor of the State of Cal., to Steven Chu, Sec’y of Energy (Apr. 30, 2009), http://votesmart.org/public-statement/420929/#.UiiTJhZQFmQ.
467 Id.
469 Id.
471 Id.
472 Id.
474 Id.
of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.474

On May 22, 2009, California’s Secretary of Environmental Protection, Linda Adams, appointed a seventeen member Economic and Allocation Advisory Committee to develop recommendations for the mandates of AB 32 and its associated cap-and-trade program.475 On January 11, 2010, the EAAC presented final allocation recommendations to the state.476

On June 18, 2009, Governor Schwarzenegger commended the CPUC on its approval of California Edison’s Solar Roof Program, which will deploy 500 MW of photovoltaic technology.477 Later that month, Schwarzenegger again recognized the CPUC’s solar advancements following the release of its annual Assessment of California Solar Initiative (CSI).478 The report indicated that installed solar capacity nearly doubled in 2008 from 2007 and that the California Solar Initiative has reached 13% of its overall goal.479

In late June 2009, Governor Schwarzenegger congratulated Oregon on its legislature’s passage of a low carbon fuel standard.480 A few days later, he applauded the EPA’s announcement that it would grant California a waiver to implement its more stringent auto emissions standards.481

On June 29, 2009, Governor Schwarzenegger announced that $10 million of ARRA funding would go toward launching eleven California Green Job Corps pilot programs.482 The programs will provide green jobs training to 1,500 at-risk youth.483


[476] Id.


[479] Id.


[483] Id.
Hydrogen Energy International will receive $308 million in ARRA funding for its Hydrogen Energy California project that is anticipated to provide clean energy to 150,000 homes.\footnote{ARRA Funding for Clean Energy Project in Bakersfield, CA, ALL AM. PATRIOTS (July 2, 2009), \url{http://www.allamericanpatriots.com/48754127arra-funding-for-clean-energy-project-in-bakersfield-ca} (original press release not found).}


In July 2009, the WCI, including California, issued an Offsets Whitepaper for comments to its stakeholders.\footnote{Comments on the Western Climate Initiative White Paper on Offset Definition and Eligibility Criteria, W. CLIMATE INITIATIVE (2009), \url{http://www.offsetsgroup.ca/pdf/Comments%20on%20WCI%20Offset%20Definition%20and%20Eligibility.pdf}.} The paper was the initial phase in developing a definition of an offset and a major focus of the paper was additionality.\footnote{Id.} WCI’s Cap Setting and Allowance Distribution Committee released its \textit{Draft Statement of Principles on Competitiveness} and the \textit{Review of Proposed Options for Addressing Industrial Competitiveness Impacts} in August 2009.\footnote{WeCAN Comments on the WCI’s Draft Statement of Principles on Competitiveness, W. CLIMATE ADVOCATES NETWORK (2009), \url{http://www.resourcesolutions.org/pub_pdfs/WeCAN%20Competitiveness%20Comments%20to%20WCI%208_09.pdf}.} The purpose of the draft was to “guide the process by which WCI will evaluate competitiveness effects of a regional cap-and-trade program,” and it also reviewed how other cap-and-trade programs address this issue.\footnote{Id.}

In August 2009, Governor Schwarzenegger gave his support for an extension of the federal Cash for Clunkers Program.\footnote{Gov. Schwarzenegger Issues Statement Supporting Extension of Cash for Clunkers Program, PROJECT VOTE SMART (Aug. 5, 2009), \url{http://votesmart.org/public-statement/448243/} (original press release not be found).} He also encouraged his own state legislature to pass AB 96,\footnote{Assemb. B. 96, 2009 Leg., Reg. Sess. (Cal. 2009).} which provides support to small gas stations to install enhanced vapor recovery systems.\footnote{Gov. Schwarzenegger Signs Legislation to Aid Small Gas Stations Making the Transition to Cleaner Technologies, PROJECT VOTE SMART (Aug. 6, 2009), \url{http://votesmart.org/public-statement/448244/} (original press release not be found).} The California Recovery Task Force announced a low interest loan program for energy efficient and renewable energy projects.\footnote{Aileen Dalen, Recovery Funded Ultra-Low Interest Loans Available to Spur Economic Growth and Energy Efficiency Projects in California, SMALL SCHOOL DISTRICTS’ ASS’N (Aug. 17, 2009), \url{http://www.ssda.org/vnews/display.v/ART/4a897bee622f1}.} Schwarzenegger continued to support the growth of green jobs in California with the creation of California

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\item \footnotemark[484]\footnotetext{ARRA Funding for Clean Energy Project in Bakersfield, CA, ALL AM. PATRIOTS (July 2, 2009), \url{http://www.allamericanpatriots.com/48754127arra-funding-for-clean-energy-project-in-bakersfield-ca} (original press release not found).}
\item \footnotemark[486]\footnotetext{Comments on the Western Climate Initiative White Paper on Offset Definition and Eligibility Criteria, W. CLIMATE INITIATIVE (2009), \url{http://www.offsetsgroup.ca/pdf/Comments%20on%20WCI%20Offset%20Definition%20and%20Eligibility.pdf}.}
\item \footnotemark[487]\footnotetext{Id.}
\item \footnotemark[488]\footnotetext{WeCAN Comments on the WCI’s Draft Statement of Principles on Competitiveness, W. CLIMATE ADVOCATES NETWORK (2009), \url{http://www.resourcessolutions.org/pub_pdfs/WeCAN%20Competitiveness%20Comments%20to%20WCI%208_09.pdf}.}
\item \footnotemark[489]\footnotetext{Id.}
\item \footnotemark[490]\footnotetext{Gov. Schwarzenegger Issues Statement Supporting Extension of Cash for Clunkers Program, PROJECT VOTE SMART (Aug. 5, 2009), \url{http://votesmart.org/public-statement/448243/} (original press release not be found).}
\item \footnotemark[491]\footnotetext{Assemb. B. 96, 2009 Leg., Reg. Sess. (Cal. 2009).}
\item \footnotemark[492]\footnotetext{Gov. Schwarzenegger Signs Legislation to Aid Small Gas Stations Making the Transition to Cleaner Technologies, PROJECT VOTE SMART (Aug. 6, 2009), \url{http://votesmart.org/public-statement/448244/} (original press release not be found).}
\item \footnotemark[493]\footnotetext{Aileen Dalen, Recovery Funded Ultra-Low Interest Loans Available to Spur Economic Growth and Energy Efficiency Projects in California, SMALL SCHOOL DISTRICTS’ ASS’N (Aug. 17, 2009), \url{http://www.ssda.org/vnews/display.v/ART/4a897bee622f1}.}
\end{itemize}}

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Energy Workforce Training Program (CEWTP), which was projected to train 20,000 workers.\textsuperscript{494}

On August 31, 2009 the attorneys general of New Jersey, Arizona, Connecticut, Delaware, and California sent U.S. Senate leaders a letter urging them to pass climate change legislation that is stronger than the Waxman-Markey Bill.\textsuperscript{495} The attorneys general highlighted some provisions that are of special interest to the States, such as: the preservation of state authority, strong federal enforcement provisions, state enforcement authority oversight and transparency of Agricultural and Forestry Offset Program, displacement of Clean Air Act authority, and standing for citizen suits.\textsuperscript{496}

On September 15, 2009, Governor Schwarzenegger signed EO S-21-09, which will increase California’s Renewable Energy Portfolio Standard to 33% by 2020.\textsuperscript{497} Schwarzenegger wrapped up September 2009 by kicking of the second annual Governor’s Global Climate Summit in Los Angeles.\textsuperscript{498} While at the Summit, he signed an agreement with the Governor of China’s Jiangsu Province to reduce GHG emissions.\textsuperscript{499} Schwarzenegger also joined thirty global leaders in signing a declaration reaffirming their commitment to addressing climate change.\textsuperscript{500}

In early October, Governor Schwarzenegger announced two clean energy grant projects. One awarded $26.5 million in ARRA grant funding for clean air initiatives in Southern California.\textsuperscript{501} The funding will go towards projects “to retrofit and replace diesel engines in construction vehicles, cargo handling equipment, school buses, heavy-
duty trucks and locomotives in the Southern California air basin, which includes the Los Angeles, Orange, San Bernardino and Riverside counties. A second grant award, totaling $27 million, will launch the first phase of the newly created CEWTP green jobs program.

On October 12, 2009, Governor Schwarzenegger and the U.S. Department of the Interior Secretary signed a MOU that “commits the federal government to work with California on a science-based process for reviewing, approving and permitting renewable energy applications in California, which will greatly help the state achieve its goal of reaching 33% renewable energy by 2020.” Schwarzenegger also commended the announcement of $3.4 billion of federal funding for smart grid technology.

On October 28, 2009, Governor Schwarzenegger announced that Pacific Gas & Electric agreed to commit to increase net metering for solar rooftops from 2.5 to 3.5%. The existing 2.5% cap impedes California Solar Initiatives projects such as its goal of one million solar roofs by 2018.

On November 2, 2009, Governor Schwarzenegger “celebrated the opening of the world’s largest landfill gas to liquefied natural gas facility in California.” The facility is projected to reduce GHG emissions by 30,000 tons per year. A few weeks later, Schwarzenegger applauded the CEC’s of “first-in-the-nation” efficiency standards for televisions.

On November 24, 2009, Governor Schwarzenegger announced California had received $175 million in ARRA funding for smart grid investment projects.

502 Id.
507 Id.
509 Id.
510 Id.
In early December 2009, California released its Climate Adaptation Strategy final report. Governor Schwarzenegger also took action on two of the report’s recommendations – creation of the Climate Adaptation Advisory Panel and “announcing a new Google Earth-based application, Cal-Adapt.” Cal-Adapt was launched on June 7, 2011 by the CEC and the California Natural Resources Agency. The tool allows planners, government agencies, and the public to identify climate change risks in specific areas throughout the state. Cal-Adapt compiles climate data to provide information on sea-level rise, wildfire dangers, temperature changes, and snowpack fluctuations, which helps both the government and the public respond to these changes.

On December 3, 2009, the Environment America Research & Policy Center released its America on the Move report, which found California is a world leader in fighting climate change. That same week, Schwarzenegger commended the City of Los Angeles on its plug-in electric vehicle collaboration. The program creates a commitment to the development of the infrastructure necessary for seamless electric vehicle use in the region. On December 9, 2009, a Next 10 report indicated that California’s green business have grown 45%, and green jobs by 36%, from 1995 to 2006.

Governor Schwarzenegger was an active participant in the United Nations Climate Change Conference in Copenhagen held in December 2009. He joined The Climate Registry in launching its Climate Registered program, which “showcase[d] voluntary greenhouse gas emission reductions among organizations.” Schwarzenegger also announced a new coalition of subnational leaders that are collaborating on advancing a new regional taskforce to “fast track the results of the Copenhagen [Conference].” During the Conference, the California Environmental Protection Agency Secretary and

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513 Id.
517 Id.
the Danish Environmental Minister signed a MOU for California and Denmark to collaborate on green chemistry via information sharing.\footnote{Gov. Schwarzenegger Issues Statement on Groundbreaking Collaboration with Denmark on Green Chemistry, PROJECT VOTE SMART (Dec. 14, 2009), \url{http://votesmart.org/public-statement/475473/} (original press release not found).} The collaboration will help California implement its Green Chemistry Program created in 2008.\footnote{Id.}

On December 17, 2009, the CPUC approved a 4,500 MW renewable energy transmission project.\footnote{Gov. Schwarzenegger Applauds CPUC Decision to Approve 4,500 MW Transmission Project, PROJECT VOTE SMART (Dec. 17, 2009), \url{http://votesmart.org/public-statement/475475/} (original press release not found).} At the close of 2009, Governor Schwarzenegger announced 244 renewable energy projects that have the potential to produce 70,000 MW of clean energy annually.\footnote{Cindy Holden, Calif. Gov. Schwarzenegger Announces 244 Proposed Renewable Energy Projects Throughout State, CALIFORNIA NEWSWIRE (Dec. 29, 2009), \url{http://californianewswire.com/2009/12/30/CNW6385_014323.php/}.}

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050.\footnote{See NORTH AMERICA 2050, \url{http://na2050.org/} (Dec. 3, 2013). See Participants, NORTH AMERICA 2050, \url{http://na2050.org/participants/} (Dec. 3, 2013).} As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec.\footnote{See NORTH AMERICA 2050, A PARTNERSHIP FOR PROGRESS, \url{http://na2050.org/wp-content/uploads/2012/01/NA2050-Overview.pdf}.} North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.”\footnote{See id.} North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.\footnote{Valerie Gotten, Calif. Gov. Schwarzenegger Highlights Plan to Spur Clean Technology Growth in California, CALIFORNIA NEWSWIRE (Jan. 12, 2010), \url{http://californianewswire.com/2010/01/12/CNW6482_215403.php/calif-gov-schwarzenegger-highlights-plan-to-spur-clean-technology-growth-in-california/}.}


During a January 2010 tour of Cobalt Biofuels, a green tech company, Governor Schwarzenegger highlighted his proposed tax exemption for the purchase of green tech manufacturing equipment.\footnote{Valerie Gotten, Calif. Gov. Schwarzenegger Highlights Plan to Spur Clean Technology Growth in California, CALIFORNIA NEWSWIRE (Jan. 12, 2010), \url{http://californianewswire.com/2010/01/12/CNW6482_215403.php/calif-gov-schwarzenegger-highlights-plan-to-spur-clean-technology-growth-in-california/}.} As part of his California Jobs Initiative legislation package, the initiative would exempt this equipment from sales tax in order to promote clean
technology job growth. The legislation was later passed and was signed by Schwarzenegger on March 24, 2010.

On January 21, 2010, Governor Schwarzenegger sent a letter to U.S. Senate Majority Leader Harry Reid and Minority Leader Mitch McConnell urging them to oppose any efforts to block the Environmental Protection Agency’s proposed regulation of GHGs under the Clean Air Act.

In February, Governor Schwarzenegger sent letters to the board of supervisors of ten California counties with heavy concentrations of renewable resources urging them to expedite the permitting process for renewable energy projects in their counties. Later that month, Schwarzenegger signed legislation that raised the net metering requirements in California. Net metering allows home and business owners who install solar generators on their property to be paid by their electric utility for the surplus power they produce. The bill will raise the requirement from 2.5% to 5%.

In March 2010, Governor Schwarzenegger announced a plan that would expedite the siting and permitting processes for large-scale renewable energy projects. The program will ensure that agencies have the necessary resources to prioritize the stringent environmental review process for the projects.

On April 1, 2010, Governor Schwarzenegger issued a statement applauding the Obama administration’s adoption of the National Clean Cars Rule, modeled after California’s emission standards. In mid-April, the application process opened for the Clean Energy Business Financing Program that will provide low interest loans to clean energy manufacturing businesses.

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530 Id.
532 Letter from Arnold Schwarzenegger, Governor of the State of Cal., to Harry Reid, Senate Majority Leader (Jan. 21, 2010), http://votesmart.org/public-statement/479500/.
533 Letter from Arnold Schwarzenegger, Governor of the State of Cal., to Kern County Board of Supervisors, (Feb. 18, 2010), http://votesmart.org/public-statement/484755/.
535 Id.
536 Id.
538 Id.
The CEC approved $29.6 million in funding for three separate grants to create jobs in clean energy and increase California’s energy efficiency in May 2010.\textsuperscript{541} The programs will assist in installing energy efficiency technology in municipal and commercial buildings and are expected to collectively create more than 1,200 jobs and save more than 170,000 MW hours of electricity per year. In addition, the energy savings are expected to result in reducing carbon dioxide emissions equivalents by 52,000 tons per year.\textsuperscript{542}

In June 2010, the CEC announced a $114.3 million program to build charging stations for electric cars and fueling stations for ethanol-powered vehicles throughout the state.\textsuperscript{543} Funding comes from the State ($15.4 million), ARRA ($49.6 million), and private funds ($49.3 million). The funding will be distributed between three alternative fueling projects.\textsuperscript{544}

The U.S. Department of Energy awarded $122 million to a team of California researchers led by the California Institute of Technology to fund their research of artificial photosynthesis.\textsuperscript{545} The goal is to develop an “integrated solar energy-to-chemical fuel conversion system” and make it viable on a commercial scale. The conversion system differs from conventional photovoltaic panels in that it would mimic plants’ production of energy through photosynthesis by combining sunlight, water, and carbon dioxide.\textsuperscript{546}

The WCI partners released their Design for the WCI Regional Program Report, a culmination of two years of work, in July 2010.\textsuperscript{547} The report details the WCI partners’ strategies for reducing their GHG emissions by 15% below 2005 levels by 2020 and uses a market-based approach of emissions trading among selected industries.

In September 2010, the CARB adopted emissions reduction targets under S.B. 375.\textsuperscript{548} The targets have been tailored to each of California’s eighteen Metropolitan Planning Organizations and thus vary in different parts of the State. The overall goal for the combined targets is a percentage reduction in GHG emissions by 2020 or 2035. The

\begin{flushleft}
\textsuperscript{542} Id.
\textsuperscript{544} Id.
\textsuperscript{545} Dep’t of Energy, California Team to Receive Up to $122 Million for Energy Innovation Hub to Develop Method to Produce Fuels from Sunlight, EERE NETWORK NEWS (July 22, 2010), http://apps1.eere.energy.gov/news/news_detail.cfm/news_id=16182.
\textsuperscript{546} Id.
\end{flushleft}
targets will assist the Metropolitan Planning Organizations in developing sustainable strategies for growth.\(^{549}\) On the same day the CARB adopted another regulation requiring that 33% of California’s energy come from renewable sources by 2020, which will assist with implementing the goals of AB 32.\(^{550}\) In addition, the CARB announced in September 2010 that California’s Hybrid Truck and Bus Voucher Incentive Program has resulted in the purchase of 650 hybrid trucks by private fleets, most of the trucks being beverage and package delivery vehicles. The program originates under AB 118, and funding for additional trucks will be available for 2011.\(^{551}\)

In October 2010, California launched the Climate Generation Program, a competition that challenges high school students to design and initiate programs to reduce their school’s carbon footprint.\(^{552}\) The competition originates from the British Council’s Climate Championship Program, and while sixty countries participate worldwide, California and Minnesota are currently the only two states eligible to participate.\(^{553}\) Prizes include total grants per state of up to $5,000 and student scholarships.\(^{554}\)

In early November 2010, the CEC approved eight grants for electric vehicles, biofuels, and other renewable transportation sources, through its Alternative and Renewable Fuel and Vehicle Transportation Program. The grants, a total of $9.6 million, include electric vehicle manufacturing and biofuel production.\(^{555}\) The CEC further granted an additional $6.3 million in December 2010, with $8.4 million in matching private funds.\(^{556}\)

On November 16, 2010, the CEC announced the launch of a new EnergySmart Jobs program, which will train California Conservation Corps (CCC) members to conduct energy audits. The program will also provide free energy audits and recommendations to commercial retail outlets, including grocery stores. It is expected to create 214 new jobs and provide energy efficiency training for 400 people.\(^{557}\)

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\(^{549}\) Id.


\(^{553}\) Id.


The CEC approved two new solar power projects in Southern California in December 2010. The projects will jointly produce 650 MW of solar power. Between August and December 2010, the CEC licensed more than 4,100 MW of solar power; collectively, the nine solar power projects are estimated to provide more than 9,000 jobs.\textsuperscript{558}

On December 16, 2010, the CARB gave its approval to the AB 32 cap-and-trade regulation, which places a statewide limit on emissions and covers 80% of California’s GHGs. The regulation oversees 360 businesses and encompasses the sources of 80% of California’s emissions and is designed to work with other local and international initiatives such as the WCI.\textsuperscript{559} It will be implemented in two phases, the first in 2012, when all major industrial facilities and all utilities will begin trading, and a second phase in 2015, when distributors of transportation fuels will also be brought into the program.\textsuperscript{560}

2011: Climate Change Agreements, Green Jobs, Green Technology, Renewable Energy, and Transportation/Fuels

Between January and April 2011, the CEC awarded approximately $9 million in grants for various energy research projects that will explore a host of issues, such as alternative fuels,\textsuperscript{561} grid reliability\textsuperscript{562} and energy conservation.\textsuperscript{563}

In April 2011, Governor Brown signed SBX11, establishing the Clean Technology and Renewable Energy Job Training, Career Technical Education, and Dropout Prevention Program.\textsuperscript{564}

In July 2011, in response to a lawsuit filed by the Western Watersheds Project aimed at blocking the Ivanpah solar project\textsuperscript{565} to protect desert turtles, Governor Brown

\textsuperscript{560}Id.
filed a brief asking the court to deny the suit and save a project expected to generate enough energy for 140,000 California homes.\footnote{Press Release, Office of the Governor, Governor Brown Files Legal Brief to Prevent Delay to Major Solar Project, Help State Meet Renewable Energy Goals and Create Green Jobs (July 22, 2011), http://gov.ca.gov/news.php?id=17135.} 


On November 10, 2011, the WCI, of which California is the only remaining American partner, announced the creation of WCI, Inc., a non-profit corporation designed to provide administrative and technical support to states and provinces implementing GHG emission trading programs.\footnote{Press Release, W. Climate Initiative, Western Climate Initiative Jurisdictions Establish Non-Profit Corporation to Support Greenhouse Gas Emissions Trading Programs (Nov. 10, 2011), http://www.westernclimateinitiative.org/news-and-updates/137-western-climate-initiative-jurisdictions-establish-non-profit-corporation-to-support-greenhouse-gas-emissions-trading-programs.} WCI, Inc. will be able to track compliance of allowance and offset certificates, administer allowance auctions, and monitor the market for allowance auctions and allowance and offset certificate trading.\footnote{Id.}

From April 2011 to November 2011, the CEC awarded over $80 million to energy research, natural gas and propane shuttle buses, plug-in vehicles and energy storage, energy efficiency upgrades, biofuel and natural gas technology, and geothermal projects.\footnote{See CAL. ENERGY COMM’N, http://www.energy.ca.gov/releases/2011_releases/index.html (Sept. 3, 2013).}
On December 15, 2011, Governor Brown held the *Governor’s Conference on Extreme Climate Risks and California’s Future.* The conference brought together leaders from the environmental, business, and public health sectors to discuss the community impacts of extreme weather events and how communities can prepare and adapt. Topics included human and economic impacts, climate solutions, and perspectives on California’s leadership on climate change, and the entire conference is available on the governor’s website. Also in December, the CEC announced a $646,661 research grant to the University of California, Davis to improve the state’s ability to forecast wind energy generation and deal with the intermittent nature of wind power.

On December 19, 2011, the WCI released the process to review and recommend offset protocols. The final process will require a step-by-step description of how partners will review current offset protocols relating to how they plan to meet the offset criteria, leading to high quality exchanges of credits across the region. On January 12, 2012, WCI addressed public stakeholders in San Francisco to present the steps necessary to develop a North American GHG emissions trading program to which participating states and provinces will adhere to.


In January 2012, the CEC announced a first-in-the-nation energy efficiency standard for battery charges. The proposed standards would save nearly 2,000 gigawatt hours (GWh) each year, enough to power 350,000 homes. Once implemented, the standard would eliminate one million metric tons of carbon emissions annually.

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575 Id.
576 Id.
579 Id.
582 Id.
583 Id.
On January 13, 2012, Governor Brown announced that he had signed a MOU with the U.S. Secretary of the Interior expanding the existing federal-state partnership designed to expedite renewable energy projects. The MOU also covers transmission projects. It brought in new partners including the California Independent System Operator, the CPUC, and the California State Lands Commission.

On February 22, 2012, the WCI released its final recommendations for the requirements and process of GHG offset project review and approval. The recommendations approve the recommendations proposed in 2008 and 2010 for the cap-and-trade offset system and a transparent process for the approval of offsets.

The CEC awarded almost $2 million to fund research into sustainable communities and workforce training for smart grid jobs in February 2012. On February 8, 2012 the CEC approved the 2011 Integrated Energy Policy Report, the state’s main energy planning document. The report makes recommendations to ensure reliable energy supplies for the state’s growing population and economy, achieve clean energy goals, and promote clean tech jobs and investments.

From February to April 2012, the CEC awarded nearly $1.8 million to California communities to help them prepare for the use of electric vehicles. The grants went to the following regions: Central Coast, San Diego, San Francisco, Sacramento, North

587 Id.
Coast, Los Angeles, Monterey Bay, and Coachella Valley.

In March 2012, the CEC awarded more than $8.5 million to nineteen different companies to help bring natural gas and propane powered vehicles to the state. The money will fund the difference in cost over traditional powered vehicles and could pay for as many as 357 new natural gas vehicles and 110 propane-powered vehicles. Also in March, the CEC approved the 2011 Public Interest Energy Research (PIER) Annual Report, which summarizes the program’s achievements of the year including initiation of 111 electricity projects.

On April 9, 2012, the Governor’s Office of Planning and Research held a conference entitled, Confronting Climate Change: A Focus on Local Government Impacts, Actions and Resources. The conference focused on resources available to communities and strategies to reduce the risk and impacts or climate change.

On April 11, 2012 an additional $2.5 million was awarded to help bring more buses and trucks powered by natural gas to the California highways. On April 18, 2012, the California High Speed Rail Authority (CHSRA) joined a 2010 MOU between state agencies committed to allowing renewable energy production on state owned

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600 Id.
603 Id.
The signatories will work together to study, plan, and develop renewable energy infrastructure on state land.

The CEC held a workshop on April 30, 2012 discussing the effects of climate change on the state’s energy systems.\textsuperscript{606}

On May 9, 2012, the CEC adopted a 2012-2013 Investment Plan Update designed to increase the use of green vehicles and alternative fuels.\textsuperscript{607} The next day, the CEC approved $15 million in funding for alternative fuel and electric vehicle research.\textsuperscript{608} The award was made as part of the CEC’s Alternative and Renewable Fuel and Vehicle Technology Program, which provides approximately $100 million annually for green transportation research and development.\textsuperscript{609} Additional program awards during 2012 included: $35 million on May 31,\textsuperscript{610} $23 million on June 13,\textsuperscript{611} $500,000 on July 11,\textsuperscript{612} $2 million on August 9,\textsuperscript{613} $580,000 on September 12,\textsuperscript{614} $20 million on October 10,\textsuperscript{615} $300,000 on November 14,\textsuperscript{616} and $2.5 million on December 12.\textsuperscript{617}

\begin{itemize}
\item \textsuperscript{607} Press Release, The Cal. Energy Comm’n, Energy Commission Keeps State on Track to Reach Green Transportation Goals (May 9, 2012), \url{http://www.energy.ca.gov/releases/2012_releases/2012-05-09_energy_commission_green_on_track_nr.html}.
\item \textsuperscript{609} Id.
\item \textsuperscript{611} Press Release, The Cal. Energy Comm’n, Energy Commission Awards More Than $23 Million to Encourage Use of Alternative Transportation Fuels (June 13, 2012), \url{http://www.energy.ca.gov/releases/2012_releases/2012-06-13_alt_transportation_fuels_award_nr.html}.
\item \textsuperscript{612} Press Release, The Cal. Energy Comm’n, Energy Commission Awards $500,000 to Advance Green Transportation (July 11, 2012), \url{http://www.energy.ca.gov/releases/2012_releases/2012-07-11_07_11_award_advance_green_transportation_nr.html}.
\item \textsuperscript{614} Press Release, The Cal. Energy Comm’n, Energy Commission Awards More Than $580,000 for Clean Transportation Projects (Sept. 12, 2012), \url{http://www.energy.ca.gov/releases/2012_releases/2012-09-12_clean_transportation_projects_nr.html}.
\item \textsuperscript{617} Press Release, The Cal. Energy Comm’n, Energy Commission Awards More Than $2.5 Million for Clean Transportation Projects (Dec. 12, 2012), \url{http://www.energy.ca.gov/releases/2012_releases/2012-12-12_awards_clean_transportation_nr.html}.
\end{itemize}
On May 24, 2012, the CPUC voted to reinterpret an earlier cap on its net-metering program that would have soon prevented the state’s largest electric provider from accepting any additional participants in the program. The reinterpretation more than doubles the potential for rooftop solar on homes and small businesses in the state.

On July 11, 2012, the CEC awarded almost $1.2 million to ten projects as part of the Commission’s Public Interest Research Program. The list included an award to Scripps Institution of Oceanography to improve climate change forecasting. Also in July, the CEC announced the release of a new report, *Our Changing Climate 2012*, an overview of scientific studies designed to inform policymakers and communities about the latest research and tools for effective action.

As part of California’s goal to spread awareness about climate change, Governor Brown announced the launch of a new website to refute common arguments made by climate change deniers in August 2012. The website contains information about climate science, the scientific consensus about climate change, and common climate denier arguments along with the facts to disprove those arguments.

In September 2012, Governor Brown signed into law a number of bills related to climate and energy. The first, the Energy Security Coordination Act of 2013, authorized the Office of Planning and Research to act as a liaison with the U.S. Department of Defense (DOD) in recognition of the State and DOD as two of the largest consumers of energy with strong commitments to energy research. Brown also signed legislation relating to high-occupancy toll lanes, parking for alternatively fueled vehicles, and alternative energy financing. The Choose Clean Cars Act of 2012 would exempt low-
emission and hybrid cars from the toll required in high occupancy toll lanes.\textsuperscript{627} AB 2583 creates parking incentives for alternative fuel vehicles to encourage the purchase of such vehicles.\textsuperscript{628} Two other bills establish guidelines for the use of revenue from the state’s cap-and-trade program; the first requires that the revenue be used for environmental purposes and the second requires that at least 25\% be spent on programs that benefit disadvantaged communities.\textsuperscript{629} California also removed a barrier to renewable energy investment by signing S.B. 594, which allows customers to aggregate electricity demand if they have multiple meters on the property, allowing them to invest in larger renewable energy projects to offset that use.\textsuperscript{630} Finally, S.B. 1128 expands the authority of the California Alternative Energy and Advanced Transportation Financing Authority.\textsuperscript{631}

Also in September, the CEC awarded a $380,000 loan through the Energy Conservation Assistance Act (ECAA) program to Siskiyou County School District for efficiency upgrades and a photovoltaic system.\textsuperscript{632} The CEC awarded an additional $5 million to communities in Northern California for similar upgrades in October 2012.\textsuperscript{633} The CEC made two additional research awards in 2012. The first was $1 million in October to Pacific Gas & Electric Company for a demonstration of a compressed air energy storage plant.\textsuperscript{634} The second, in November, was $1.5 million to eighteen separate projects aimed at building efficiency, renewable energy production, grid reliability, and related projects.\textsuperscript{635} Eight more communities received $12 million through the ECAA program in December.\textsuperscript{636}

2013: Renewable Energy and Climate Change Adaptation

In January 2013, the CEC continued to award grants through the Alternative and Renewable Fuel and Vehicle Technology Program, including: $1.8 million for microgrid projects, $3.2 million for electric vehicle charging and alternative fuels, $17 million for a biodiesel facility and electric vehicle charging stations, and $4.5 million for clean vehicle rebates.

Through the ECAA program, the CEC awarded $900,000 to Yuba Community College in January, $4.8 million in February to the cities of Patterson, San Pablo, and California City, as well as Santa Barbara Community College, and another $1 million in February to Inyo County for a photovoltaic system.

On February 28, 2013, the CEC announced an award of nearly $5 million for a biorefinery in Fresno County that will convert sugar beets into ethanol. That same day, the CEC approved and submitted to Governor Brown the 2012 Integrated Energy Policy Report Update. The report forms the basis for long-range energy policies and planning and specific agencies are required by statute to carry out their energy-related duties and responsibilities based upon the information and analyses contained in the report.

COLORADO


1998: Climate Change Agreements/MOUs

The Colorado Department of Public Health and Environment developed a climate change action plan for the state in September 1998. This Plan is an informational tool containing material related to the climate change debate. Colorado also has a Climate Change Advisory Group. Since 1999, the Colorado Public Utilities Commission (CPUC) has required investor-owned utilities producing more than 100 megawatts (MW) to disclose their fuel mix to their customers twice yearly via mail.

2004: Renewable Energy

On November 2, 2004, the citizens of Colorado voted to approve Amendment 37, becoming the first state with a voter-approved Renewable Energy Standard. Prior to Amendment 37, Colorado only required its electric utilities to offer their customers dual metering – a lower rate for all electricity generated by the customer’s generator, but the full rate for electricity purchased from the utility. In 2005, in compliance with the Amendment, the CPUC added rules creating additional interconnection and net metering requirements for utilities with more than 40,000 customers. Net metering is now available for customers of these utilities with generators producing up to 2 MWs of energy. Furthermore, these utilities must generate 3% of their electricity from renewable power sources between 2007 and 2010; 6% between 2011 and 2014; and 10% after 2014.

2006: Transportation/Fuels and Greenhouse Gas Reduction

On June 1, 2006, Governor Owens signed into law a bill that promotes low-emission Western coal-fueled electricity generation by requiring the CPCU to consider integrated combined cycle electric generation facilities. These facilities combine two technologies that use coal in a cleaner way. Colorado also offers a tax credit for hybrid vehicles.
In November 2006, City of Boulder voters approved the Climate Action Plan Tax on electricity that generates greenhouse gas (GHG) emissions. This was the first municipal energy tax on residential power usage designed to combat climate change. Local electric utilities collect the tax based on the customer’s use of GHG producing electricity. Thus, residents that elect to receive a portion of their energy from wind power are exempt to that extent from the tax.

2007: Renewable Energy, Climate Change Agreements/MOUs, and Greenhouse Gas Reduction

In March 2007, Governor Ritter signed House Bill (H.B.) 1281, requiring large investor-owned utilities to generate 20% of their electricity from renewable sources by 2020. This law also requires municipal and rural utilities to generate 10% of their electricity from renewable sources by 2020. In the same month Ritter also signed Senate Bill (S.B.) 100, requiring utilities subject to rate regulation to develop plans to improve transmission capacity in prime wind-power locations that currently lack transmission capacity.

In May 2007, Colorado and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

On November 7, 2007, Governor Ritter announced the Colorado Climate Action Plan. This Plan calls for Ritter to issue an executive order (EO) calling for a statewide effort to achieve a reduction in GHG emissions to 20% below 2005 levels by 2020 and 80% below 2005 levels by 2050. Additionally, the plan calls for an Agricultural Offset Program, clean car GHG emission standards within the next two years, an Industrial Energy Efficiency Program to persuade industry to employ efficiency measures, renewable energy development reports, federal funding for clean-coal technologies, geologic sequestration, Electric Resource Plans for emission reductions at each utility,

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660 Id.
665 Id.
the adoption of California’s vehicle GHG emissions standards, and mandatory reporting of GHG emissions by major emitters.\textsuperscript{666}

2008: Renewable Energy, Green Jobs, Green Technology, Energy Efficiency, Climate Change Agreements/MOUs, and Transportation/Fuels

On April 24, 2008, Governor Ritter signed into law H.B. 1270.\textsuperscript{667} This law further defines, as well as broadens, citizens’ rights to increase their homes’ energy-efficiency, including installing renewable energy generation devices when practical.

On May 27, 2008, Governor Ritter signed several energy bills into law. H.B. 1350 added to its legislative declaration the intent to “facilitate the efficient use of energy.”\textsuperscript{668} It also added such terms as “energy efficient improvement” and “renewable energy improvement” to its definitions section.\textsuperscript{669} Ritter also passed S.B. 147 relating to the requirement that state-assisted facilities be designed, constructed and renovated pursuant to a high performance standard certification program.\textsuperscript{670} This Bill repealed the exemptions that were previously available to low-income housing and facilities that were built with mineral impact revenues.\textsuperscript{671} Finally, Ritter signed into law S.B. 184.\textsuperscript{672} This Bill allowed Colorado to provide below-market loans for improvements to low-income and moderate-income homes.

On June 2, 2008, the New Energy Technologies Bill (H.B. 1164) became law.\textsuperscript{673} It amended its previous version, which required the Public Utilities Commission, to seriously consider implementing cost-effective “new clean energy and energy-efficient technologies” when making decisions relating to “generation acquisitions for electric utilities.” The Bill also suggests the CPUC consider “the risk of higher future costs associated with the emission of greenhouse gases such as carbon dioxide” when examining utility proposals to acquire resources. Additionally, the amended version states, “it is in the best interests of the citizens of Colorado to develop and utilize solar energy resources in increasing amounts.”\textsuperscript{674}

In June 2008, Governor Ritter announced the kickoff of a 12-month, statewide energy efficiency and conservation campaign.\textsuperscript{675} The New Energy Economy: Bringing It Home will provide basic advice and tips on how to save money at home and at work,

\begin{footnotes}
\item[666] Id.
\item[667] COLO. REV. STAT. ANN. § 38-30-168 (West 2008).
\item[669] Id.
\item[671] Id.
\item[673] Id.
\item[675] Id.
\end{footnotes}
using television and radio advertisements to educate people about low-cost, simple ways
to save energy.\textsuperscript{677}

Also in June 2008, Colorado launched a $10 million New Energy Communities
Initiative.\textsuperscript{678} As a partnership between the Colorado Department of Local Affairs and the
Governor’s Energy Office (GEO), the Initiative’s aim is to “maximize energy efficiency
and conservation, enhance community livability, promote economic development in
downtowns, and address climate change by reducing carbon emissions.”\textsuperscript{679} The money
will go to at least five regional efforts, and will focus on three areas: greening public
facilities, greening downtowns, and greening homes.\textsuperscript{680}

In July 2008, Colorado and eleven other states were awarded grants by the
National Governors Association (NGA) to help advance clean energy projects.\textsuperscript{681} The
NGA Center for Best Practices awarded grants of $50,000 to the states as part of its
Clean Energy States Grant Program. The awards are designed to help develop greater
energy efficiency, conservation, and clean energy resources.\textsuperscript{682} Colorado’s grant will go
the Colorado Carbon Fund, which provides verifiable carbon offsets for consumers.\textsuperscript{683}

In August 2008, Governor Ritter joined California’s Governor Schwarzenegger
and the Alliance of Automobile Manufacturers to launch the EcoDriving Program.\textsuperscript{684}
The Program is part of a nationwide effort to save consumers money on their gasoline,
reduce fuel consumption and cut carbon dioxide emissions.\textsuperscript{685}

On November 13, 2008, the Southwest Energy Efficiency Project (SWEEP)
awarded Governor Ritter the 2008 Leadership in Energy Efficiency Award.\textsuperscript{686} In an
effort to create jobs and strengthen Colorado’s economy, the GEO will issue a total of
$370,000 in New Energy Economic Development (NEED) grants to eight organizations

\begin{footnotesize}
\begin{itemize}
  \item \textsuperscript{677} Id.
  \item \textsuperscript{678} Press Release, Colo. Official Web Portal, Governor Ritter Announces $10 Million New Energy
Communities Initiative (June 19, 2008),
http://www.colorado.gov/cs/Satellite\%3Fc\%3DPage&cid\%3D1213867983962\&pagename\%3DGovRitter
\%252FGOVRLayout.
  \item \textsuperscript{679} Id.
  \item \textsuperscript{680} Id.
  \item \textsuperscript{681} Press Release, Colo. Official Web Portal, Colorado One of Twelve States to Receive Clean Energy
Grant (July 1, 2008),
http://www.colorado.gov/cs/Satellite\%3Fc\%3DPage&cid\%3D1214905942885\&pagename\%3DGovRitter
\%252FGOVRLayout.
  \item \textsuperscript{682} Id.
  \item \textsuperscript{683} Id.
  \item \textsuperscript{684} Press Release, Colo. Official Web Portal, Ritter, Schwarzenegger Launch EcoDriving (Aug. 18, 2008),
&rendermode=preview.
  \item \textsuperscript{685} Id.
\end{itemize}
\end{footnotesize}
working in the areas of biomass, energy efficiency, and wind and solar technologies including a municipality, non-profit, and private companies.\textsuperscript{687}

**2009: Renewable Energy, Energy Efficiency, Green Jobs, American Recovery & Reinvestment Act (ARRA), Climate Change Agreements/MOUs, Transportation/Fuels, and Green Technology**

On January 27, 2009, Governor Ritter announced the appointment of former state representative Alice Madden to the position of Climate Change Coordinator.\textsuperscript{688} During her time as a state lawmaker, Madden co-sponsored 2007 legislation that “doubled the state’s renewable energy standard.”\textsuperscript{689}

In early February, Governor Ritter expressed gratitude to Colorado U.S. Senator Udall for his introduction of an amendment to the economic recovery package that would reinstate State Energy Program (SEP) funding.\textsuperscript{690} SEP provides federal funding for renewable energy and energy efficiency programs administered by state agencies.\textsuperscript{691}

On March 6, 2009, Governor Ritter’s Energy Office announced it was slated to begin a bidding process for funding shovel-ready energy efficient and renewable energy infrastructure projects with American Recovery and Reinvestment Act (ARRA) funds.\textsuperscript{692} The following week, Ritter and lawmakers showcased state economic initiatives and proposed legislation aimed at clean energy projects and job creation during a state energy expo.\textsuperscript{693} The proposed legislation included a bill that “promote[d] low speed neighborhood electric vehicles.”\textsuperscript{694}

\textsuperscript{689} Id.
\textsuperscript{691} Id.
\textsuperscript{694} Id.
On March 12, 2009, the U.S. Department of Energy (DOE) announced that Colorado was eligible for $49,222,000 under the SEP of the American Recovery & Reinvestment Act (ARRA).

On April 7, 2009, Governor Ritter applauded Xcel Energy and Suncorp Power on their plans to build the nation’s “second-largest high-efficiency photovoltaic solar plant.” A week later he issued a statement supporting EPA’s endangerment finding on GHGs.

Governor Ritter signed the Renewable Energy Finance Act, or S.B. 51, in late April 2009. The Bill provides Colorado homeowners with new financing options for solar electricity and encourages public utilities to increase accessibility to solar rebate programs.

In May 2009, Governor Ritter signed several bills that advance Colorado’s New Energy Economy initiatives. The Solar Ready Homes Bill requires homebuilders to give prospective buyers the option of pre-wiring for solar and also gives buyers the “ability to incorporate solar-technology purchases into their original mortgage.” During visits to several Colorado schools, Ritter signed H.B. 1312 creating loans for schools to purchase electric and hybrid buses and to produce on-site wind and solar. Ritter also signed H.B. 1126, creating incentives for the development of solar thermal energy systems, and S.B. 124, which increased funding for “research and development of agricultural energy-related projects.”

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699 Id.
On May 19, 2009, Governor Ritter applauded the Obama administration’s announcement that it would roll out new automobile emission and efficiency standards, which came into effect in 2012. Ritter described it as a “perfect fit” with Colorado’s New Energy Economy’s goal of a “20 percent reduction in greenhouse gas emissions by 2020 and an 80 percent reduction by 2050.” Later that same week, he again commended EPA’s recommendation for reconsideration of an air emission permit issued to the proposed Desert Rock Energy Facility in the Four Corners Region. While applauding this recommendation, Ritter’s May 22 letter to EPA Administrator Lisa Jackson also urged the agency to address the environmental impacts from the existing plants in the Four Corners Region.

Governor Ritter also signed an agreement to support federal climate change legislation in May 2009. The agreement contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.

In June 2009, Governor Ritter signed more New Energy Economy legislation, which promoted energy efficient vehicles. The bills provided for low speed electric vehicles, a green truck program, and income tax credits for hybrid and alternative fuel vehicles.

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706 Id.
708 Id.
On June 2, 2009, Governor Ritter addressed Colorado’s first graduates of its Veteran Green Jobs Academy, a new program that provides green job training and placement to military veterans. The graduates completed an 8-week Home Energy Auditor Training Program, which provides national certification in energy auditing and new home rating. The following week, The Pew Charitable Trusts report on green job growth indicated that Colorado’s clean jobs have grown at a rate of 18.2% from 1998 to 2007, which is twice the national average over that time span.


On July 9, 2009, Governor Ritter addressed those in attendance at the Colorado Natural Gas Association’s 21st annual Rocky Mountain Natural Gas Strategy Conference and Investment Forum. Ritter emphasized the important role of natural gas in Colorado’s New Energy Economy stating, “[w]e can’t begin to address climate change in a meaningful way without using more natural gas.”

On July 14, 2009, Governor Ritter announced that his Energy Office would apply for $4.7 million in ARRA funding from the DOE’s $300 million set aside to furnish rebates for purchasers of ENERGY STAR® qualified home appliances. GEO partnered with fifty community sponsors on the construction of ENERGY STAR® homes. The partnerships resulted in the construction of nearly 2,350 new homes that qualified for the ENERGY STAR® label. Later that week, Ritter announced that six

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716 Id.
719 Id.
721 Id.
723 Id.
724 Id.
rural Colorado schools would install wind turbines as part of the state’s Wind for Schools Program.\footnote{Press Release, Colo. Official State Web Portal, Six Rural Colorado Schools to Install Wind Turbines (July 16, 2009), http://www.colorado.gov/cs/Satellite?c=Page&cid=1247751377601&pagename=GovRitter%2FGOVRLayout.}

In late July 2009, Governor Ritter addressed national Senate Subcommittees on Green Jobs and the New Economy.\footnote{Press Release, Colo. Official State Web Portal, Gov. Ritter Touts New Energy Economy Jobs in DC (July 21, 2009), http://www.colorado.gov/cs/Satellite?c=Page&cid=1248095309038&pagename=GovRitter%2FGOVRLayout.} Ritter’s remarks highlighted Colorado’s aggressive approach to clean energy and green jobs even during the recent economic downturn and he hoped Colorado’s efforts would inspire national legislators as they debate federal energy and climate change legislation.\footnote{Id.}

On July 29, 2009, Governor Ritter applauded the opening of Solix Biofuels Inc.’s algae-to-biofuels plant.\footnote{Press Release, Colo. Official State Web Portal, Gov. Ritter Praises Opening of SW Colorado Algae-to-Biofuels Plant (July 29, 2009), http://www.colorado.gov/cs/Satellite?c=Page&cid=1248577375352&pagename=GovRitter%2FGOVRLayout.} The Coyote Gulch Demonstration facility in southwest Colorado uses low-cost photo bioreactors to grow algae inside of plastic bags rather than open ponds.\footnote{Id.} Solix hopes the technique will establish a “commercially viable biofuel that will help solve climate change and petroleum scarcity without competing with global food supply.”\footnote{Id.}


project management and service for REpower turbines,” is taking advantage of tax incentives made possible by recent state legislation creating the Colorado Job Growth Incentive Program.734

In September 2009, Governor Ritter issued a statement applauding U.S. Interior Secretary Ken Salazar’s Climate Change Response Strategy noting, “Colorado and the Interior West are particularly susceptible to the consequences of climate change.”735 Ritter’s office also announced in September that the DOE had awarded $3.8 million in stimulus funding for a research project that will explore the long-term carbon sequestration suitability in geologic formations in the northwestern part of the state.736

On September 18, 2009, Governor Ritter accompanied local, state, and federal officials on a sustainability tour of Denver.737 The tour’s highlights included a Union Station stop and light rail ride. It culminated in a tour of the South Lincoln Park neighborhood, which the U.S. Department of Housing and Urban Development Secretary Shaun Donovan announced would receive $10 million in ARRA funding for its energy efficiency initiatives.738

In September 2009, Colorado continued to promote green job development. Governor Ritter announced Veterans Green Jobs was awarded a $1.1 million contract to weatherize and make energy efficiency improvements in nearly 250 residences in the Southern Colorado’s San Luis Valley.739 Ritter also announced the creation of a Green Jobs Certification program at Red Rocks Community College that “will serve as a national template for how to prepare and credential workers in green building.”740

738 Id.
739 Id.
In mid-October 2009, Colorado’s renewable energy potential grew with SunRun Corp’s announcement that it would expand its solar leasing services to Colorado.\textsuperscript{741} SunRun’s new Colorado services were facilitated by the passage of S.B. 51, which “allows solar companies to build rooftop systems that homeowners can lease instead of own, dramatically reducing upfront costs for consumers.”\textsuperscript{742} Governor Ritter participated in an October 19th ceremony at the National Renewable Energy Laboratory celebrating “flipping the switch” on Siemens Energy’s new 2.3 MW wind turbine.\textsuperscript{743} The project is part of the nation’s largest public-private partnership for wind generation.\textsuperscript{744} The following day, Ritter emphasized the transmission challenges that impede advancing clean and renewable energy initiatives while addressing over 600 energy stakeholders at the 3rd Annual New Energy Economy Conference.\textsuperscript{745} He “called for more regional and state-to-state cooperation and to consider new approaches for how transmission is paid for and built.”\textsuperscript{746}

In late October 2009, Governor Ritter again joined Denver Mayor Hickenlooper in welcoming the latest member of the state’s renewable energy economy, SMA Solar Technology.\textsuperscript{747} German based SMA built the largest solar inverter production facility in the United States and production began in 2010 creating an initial 300 new jobs.\textsuperscript{748} That same week, Ritter applauded the projected green jobs created by Xcel Energy’s addition of “nearly 260 megawatts of on-site solar power generation to its renewable energy compliance plan.”\textsuperscript{749}

Several Colorado companies and utilities secured federal grant funding for renewable energy initiatives in late October 2009. Among those acknowledged by Governor Ritter’s office were Fort Collins and Pueblo utilities’ awards totaling over $25

\textsuperscript{742} Id.
\textsuperscript{744} Id.
\textsuperscript{746} Id.
\textsuperscript{748} Id.
million for “smart grid investments”\textsuperscript{750} and a $4.78 million grant to Flint Geothermal for a geological mapping project aimed at identifying the state’s geothermal resources.\textsuperscript{751}

On December 2, 2009, Governor Ritter issued a one hundred page Renewable Energy Development Infrastructure (REDI) Report that mapped out how the state can reduce its carbon emissions by 20\% over the next decade.\textsuperscript{752} The Report promotes development of wind energy and transmission lines, increased production of natural gas and a reduced reliance on coal-fire power.\textsuperscript{753} The following week, Ritter awarded fourteen recipients NEED grants totaling $1.5 Million.\textsuperscript{754} The NEED recipients’ “projects include converting a gas boiler system to a woody biomass heating system at Western State College, using solar power to offset irrigation costs for an Alamosa farm, and retrofitting an HVAC system with efficiencies at Buena Vista schools.”\textsuperscript{755}

\textbf{2010: Energy Efficiency, Green Jobs, Climate Change Agreements/MOUs, Transportation/Fuels, and Renewable Energy}

In January 2010, Colorado was chosen with five other states to participate in the NGA Center for Best Practices policy academy.\textsuperscript{756} The academy will focus on practices for improving energy efficiency in existing buildings and reducing emissions.\textsuperscript{757} Also in January, Governor Ritter applauded six clean-tech companies on their ARRA grant awards totaling $75.2 million in funding.\textsuperscript{758} The companies, which include solar panel


\textsuperscript{753} Id.


\textsuperscript{755} Id.


\textsuperscript{757} Id.

and wind tower manufacturers, will use the funds to expand production and create jobs.\footnote{ARRA also issued grants benefiting eighteen Colorado communities with the development of strategies for improving energy efficiency and creating jobs in the state’s rural and agricultural regions. The funds totaled $2.2 million and will fund Community Energy Coordinator positions throughout the state.}{ARRA also issued grants benefiting eighteen Colorado communities with the development of strategies for improving energy efficiency and creating jobs in the state’s rural and agricultural regions. The funds totaled $2.2 million and will fund Community Energy Coordinator positions throughout the state.} In early February 2010, Governor Ritter and state legislators announced legislation that will raise renewable energy requirements for large utilities from 20% by 2020 to 30% by 2020.\footnote{On February 4, 2010, Ritter testified before the state legislature’s House Transportation and Energy Committee in favor of the Bill. The legislature approved the Bill on March 8, 2010. Ritter signed it into law on March 22, 2010.}{On February 4, 2010, Ritter testified before the state legislature’s House Transportation and Energy Committee in favor of the Bill. The legislature approved the Bill on March 8, 2010. Ritter signed it into law on March 22, 2010.} In March 2010, the U.S. EPA recognized the GEO with the 2010 ENERGY STAR® Partner of the Year Award. Governor Ritter was also recognized in March by the Vote Solar Initiative with a Solar Champion Award for his leadership in promoting the solar industry in Colorado.\footnote{http://www.colorado.gov/cs/Satellite?c=Page&childpagename=GovRitter%2FGOVRLayout&cid=1251569857108&pagename=GOVRWrapper.}{Governor Ritter was also recognized in March by the Vote Solar Initiative with a Solar Champion Award for his leadership in promoting the solar industry in Colorado.}
On March 5, 2010, Governor Ritter joined lawmakers, Xcel Energy, and environmentalists in announcing an agreement on the proposed Colorado Clean Air-Clean Jobs Act. The Act will require Xcel to retire or retrofit its existing Front Range coal-fired power plants to run on cleaner natural gas or other cleaner energy by 2017. Colorado lawmakers passed the Act on March 31, 2010.

In April 2010, Governor Ritter congratulated the University of Colorado-Boulder on its ARRA grant award totaling $2.4 million for smart grid workforce training. The funding will support the development of a graduate engineering program in smart grid technology.

Governor Ritter signed S.B. 100 in May 2010, allowing homeowners and businesses to cover the upfront costs of energy efficiency and renewable energy projects. The Bill also allows multiple counties to work together to secure financing for such projects. While local districts have had the ability to offer financing for energy improvement projects since Ritter signed H.B. 1350 in 2008, H.B. 1350 prevented local districts from crossing county lines in financing such projects.

In May 2010, the GEO announced that it would provide two grants totaling $800,000 for increasing natural gas use as a transportation fuel for local governments, private companies, and the public. The grant will fund the construction of two separate natural gas fueling stations, as part of an increased effort to expand the number of compressed natural gas (CNG) fueling stations throughout Colorado.

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769 Id.
771 Id.
772 Id.
776 Id.
777 Id.
778 Id.
The GEO was awarded $1 million through ARRA to expand its weatherization training program. The program is expected to train 460 workers, and the additional funds will assist in expanding 8 existing training centers and establishing 26 new centers.\footnote{Press Release, Colo. Official State Web Portal, Governor Ritter Applauds $1M Recovery Act Grant for Weatherization Job Training (June 4, 2010), http://www.colorado.gov/cs/Satellite?c=Page&childpagename=GovRitter%2FGOVRLayout&cid=1251575065994&pagename=GOVRWrapper.}

H.B. 1342\footnote{H.B. 1342, 67th General Assemb., 2nd Reg. Sess. (Colo. 2010).} was signed into law in June 2010. It allows communities to create community-owned “solar gardens,” and makes it possible for homeowners who do not otherwise have access to solar panels (such as mobile home owners) to own a portion of the solar gardens. Colorado expects to have 100,000 solar rooftops by 2020.\footnote{Press Release, Colo. Official State Web Portal, Governor Ritter Cultivates New “Solar Gardens” in Colo. (June 5, 2010), http://www.colorado.gov/cs/Satellite?c=Page&childpagename=GovRitter%2FGOVRLayout&cid=1251575069016&pagename=GOVRWrapper.} H.B. 1349\footnote{H.B. 1349, 67th General Assemb., 2nd Reg. Sess. (Colo. 2010).} was also signed into law in June, establishing the Re-Energize Colorado Program to develop renewable energy projects in state parks. It mandates that state parks must offset 100% of the electricity they consume through renewable energy by 2020.\footnote{Press Release, Colo. Official State Web Portal, Governor Ritter Establishes Energy Program in Parks (June 8, 2010), http://www.colorado.gov/cs/Satellite?c=Page&childpagename=GovRitter%2FGOVRLayout&cid=1251575098186&pagename=GOVRWrapper.}

In July 2010, the GEO announced that, in partnership with local utility companies, it would conduct a detailed study to evaluate the possibility of linking rooftop solar and small-scale hydropower energy sources into the grids of municipalities and rural electricity providers.\footnote{A Blueprint for a New Energy Economy, COLO. GOVERNOR’S ENERGY OFFICE, http://www.colorado.gov/governor/images/NEE_Blueprint.pdf (Sept. 13, 2013).} Distributed generation of renewable energy can delay the need for new power plants and can reduce the stress on existing power plants during peak energy times.\footnote{Id.}

The GEO received a second weatherization grant in August 2010. The $950,000 grant was distributed to three weatherization agencies and funded a pilot project aimed at installing in-home energy monitors to help residents track their energy usage.\footnote{Press Release, Colo. Official State Web Portal, Governor Ritter Applauds $950,000 Grant to Help Residents Reduce Energy Costs (Aug. 19, 2010), http://www.colorado.gov/cs/Satellite?c=Page&childpagename=GovRitter%2FGOVRLayout&cid=1251579868091&pagename=GOVRWrapper.} The project also included an educational component to help residents reduce their energy use through behavioral practices.\footnote{Id.}
An additional $2.2 million in renewable energy and energy efficiency grants that were funded through ARRA were granted. Twenty-three grant projects were selected, including solar power installation for an affordable housing unit in Denver, energy efficiency upgrades for a non-profit preschool in Gilpin County and a small hydroelectric project in the town of Basalt.\textsuperscript{788}

**2011: Energy Efficiency**

In September 2011, Colorado received funding from the DOE to help expand the Energy Performance Contracting program to the private sector. The funding helps to buy down the cost of investment grade energy audits helping to remove barriers to energy efficiency projects.\textsuperscript{789}

**2012: Renewable Energy and Green Technology**

On May 24, 2012, Governor Hickenlooper signed into law H.B. 12-1315 to refocus the Colorado Energy Office on building the state’s national reputation as a leader in clean energy and energy innovation.\textsuperscript{790} The Bill secured funding for five years and established the office’s Innovative Energy Fund and the Clean & Renewable Energy Fund.\textsuperscript{791}

**2013: Climate Change Adaptation, Energy Efficiency, and Renewable Energy**

On May 28, 2013 H.B. 1293 was enacted directing the Governor to establish a climate change position within the executive branch to deal with climate change issues.\textsuperscript{792} The person appointed to this position is required to develop climate actions plans that the state could use to address climate change and reduce its GHG emissions and must report to the General Assembly regarding how climate change affects the State.

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\textsuperscript{791} Id.


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On the same day, Governor Hickenlooper signed S.B. 212 into law enabling cities and counties in Colorado to sell bonds and use the proceeds to provide loans to commercial building owners for energy efficiency retrofits.\textsuperscript{793}

On June 5, 2013 Governor Hickenlooper signed the controversial S.B. 252 into law doubling the renewable energy target for rural electric cooperatives.\textsuperscript{794} Under the new law rural electric cooperatives now have to supply 20% of electricity from renewable sources by 2020. On June 5th Hickenlooper also signed S.B. 279 into law requiring that each school district, institute charter school, and each district charter school ensures that each project for a new or substantially renovated building or structure is submitted to or verified by the highest energy efficiency standards practicable.\textsuperscript{795}

\textbf{CONNECTICUT}

\textbf{1990: Climate Change Adaptation}

In 1990, Connecticut passed legislation requiring specific actions aimed at reducing carbon dioxide emissions.\textsuperscript{796} The Act established a wide range of energy conservation measures, including revisions to the building code, aimed at increasing energy efficiency,\textsuperscript{797} and set goals for improving public transportation.\textsuperscript{798} It also authorized the Connecticut Department of Energy and Environmental Protection (DEEP) Commissioner to require trees or grass to be planted to offset carbon dioxide emissions associated with air discharge permits.\textsuperscript{799}

\textbf{1998: Renewable Portfolio Standard}

In 1998, Connecticut passed a renewable portfolio standard (RPS) that requires each electricity supplier and electric-distribution company that provides standard service, transitional standard offer, or supplier-of-last-resort service, to generate 4% of its retail electricity sales using renewable energy by January 1, 2004 and increasing to 10% by

\textsuperscript{797} 1990 Conn. Acts 219 § 3 (Reg. Sess.).
\textsuperscript{798} Id. § 16.
\textsuperscript{799} Id. § 6.
January 1, 2010. Connecticut also has appliance energy efficiency standards in place for nine products.


In 2004 Connecticut passed Connecticut Public Act 04-252, creating a voluntary short-term goal of reducing regional greenhouse gas (GHG) emissions to 1990 levels by 2010 and by 10% below 1990 levels by 2020. Among its many provisions, the Act charged the Governor’s Steering Committee on Climate Change with developing a climate change action plan. The plan was completed in February 2005 and contains fifty-five recommendations for drastically reducing the state’s GHG emissions.

In 2004, Governor Rowland issued Executive Order (EO) 32, requiring state government agencies and universities to purchase an increasing amount of their electricity generated from renewable resources. Specifically, the Order mandates that these entities obtain 20% of the electricity used in 2010, 50% of the electricity used in 2020, and 100% of the electricity used in 2050 from renewable resources.

2007: Climate Change Agreements and Renewable Energy

In May 2007, Connecticut and thirty other states created The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

In 2007, Connecticut enhanced its RPS by requiring 27% of the state’s electricity to be generated from renewable resources by 2020.

2008: Greenhouse Gas Reduction, Climate Change Adaption, Climate Change Agreements/Memoranda of Understanding, Green Jobs, and Market-Based Solutions

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801 Id. § 16a-48.
Public Act 04-252 required the development of a GHG inventory detailing emissions in the state.\textsuperscript{808} By March 2008, Connecticut had completed an inventory for the base years 1990 and 2000.\textsuperscript{809} Connecticut created more GHG emission standards by amendments to Public Act 04-252.

Connecticut approved amendments to House Bill (H.B.) 5600 in June 2008.\textsuperscript{810} H.B. 5600 declared that the state would reduce GHG emissions to a level 10% below its 1990 emissions level by 2020 and to a level 80% below its 2001 emissions level by 2050.\textsuperscript{811} Subsections (b) through (d) of this Bill lay out how these reduction levels will be achieved. Subsection (b) states that, beginning in 2010, the Governor’s Steering Committee on Climate Change must submit biannual reports to the Secretary of the Office of Policy and Management and to the Commissioner of DEEP containing policy and regulatory suggestions to reduce GHG emissions.\textsuperscript{812} Subsection (c) of H.B. 5600 requires the Commissioner of DEEP to report to the joint standing committees of the General Assembly that are focused on environmental, energy and transportation issues. This report will include a schedule of proposed regulations, policies and strategies to reduce GHGs and will occur every three years beginning in 2012.\textsuperscript{813} Finally, subsection (d) of H.B. 5600 anticipates a federally mandated GHG emissions cap-and-trade program. In the event that this sort of program is created, at least one year prior to its effective date, the Commissioner of DEEP and the Secretary of the Office of Policy and Management shall report to the aforementioned committees. This Report will explain the difference between the requirements for the federal program and the state’s cap-and-trade program, as well as identify further regulations or legislation needed to achieve consistency with the federal program.\textsuperscript{814}

Connecticut convened the first-ever summit on climate change for the insurance industry in the United States.\textsuperscript{815} Connecticut is also collaborating with Northeast States for Coordinated Air Use Management (NESCAUM) to develop a voluntary GHG emission registry,\textsuperscript{816} and is an active participant in the Regional Greenhouse Gas Initiative (RGGI), thereby agreeing to cap and decrease carbon dioxide emissions from the electricity generators by 10% by 2018.\textsuperscript{817}

\textsuperscript{808} 2004 Conn. Acts 252 § 3 (Reg. Sess.).
\textsuperscript{811} Id.
\textsuperscript{812} Id.
\textsuperscript{813} Id.
\textsuperscript{814} Id.
The Department of Environmental Protection (DEP) regulates carbon dioxide emissions via section 22a-174-31 of RGGI. This regulation defines the sources subject to its terms as any unit that, after December 31, 2000, serves an electricity generator with a nameplate capacity equal to or greater than 25 megawatts of electrical output (MWe). The regulation also delineates the measuring and recording procedures of each source’s carbon dioxide allowance (an authorization to emit one ton of carbon dioxide). The annual budget of all of the sources combined is 10,695,036 tons from 2009 through 2014, and the budget is to decrease annually thereafter, as defined in the regulation. Each source’s allowances are sold by the Commissioner of the Department of Energy (DOE) or by a contractor or trustee selected by the Commissioner in consultation with the Department of Public Utility Control. Carbon dioxide offset allowances may be awarded if a source performs an enumerated project that offsets GHG emissions. Auction proceeds are allocated to the following: 7.5% to the DEP.; 23% to support development of renewable energy sources under the Connecticut Clean Energy Fund; and 69.5% to Connecticut Light & Power (receiving 75% of this 69.5%), United Illuminating (18.75% of the 69.5%), and Connecticut Municipal Electric Energy Cooperative (6.25% of the 69.5%).

Governor Rell further encouraged GHG emission reductions in her 2008 State of the State address. She proposed a business tax credit of up to $50,000 per business for businesses that offset their GHG emissions. She also stated that she would propose legislation that required buses to limit unnecessary idling. She encouraged residential benefits, such as the restoration of a sales tax exemption for ENERGY STAR® appliances and an enhancement of the Furnace and Boiler Replacement Rebate Program. She also proposed a “green collar” jobs initiative and that all agencies adopt climate change action plans.

In July 2008, Governor Rell announced that she would require an amended provision to Connecticut’s RGGI to provide relief for ratepayers if the allowances’ costs exceed a certain level. In August of 2008, she announced the Connecticut Solar Lease Program, which is designed to lower the costs of leasing solar systems by using rebates and tax credits for households with an income less than or equal to 150% of the median income in their area.

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale. Each of these allowances sold at a clearing price of $3.07, raising

820 Id.
a total of $38,575,783.\textsuperscript{824} These proceeds were used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances.\textsuperscript{825} The next week, Governor Rell announced a program in which owners of homes using oil or propane heat can pay $75 for their furnaces cleaned, tuned and tested by approved contractors.\textsuperscript{826} The homeowners will then receive a heating system audit.

During Connecticut’s “Innovation and Technology Week,” Governor Rell announced the creation of Connecticut Clean Tech Fund.\textsuperscript{827} The Fund provides $9 million to encourage state entrepreneurs to develop technologies that address global issues including climate change issues. On November 22, 2008, Rell announced a program to provide incentives for the state’s biodiesel industry.\textsuperscript{828} Seven biodiesel distribution companies received $350,000 in grants. Three days later Rell announced that 29 communities would receive state grants to assist them in preserving open spaces.\textsuperscript{829}

On December 7, 2008, Governor Rell announced the recipients of the biofuel Production Facility Grant Program recipients.\textsuperscript{830} Biofuel producers received $2.2 million in grants and universities received $900,000 for research. On December 11, Rell announced her support of the EPA’s decision not to pursue a proposed alteration to the Clean Air Act’s New Source Review, which would result in increased emissions.\textsuperscript{831} The change would have required modified power plants to install modern pollution control devices only if it was proven that the modification would not alter the plant’s hourly emissions. Rell led other northeastern governors in opposing this lenient standard.\textsuperscript{832}

Governor Rell nominated Representative DelGobbo to be a Commissioner of the Connecticut Department of Public Utility Control (DPUC) on December 16, 2008.\textsuperscript{833} DelGobbo assisted Rell in drafting her Connecticut Energy Vision for a Cleaner, Greener State in 2006 and also helped write the Energy Independence Act of 2005. Rell also nominated another clean energy advocate as Commissioner of the DPUC, Amalia Vazquez Bzdyra.\textsuperscript{834}

\textsuperscript{824} Id. at 1.
\textsuperscript{825} Id.
\textsuperscript{832} Id.
The second RGGI auction took place on December 17, 2008 and each of the ten states participated.\textsuperscript{835} All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances.\textsuperscript{836} The clearing price was $3.38 per allowance, raising a total of $106.5 million.\textsuperscript{837}

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector.\textsuperscript{838} Specifically, these states intend to incorporate a Low Carbon Fuel Standard (LCFS), which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.\textsuperscript{839} The next day, the first compliance period in the RGGI program began. It required that the carbon dioxide emissions from regulated sources be equal to their allowances.\textsuperscript{840}


Governor Rell promulgated EO 22 on January 9, 2009.\textsuperscript{841} This Order mandates the Department of Administrative Services (DAS) to reduce the State’s fleet of cars and trucks by 20%, which would effectively reduce carbon emissions. The Order also requires that the EPA must label any car or truck purchased by the DAS as “best in its class” for gas mileage unless the DAS finds that purchasing this vehicle would be too expensive.\textsuperscript{842}

Two weeks later, Governor Rell released proposed regulations for green building construction.\textsuperscript{843} These regulations correspond with the LEED rating system and would

\begin{itemize}
  \item \textsuperscript{835} \textit{Auction 2, REGIONAL GREENHOUSE GAS INITIATIVE}, \\
  \item \textsuperscript{836} Press Release, RGGI Inc., Post-Settlement Auction Report Shows Robust Market for RGGI Carbon Dioxide Emissions Allowances (Jan. 6, 2009), \\
  \url{http://www.rggi.org/docs/Auction%202%20Post%20Settlement%20Auction%20Report.pdf}.
  \item \textsuperscript{837} \textit{Id}.
  \url{http://web.archive.org/web/20110811022823/http://www.mass.gov/Eoeea/docs/pr_lcfs_attch.pdf}.
  \item \textsuperscript{839} \textit{Id} at 1.
  \item \textsuperscript{840} \textit{Id}.
  \item \textsuperscript{841} Press Release, Governor of Conn., Governor Rell: Cut State Fleet by 20 Percent, Reduce Future Costs of State Cars (Jan. 9, 2009), \\
  \item \textsuperscript{842} \textit{Id}.
  \item \textsuperscript{843} Press Release, Governor of Conn., Gov. Rell Submits Proposed Regulations for Construction of ‘Green’ Buildings (Jan. 24, 2009), \\
\end{itemize}
apply to new building construction costing $5 million or more, and to building
renovations costing $2 million or more. The regulations would require buildings to be
21% more energy efficient than the current state building code, the use of low-flow
fixtures, 10% of building materials be manufactured within 500 miles of the building’s
locations, and that new sites have access to public transportation.844

Governor Rell and eleven other governors signed a letter to President Obama,
urging him to form a strong state/federal leader partnership in initiating a national climate
change program on January 29, 2009.845 This letter was predicated upon the President’s
letter to the Governors’ Global Climate Summit where he offered the governors a
partnership with the White House in addressing climate change issues. These governors
believe that their states have played a leading role in confronting these issues and stated,
“It is crucial that we build on our states’ momentum.”846 The letter also contained
suggestions for how a national climate change program should be implemented, including
the suggestion that the national government recognize private investments that have been
made in current cap-and-trade programs and preserve the clean energy plans that are
funded by the proceeds from these programs.847

In February 2009, Governor Rell also issued EO 23, which established guidelines
to train and develop Connecticut’s green collar work force.848 The Order required the
creation of the Green Collar Jobs Council, reallocated funds by the Secretary of the
Office of Policy and Management to the 21st Century Green Jobs Training Initiative,
expedited the creation of eight certificate credit programs and the training of 320 students
within the next two years by the Community College System, allocated 25% of federal
stimulus funds to shovel-ready green jobs, and give priority to green energy projects
when awarding grants from the Small Manufacturers Competitiveness Fund.849 That
same month, Rell also proposed to allocate $7.5 million towards the creation of the
Connecticut Conservation Corps, which is modeled after the Civilian Conservation Corps
of the 1930’s.850 This modern Corps would create jobs to work on environmental
conservation projects.

844 Id.
845 Letter from Arnold Schwarzenegger, Governor of Cal., M. Jodi Rell, Governor of Conn., Charlie Crist,
Governor of Fla., Kathleen Sebelius, Governor of Kan., Martin O’Malley, Governor of Md., Deval Patrick,
Governor of Mass., John S. Corzine, Governor of N.J., Bill Richardson, Governor of N.M., David Paterson,
Governor of N.Y., Theodore R. Kulongoski, Governor of Or., Christine O. Gregoire, Governor of Wash.,
Jim Doyle, Governor of Wis., to Barack Obama, President of the United States of America (Jan. 29, 2009),
846 Id. at 1.
847 Id. at 2.
848 Press Release, Governor of Conn., Gov. Rell’s Executive Order No. 23 Establishes Blueprint for Green
Collar Job Creation (Feb. 3, 2009),
849 Id.
850 Press Release, Governor of Conn., Governor Rell Promotes Plan for CT Conservation Corps to Put
People to Work and Tackle Environmental Projects (Feb. 10, 2009),
On March 9, 2009, the EPA recognized Connecticut as one of the nation’s top green power purchasers.  

On March 12, 2009, the Department of Energy (DOE) announced that Connecticut was eligible for $38,542,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).  

The third RGGI auction was held on March 18, 2009. The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse at future market prices for RGGI allowances.  

In a letter to U.S. Senate Majority Leader Harry Reid and the Senate Committee on Energy and Natural Resources, Governor Rell protested the proposed expansion of the Federal Energy Regulatory Commission’s (FERC) electric transmission line. In support of her position, Rell stated that the power to site transmission lines is a “critical state right” and cited specific examples in which FERC decisions acted to the State’s detriment. The next week, the State’s DEP received $1.73 million from ARRA to fund three initiatives: a program to retrofit emissions systems in state-owned diesel-fueled vehicles, a truck stop electrification project, and a project to replace a high-emission diesel engine with a low-emission engine. Rell stated that these projects were selected because they were deemed to benefit the greatest number of people. The DEP assisted in finding other sources of funding for the non-selected projects.  

Governor Rell announced that $163 million more in stimulus funding would go towards public transportation, pedestrian, and bicycle projects. Projects include upgrading 106 buses to hybrid, repairing rail lines, and building bike paths. Connecticut also started the application process for energy stimulus funds. Specifically, $39 million is available for projects that increase energy efficiency, enhance energy

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854 Id.
855 Id.
857 Id.
858 Id.
860 Id.
independence, enhance electricity reliability, and reduce the impacts of energy production on the environment.

On April 1, 2009, Governor Rell announced that $8.8 million from ARRA was available for projects that reduce diesel emissions. Individual competitive grants worth up to $2 million are available to municipalities. Two days later, Rell announced that $24 million of ARRA funding was available for energy efficiency projects. The funding has been allocated to local governments for projects including energy audit programs, retrofitting, and transportation programs that conserve energy, and create more energy efficient building codes. Rell also announced that $14 million from the RGGI auction proceeds will be allocated to state and local governments and private and nonprofit agencies that promote energy conservation and clean energy programs.

Governor Rell announced on April 23, 2009 that Connecticut was sending its energy plan to the DOE in order to receive the $38 million available to it for energy programs. The plan’s breakdown includes $8 million for fuel cell initiatives and projects, $5 million for geothermal system programs, and $4 million for solar thermal system rebates. The next day, Rell announced that small cities and towns would receive a total of $9.5 million for energy efficiency programs from the Energy Efficiency and Conservation Block Grants. She also announced that she and other New England governors wrote a letter to Congress in response to the draft American Clean Energy and Security Act of 2009, which would put a moratorium on state level cap-and-trade programs from 2012 to 2017 due to a proposed federal program. The governors urged Congress to continue to provide the states with funding for clean energy programs despite the moratorium.

Governor Rell also signed an agreement to support federal climate change legislation. The agreement contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this

Rell also announced Connecticut Clean Tech Fund’s first investment of $500,000 to Oil Purification Systems, which has developed a way to remove contaminants from engine oil, virtually eliminating the need for oil changes. The state also sought $18.9 million in stimulus money for hybrid buses and bus fuel cells. The state also encouraged green collar training with a CONNSTEP-created two-day program to assist companies in implementing green initiatives. Green collar jobs were also supported when Connecticut received $15.4 million for its State Energy Plan under the ARRA.

Prices fell at the fourth RGGI auction, which was held on June 17, 2009, to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage. This auction produced $4.7 million for the state. On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking their regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

In July 2009, Governor Rell joined other New England governors in pursuing the development of high-speed rail in this region. Rell also vetoed S.B. 1068 which would have required the Department of Economic and Community Development to apply for federal funds to develop a clean jobs program on the grounds that this would be unnecessary and inconsistent with current state efforts concerning green jobs.

Governor Rell then directed the state Department of Labor to work with seven other Northeastern states to request $3.9 million in ARRA funding to go towards green

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jobs initiatives. Connecticut received $9.5 million in federal stimulus funds to go towards energy efficiency projects in 143 small cities throughout the state.

On August 31, 2009, the attorneys general of New Jersey, Arizona, Connecticut, Delaware, and California sent Senate leaders a letter urging them to pass climate change legislation that is stronger than the Waxman-Markey Bill. The attorneys general’s suggestions to the senators included that the Bill include measures that give state enforcement authority, require public disclosure of all offset project documentation, and provide standing for citizen suits.

Governor Rell released the state’s first comprehensive economic plan, which included investment tax credits for those that start up green technology companies. Rell also announced that a new train station on the Metro-North line would be built in the state, increasing public transportation opportunities for residents. Residents will also benefit from the $13,550,000 the state received from the U.S. Department of Housing and Urban Development, with some of this money going towards energy efficiency projects in small cities. Connecticut also directed that $4 million of its federal stimulus funds will go towards helping homeowners and businesses install solar-powered hot water heating systems.

The regional consortium of eight Northeast states was awarded $3.9 million in federal stimulus funds to develop a “Green Job Bank,” a comprehensive system for careers in emerging environmental technologies, training and educational

opportunities. This strongly complements Governor Rell’s EO No. 23, which was issued in February 2009, establishing a comprehensive blueprint for green collar job creation within the state. Efforts will be directed toward introducing an electronic “Green Job Bank” that would include current green employment listings.

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec. North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.” North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.

2010: Climate Change Agreements, Climate Change Adaptation, Green Building, Green Jobs, Green Technology, Market-Based Solutions, Renewable Energy, American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels

Connecticut and the ten other RGGI states (Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania (observer state), Rhode Island, and Vermont) signed a memorandum of understanding (MOU) agreeing to analyze low-carbon fuel supply options and determine the feasibility of achieving carbon reduction goals. The MOU included a 10% reduction in carbon intensity of fuels, and a framework for a regional LCFS ensuring the sustainable use of renewable fuels in the region. The initiative will promote fuels that reduce GHG emissions, reduce exposure to gasoline price spikes, foster energy independence and create new jobs through clean energy technologies.

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886 Id.
887 Id.
891 See id.
894 Id.
895 Id.
The states planned to develop a framework detailing a standard for the amount of carbon in motor fuels that could be extended to cover fuels used to heat homes and buildings.\textsuperscript{896}

In January 2010, Governor Rell announced that the state is dedicating $4.5 million in federal stimulus funds to help homeowners, businesses, and nonprofit groups pay for the installation of geothermal heat pump systems.\textsuperscript{897} This will lower fuel and electricity bills and promote the use of alternative energy, since geothermal technology harnesses the Earth’s natural thermal energy for heating and cooling.\textsuperscript{898} The Geothermal Heat Pump Incentive Program is financed through ARRA and will be administered by the Connecticut Clean Energy Fund (CCEF). CCEF officials say there is enough funding available to support the installation of about 300 geothermal heat pump systems per year until April 2012 when the federal program ends, and systems can supply up to 100% of a customer’s peak heating and cooling load.\textsuperscript{899}

Beginning January 25, 2010, Connecticut consumers could receive rebates of $50 to $100 for buying ENERGY STAR® appliances and $500 for purchasing ENERGY STAR® central air systems under a $3.4 million stimulus-funded program.\textsuperscript{900} The program will provide rebates for more than 42,000 appliance purchases, covering ENERGY STAR® qualified refrigerators, freezers, washers, air conditioners and central air systems.\textsuperscript{901} In April, the program extended to include water heaters. Rebates range from $100 to $400 for the following qualifying systems: Electric Heat Pump, Gas Storage, Gas Tankless, Solar, Electric Backup Solar, and Gas Backup following ENERGY STAR® qualified water heaters.\textsuperscript{902}

Governor Rell celebrated the groundbreaking of the $198 million Gateway Community College campus project in downtown New Haven.\textsuperscript{903} The new campus is the state’s first gold-certified LEED\textsuperscript{904} public building. As a LEED project, the new campus utilizes renewable and alternative energy technologies, including solar, hot water, and photovoltaics, reducing carbon dioxide emissions and the demand on the existing energy utilities.\textsuperscript{905}

\begin{flushleft}
\textsuperscript{896} Id.
\textsuperscript{898} Id.
\textsuperscript{899} Id.
\textsuperscript{901} Id.
\textsuperscript{904} LEED stands for Leadership in Energy and Environmental Design, and is a voluntary program that establishes standards for producing energy efficient buildings. Id.
\textsuperscript{905} Id.
\end{flushleft}
One hundred and twenty-one small and mid-sized municipalities shared $6.7 million in federal stimulus funds to help pay for energy efficiency projects that lower costs to local taxpayers starting in February 2010. Projects included new windows, solar panels and other items to be purchased and installed, helping put money back into local economies. The funding helped to pay for energy audits, retrofits, financial incentive programs, and renewable technologies for municipal buildings.

In February 2010, Governor Rell announced that thirteen municipalities and non-profit organizations would receive America the Beautiful grants to show their commitment to urban forestry. These grants cover a range of urban forestry activities, including the development of a municipal forest plan, the inventory and maintenance of significant trees, and the planting of new trees.

The DEP launched a state-of-the-art online electronic reporting system for power plants, factories and other facilities for their emissions data. The new Emissions Inventory Tracking (EMIT) system allows for easier reporting and implementation on the administrative level as certain facilities are required to report air emissions data for pollutants such as oxides of nitrogen, volatile organic compounds, sulfur dioxide, particulate matter, carbon monoxide, and lead under the Clean Air Act.

Connecticut towns received $20 million in Qualified Energy Conservation Bonds (QECBs), which is funded by ARRA, for energy projects. These bonds are a tax credit bond designed to go directly to governments, and up to 30% of the total may be issued as private activity bonds. The principal, but not interest, will be repaid. Instead of interest, holders of QECBs will receive federal tax credits, which then can be applied against their tax liability. Of the total $20 million, about $6.3 million goes directly to the state’s largest municipalities: Bridgeport, Hartford, New Haven, Stamford, and Waterbury. Approximately $16 million will be dedicated to alternative and renewable energy projects on state property.

Connecticut announced on May 28, 2010 that $1.2 million in ARRA funds support six regional energy projects, including projects like single stream recycling and the creation of regional energy managers, that help municipalities reduce energy costs,

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907 Id.
910 Id.
912 Id.
913 Id.
promote use of alternative and renewable fuel sources, and provide education and job training in energy technology.\footnote{914}{Press Release, Governor of Conn., Governor Rell: Regional Energy Projects Will Share $1.2 Million in Federal Stimulus Block Grants (May 28, 2010), http://www.ct.gov/governorrell/cwp/view.asp?a=3872&q=460898.}

In June 2010, Governor Rell signed H.B. 5164, an Act Implementing the Recommendation of the Program Review and Investigations Committee Concerning the Alignment of Postsecondary Education and Employment in the Green Industry,\footnote{915}{2010 Conn. Legis. Serv. 10-156 (West).} into law. It requires the state’s public colleges, universities, community-technical colleges and vocational-technical high schools to coordinate their development of a “green technology” curriculum.\footnote{916}{Press Release, Governor of Conn., Governor Rell Signs Green Technology Education Bill (June 8, 2010), http://www.ct.gov/governorrell/cwp/view.asp?a=3872&q=461276.} As of October 1, 2010, higher education institutions located in Connecticut are required to publicize the green jobs training they offer and to work together to develop “career ladders” for the green technology industry.\footnote{917}{Id.} The state Departments of Education and Higher Education are required to develop a complete list of all of the “green tech” courses and programs available at public colleges, universities, community colleges and vo-tech schools. Those schools must collaborate with employers to find out what additional training programs they need to prepare future employees.\footnote{918}{Id.}

A partnership led by the CCEF received $4.17 million in federal stimulus funds for energy efficiency, conservation and renewable energy programs in Connecticut.\footnote{919}{Press Release, Governor of Conn., Governor Rell: Connecticut Partnership to Receive Nearly $4.2 Million in Stimulus for Energy Programs (June 15, 2010), http://www.ct.gov/governorrell/cwp/view.asp?a=3872&q=461662.} The project will save nearly $150 million in energy costs while leveraging $4.70 for every federal dollar invested. CCEF’s partners include AFC First Financial, Clean Water Fund, Connecticut Energy Efficiency Fund, Earth Markets, Efficiency 2.0, MIT Field Intelligence Lab/Empower Devices, SmartPower, and the Student Conservation Association.\footnote{920}{Id.} The project has been implemented by 14 rural, suburban, and low-income communities throughout Connecticut with the goal of having at least 10% of households set specific, measurable goals of 20% energy savings and clean energy usage, with the potential to reduce the production of nearly 250,000 metric tons of carbon dioxide emissions. Examples of project initiatives include an “innovative online platform involving energy advisors and leader boards for communities, an on-the-ground clean energy community corps, financing to assist homeowners with energy efficiency measures and clean energy installations, performance-based incentives to reward communities for meeting targets, and a monitoring program to support both continuous program improvement and investment impact analysis.”\footnote{921}{Id.}
At the end of June 2010, Connecticut joined with Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont and the District of Columbia to work together on regional transportation initiatives that will ultimately reduce harmful GHG emissions and improve air quality.\textsuperscript{922} Connecticut signed a declaration of intent with its regional partners to create the Transportation and Climate Initiative (TCI). It is estimated that about 40\% of GHG emissions in Connecticut are caused by transportation factors.\textsuperscript{923}

Governor Rell announced in July 2010 that $11.25 million would go towards preserving open space in Connecticut, making progress towards the state goal of protecting 21\% of Connecticut’s land, or 673,210 acres, by the year 2023.\textsuperscript{924} The Recreation and Natural Heritage Trust will receive $6.25 million, and $5 million to help cities, towns and land conservation organizations with the purchase and preservation of local open space under Connecticut’s Open Space and Watershed Land Acquisition Grant Program.\textsuperscript{925} Additionally, a portion of the available grant funding is dedicated to the Urban Green Community Garden Initiative, which targets distressed communities to reclaim existing urban open space into usable public green areas and community gardens.\textsuperscript{926}

Public electric vehicle (EV) charging stations, donated by Northeast Utilities and Enfield-based Control Modules Industries, were installed at the State Capitol Complex.\textsuperscript{927} Governor Rell and her EV Infrastructure Council set a goal of 25,000 plug-in vehicles on state roads by 2020.\textsuperscript{928} Other recommendations in the final EV Council report include: incentive programs for consumers; auto dealers and manufacturers and EV research and development (R&D); tax incentives for individuals and businesses for EV purchases; allowing EVs in High Occupancy Vehicle Lanes; installing charging stations at state buildings and attractions, such as state parks, museums, rest stops, train stations, libraries and public parking lots; clean vehicle parking incentives; reviewing and targeting state lending programs to support existing and start-up EV businesses; aggressively recruiting California-based EV companies to make Connecticut their East Coast affiliate; offering grants and loans for alternative vehicle and fueling infrastructure; offering tax exemptions and tax credits for EV components manufacturers; and pursuing federal grants to support EV infrastructure and research. Chaired by the Department of Public Utility Commissioner DelGobbo, the Council is comprised of representatives from the Departments of Public Utility Control, Economic and Community Development,
Environmental Protection, Motor Vehicles, Administrative Services, Transportation, Utilities, environmental groups, and the business community.

In September 2010, Governor Rell welcomed the all-electric Nissan LEAF by signing a collaborative agreement to help advance EVs in the state. The LEAF is powered by a lithium-ion battery pack instead of an internal combustion engine. There are no tailpipe emissions, and the vehicle can get up to 100 miles on a single battery charge on less than the cost of gasoline.

2011: Climate Change Agreements, Transportation/Fuels, and Renewable Energy

In February 2011, Governor Malloy announced the launch of a new pilot program, Operation Fuel, which will help women and minority-owned businesses lower their energy consumption and costs. Eligible businesses will receive grants to help pay their energy bills, and the program will also provide seminars on energy conservation.

In May 2011, Governor Malloy criticized New Jersey Governor Christie for pulling New Jersey out of RGGI. In doing so, Malloy reaffirmed Connecticut’s commitment to RGGI and outlined the millions generated for energy efficiency and renewable energy through the program.

Connecticut was one of nine states to join the Northeast EV Network in October 2011. The Network helps the states increase their economic growth, and reduce their GHG emissions. Moreover, it focuses on building infrastructure for clean vehicles and fuels, and attracts public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont. The Network is part of the Transportation and Climate Initiative (TCI), a regional collaboration between twelve Northeast and Mid-Atlantic states that aims to reduce GHG emissions from the transportation sector and develop a clean energy infrastructure.

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929 Id.
934 Id.
economy. The TCI was launched in June 2010 and is facilitated by the Georgetown Climate Center.\footnote{Transportation and Climate Initiative, GEORGETOWN CLIMATE CENTER, 

In December 2011, following a competitive bidding process, Connecticut selected two commercial renewable energy projects for power purchase agreements, giving the projects the right to enter into 20-year power purchase agreements with the state’s two electric distribution companies.\footnote{Press Release, Governor of Conn., Governor Malloy Announces Procurement of Cheaper and Cleaner Energy for Connecticut (Dec. 23, 2011),

\section*{2012: Climate Change Agreements, Renewable Energy, Renewable Portfolio Standard, and Market-Based Solutions}

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of $1.93.\footnote{Press Release, RGGI Inc., RGGI Auction Sells 21.5 Million CO$_2$ Allowances (Mar. 16, 2012),
http://www.rggi.org/docs/PR031612_Auction15Results.pdf.} The auction generated $41.6 million in proceeds, which the RGGI participating states invested in consumer-oriented energy efficiency initiatives.\footnote{Id.}

On April 4, 2012, the Public Utilities Regulatory Authority approved the ZREC/LREC (zero-emissions/low-emissions) renewable energy program.\footnote{Id.} Through the program, Connecticut’s largest electric utilities accept bids from renewable energy developers.\footnote{Id.} The winning bidders receive 15-year contracts for payments in the form of renewable energy credits.\footnote{Id.} Also in April, the state announced the installation of a new monitoring system in state buildings that allows for detection of energy inefficiencies in building operations.\footnote{Id.}

On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances.\footnote{Press Release, RGGI Inc., RGGI Auction Sells 20.9 Million CO$_2$ Allowances (June 8, 2012),
http://www.rggi.org/docs/PR060812_Auction16Results.pdf.} The auction of the 20.9 million allowances generated $40.4 million in funds, and represents 57\% of the allowances offered for sale by all nine participating states.\footnote{Id.}

On September 7, 2012, the RGGI states announced the results of its seventeenth quarterly auction for carbon dioxide allowances. The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represents 65% of the allowances offered for sale by all nine states.

On October 5, 2012, Governor Malloy unveiled Connecticut’s draft Comprehensive Energy Strategy. The plan calls for increasing natural gas availability and reexamining the state’s RPS with the intention of raising the standard and increasing the mix of renewable options. The final version of the plan was released on February 19, 2013 and includes goals related to energy use in transportation and investing in microgrids.

On November 19, 2012, RGGI reported that RGGI investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011. RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement, and climate change adaptation programs.

**2013: Climate Change Agreements and Transportation/Fuels**

On February 7, 2013, RGGI announced significant program improvements implemented in the Updated Model Rule after a two-year comprehensive program review. Improvements include a reduction of the 2014 regional cap by 45% from 165 million to 91 million tons, and a cap further declining by 2.5% each year from 2015 to 2020; additional adjustments to the cap from 2014 to 2020 in order to account for

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948 Id.
949 Id.
950 Id.
952 Id.
955 Id.
956 Id.
privately banked allowances, which will be deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances which may be accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program, including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year compliance period; and developing tools to track electricity imported into participating states from non-participating states in order to address those emissions. Each RGGI state will implement these measures in their respective statutory regimes.

On April 16, 2013, an independent market monitor of RGGI confirmed that there continues to be no material concerns regarding the auction process or in the competitiveness of the secondary market for RGGI allowances. During 2012, the average auction-clearing price was $1.93 for carbon dioxide allowances.

Connecticut amended their Low Emission Vehicles II Program, which was effective on August 1, 2013, that incorporates California’s GHG emission standards for motor vehicles. California’s standards require that tailpipe GHG emissions from new vehicles be reduced by 22% by the 2012 model year and 30% by the 2016 model year.

DELAWARE

2000: Climate Change Agreements

Delaware developed a Climate Change Action Plan in 2000 with funding from the Delaware State Energy Office and the United States Environmental Protection Agency’s State and Local Climate Change Program. The Center for Energy and Environmental Policy (CEEP) at the University of Delaware researched and wrote the Action Plan with input from the Delaware Climate Change Consortium, a group comprised of representatives from government, environment, business, labor, and community organizations. The CEEP had previously completed an inventory of Delaware’s greenhouse gas (GHG) emissions and sinks for the 1990 base year. This inventory

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957 Id.
958 Id.
960 Id.
961 CONN. AGENCIES REGS. § 22a-174-36b (2013).
964 Id.
965 Id. at 15; see also Regional Greenhouse Gas Emissions Inventory, DELAWARE VALLEY REGIONAL PLANNING COMMISSION, http://www.dvrpc.org/reports/09038A.pdf, (Apr. 6, 2006).
serves as a benchmark for modeling and analyzing the state’s emissions in the Action Plan.  

The Action Plan included a set of policy options that could reduce Delaware’s GHG emissions by 7% below the state’s 1990 level by 2010. This would result in a decrease of almost 25% in the state’s GHG emissions. Delaware is also a participant in the Regional Greenhouse Gas Initiative (RGGI), where beginning in 2015 the carbon dioxide cap on emissions will decrease by 2.5% per year, for a total reduction of 10% by 2018.

### 2005: Renewable Portfolio Standard

In July 2005, Delaware enacted a renewable portfolio standard (RPS). The standard requires the state’s retail electricity suppliers to use renewable energy to generate at least 10% of the electricity they sell in Delaware by 2019.

### 2007: Greenhouse Gas Reduction and Renewable Portfolio Standard

In May 2007, Delaware and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

In July 2007, Governor Minner signed Senate Bill (S.B.) 19, increasing Delaware’s RPS by mandating that 2% of Delaware’s electricity come from solar photovoltaic and an additional 18% come from wind, ocean thermal, fuel cells powered by renewable fuels, hydroelectric facilities with a maximum capacity of 30 megawatts (MW), sustainable biomass, anaerobic digestion, and/or landfill gas by 2019. Governor Minner also signed S.B. 35, which increased the system benefit surcharge by 18¢ per bill per month and directed that resultant revenue be deposited in the Green Energy Fund to support energy efficiency programs.

### 2008: Climate Change Agreements, Greenhouse Gas Reduction, and Renewable Energy

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967 Id. at 1.
968 Id.
Delaware further developed its RGGI program when Governor Minner signed S.B. 263 in June 2008. The Bill provides the framework for Delaware’s RGGI program as well as the authority for the Department of Natural Resources and Environmental Control (DNREC) to implement the program. The Bill also provided that 65% of the state’s RGGI proceeds be directed to the Sustainable Energy Utility (SEU), which will use the proceeds to promote energy efficiency, energy conservation, renewable energy, and energy financing.

The DNREC Division of Air and Waste Management drafted proposed Regulation No. 1147, *Regional Greenhouse Gas Initiative to Address Carbon Dioxide Emissions Generating Units.* Public hearings on this draft proposal occurred on September 22, 2008 and the regulation was ultimately passed and went into effect on November 11, 2008. This regulation regulates “units” that served an electricity generator with a nameplate capacity equal to or greater than 25 MW after December 31, 2004. Each unit is required to have an operating permit and a compliance certificate. Delaware’s Carbon Dioxide Trading Program’s annual carbon dioxide base budget is 7,559,787 tons for 2009 through 2014. Thereafter the budget will decrease on an annual basis until 2018. Beginning in 2009, DNREC auctioned 60% of the allowances available and allocated the remaining 40% to applicable units. The percentage of allowances auctioned increases by 8% annually so that 100% of available allowances will be auctioned in 2014. Finally, the DNREC will award carbon dioxide offset allowances when the sources of regulated units perform certain enumerated projects, such as landfill methane capture and destruction or carbon sequestration.

In July 2008, Delaware and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards are designed to help develop greater energy efficiency, conservation, and clean energy resources.

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978 Press Release, Nat’l Governors Ass’n, NGA Awards Clean Energy Grants to 12 States (June 30, 2008), http://web.archive.org/web/20080703234533/http://www.nga.org/portal/site/nga/menultem.6e9a8a9ebc6ae07ee28aca9501010a0?vgnextoid=feeced9b353ada110VgnVCM1000001a01010aRCRD.

979 *Id.*
The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale.\(^{980}\) Each of these allowances sold at a clearing price of $3.07, raising a total of $38,575,783.\(^{981}\) These proceeds will be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances.\(^{982}\) The second auction took place on December 17, 2008, and each of the ten states participated.\(^{983}\) All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances.\(^{984}\) The clearing price was $3.38 per allowance, raising a total of $106.5 million.\(^{985}\)

On December 31, 2008, RGGI participants and Pennsylvania (an observer state) signed a letter of intent to reduce carbon emissions from the transportation sector.\(^{986}\) Specifically, these states intend to develop a framework for a Low Carbon Fuel Standard (LCFS), which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles, in the Northeast/Mid-Atlantic region.\(^{987}\)


On March 12, 2009, the Department of Energy (DOE) announced that Delaware was eligible for $24,231,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\(^{988}\) Delaware also made $13,733,688 available for weatherization programs.\(^{989}\)

\(^{981}\) Id. at 1.
\(^{982}\) Id.
\(^{983}\) Auction 2, REGIONAL GREENHOUSE GAS INITIATIVE INC., http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/116 (Sept. 21, 2013).
\(^{985}\) Id.
\(^{987}\) Id. at 1.
The third RGGI auction was held on March 18, 2009. The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse at future market prices for RGGI allowances. Prices fell at the fourth auction to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.

On March 17, 2009, Governor Markell announced that he was appointing Collin O’Mara, a nationally recognized climate prosperity leader, to be the Secretary of the DNREC. At a speaking engagement on April 2, Markell labeled his environmental strategy, Climate Prosperity. This strategy had three components: green savings, green opportunities, and green talent. He stated, the “goal is to create a functioning marketplace for green products that reduce energy and water consumption, adopt renewable energy, and reduce vehicles miles traveled.”

In May 2009, Governor Markell discussed the importance of alternative energy development in the Outer Continental Shelf, especially offshore wind development in Delaware, with Vice President Biden. He also delivered the keynote address at the Solar Energy Industries Association national conference, discussing the importance of ensuring that alternative technologies be produced domestically.

In May 2009 Governor Markell directed the DNREC to seek to intervene in the Public Service Commission’s (PSC) consideration of Delmarva Power’s (the largest utility in the state) integrated resource plan. DNREC “will advocate that Delmarva’s resource plan ‘reflects the State’s interest in sustainable energy practices, the health of its citizens, and the potential effect of supply generation on the state’s air quality and exposure to risk from climate change.’” Later that month, Markell applauded the activation of the first wind turbine in New Castle County, which was funded in part by...
the Delaware Green Energy Fund.\textsuperscript{1000} It is estimated that this turbine will power Ion Power Inc.’s manufacturing facility.

In June 2009, Delaware received $5 million in ARRA funding for weatherization programs.\textsuperscript{1001} The state also received $2.6 million from the June RGGI auction.\textsuperscript{1002} Governor Markell then signed three pieces of significant energy legislation: S.B. 49, which prohibits deed restrictions preventing homeowners from installing solar panels; House Bill (H.B.) 70 prohibiting deed restrictions preventing homeowners from installing wind turbines on their homes; and S.B. 85, which guarantees that businesses and residents that produce excess electricity will be able to sell back their excess electricity for profit.\textsuperscript{1003} Markell also signed S.B. 59 to update building codes to increase building energy efficiency and S.B. 106, requiring utilities to reduce energy consumption 15% by 2015.\textsuperscript{1004}

In order to protect the state’s wind technology, Governor Markell and other governors wrote a letter to Congress, in May 2009, communicating their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\textsuperscript{1005} Markell also signed an agreement with a coalition of governors to support federal climate change legislation.\textsuperscript{1006} The agreement contained two principles: the support of comprehensive federal legislation and the promotion of a federal-state partnership in implementing this legislation.\textsuperscript{1007}

On June 23, 2009, representatives from RGGI, the WCI, and the MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program. Governor Markell also encouraged state residents to take advantage of the federal Car Allowance Rebate System to get inefficient vehicles off of the road.

On August 31, 2009, the attorneys general of New Jersey, Arizona, Connecticut, Delaware, and California sent U.S. Senate leaders a letter urging them to pass climate change legislation stronger than the Waxman-Markey Bill. Their suggestions to the senators included that the Senate bill include measures that give state enforcement authority, require public disclosure of all offset project documentation, and provide standing for citizen suits.

Governor Markell co-hosted the Clean Energy Economy Forum in September 2009 where President Obama’s vision for a comprehensive energy plan to jump-start the clean energy sector was discussed. Markell and Pennsylvania Governor Rendell discussed their state’s efforts to protect the environment and create economic growth by making their states leaders in clean energy. Markell then signed S.B. 153, incentivizing electric vehicles. Soon after the Delaware Transit Corporation won a $1.5 million federal grant to install solar panels at its facility. At the end of that month, the state received over $9.5 million in ARRA funding for energy efficiency and conservation.

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1008 The MGGRA is a commitment, by six Midwest governors and one Canadian province, to the reduction of greenhouse gas emissions through a regional cap-and-trade program. Although there has not been a formal suspension, the states and province are no longer formally participating in it. See Midwest Greenhouse Gas Regional Accord, CENTER FOR CLIMATE AND ENERGY SOLUTIONS, http://www.c2es.org/us-states-regions/regional-climate-initiatives/mggra (Sept. 22, 2013).


The fifth RGGI action was held on September 9, 2009. The auction sold 28,408,945 allowances of the 2009 vintage at a clearing price of $2.19 per allowance and 2,172,540 allowances of the 2012 vintage at a clearing price of $1.87 per allowance.

NRG Energy acquired Bluewater Wind in November of 2009, which brought Delaware closer to becoming the first state in the nation to develop an offshore wind farm. Following this announcement, three states, Maryland, Delaware, and Virginia, signed a memorandum of understanding (MOU) creating a formal partnership that built on the region’s significant offshore wind resources to generate clean, renewable energy and a sustainable market, which brought about new economic opportunities. The MOU directed the Mid-Atlantic States to focus on leveraging resources and information to bring offshore wind energy to the region. The states will also examine ways to coordinate regional supply chain facilities to secure supply, deployment, and operations and maintenance functions to support offshore wind energy facilities. This offshore wind development will create green jobs for Delawarean workers and clean energy alternatives for families and businesses.

The sixth RGGI auction was held on December 2, 2009 and at the auction all of Delaware’s 763,841 allowances for the 2009 vintage that were offered sold at a price of $2.05. Sixty-five percent of RGGI auction proceeds will be distributed to the SEU and up to 15% of proceeds will be given to low-income consumers through programs administered through the Department of Health and Social Services. Up to 10% of the auction proceeds will be used for GHG reduction projects and the remaining 10% may be used to administer RGGI and climate change programs in DNREC.

In December 2009, Governor Markell joined ten other Northeast and Mid-Atlantic states in announcing a MOU that highlighted their commitment toward developing a regional LCFS in a regional effort to reduce GHG emissions from fuels from vehicles and other uses. The LCFS program is a market-based, fuel-neutral program that would apply to the transportation sector, and potentially apply to fuels used

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1017 Id.
1020 Id.
1022 Id.
for heating buildings. The states agreed to analyze LCFS options, determine the feasibility of achieving a range of reduction goals, including a 10% reduction in carbon intensity of fuels, and develop a framework for a regional LCFS to ensure sustainable use of renewable fuels in the region.

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec. North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.” North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.


Governor Markell signed Executive Order (EO) 18 in February 2010, which focused on fostering economic development while reducing the impact of state government on the environment and reducing operating expenses. The Order sets ambitious goals in five key areas including: energy conservation and efficiency; environmentally responsible and energy conscious construction; use of clean, renewable energy; clean transportation; and recycling. To attain the Order’s goal in energy conservation and efficiency, the EO further states that all state executive branch agencies will aim to achieve an overall reduction in energy consumption of at least 10% by the end of fiscal year 2011, 20% by fiscal year 2013, and 30% by fiscal year 2015 as compared with fiscal year 2008. Moreover, to realize the Order’s goal in environmentally responsible and conscious construction, the EO states, the state will integrate the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) practices into construction, renovation, and facility operation, aiming for LEED Silver

\[1024\] Id.  
\[1025\] Id.  
\[1029\] See id.  
\[1032\] Id.
standards. To attain the Order’s goal in the use of clean, and renewable energy, the EO states that at least 20% of the annual electricity demand for buildings owned or operated by the state executive branch should come from clean, renewable sources by the end of fiscal year 2012, increasing to 30% by the end of fiscal year 2013. To reach the Order’s goal in the use of clean transportation, the EO states, all agencies will reduce expenses by reducing petroleum consumption by 25%, vehicle emissions by 25%, and vehicle miles traveled by 15% by the end of fiscal year 2012 as compared with fiscal year 2008. Finally, to accomplish the Order’s goal in recycling, the EO states, all state executive branch agencies will aim to achieve a 75% rate of diverted waste from landfills by the end of fiscal year 2012.

Following a hearing on the federal government’s efforts to be more energy efficient, Senator Tom Carper, Chairman of the Subcommittee on Federal Financial Management, Government Information, Federal Services and International Security, held a field hearing to examine how state and local governments can save taxpayer dollars and create jobs through energy efficiency. Carper’s hearing, titled Blue, Gold, and Green: How Delaware State and Local Governments are Cutting Their Energy Costs, focused on Delaware because of Governor Markell’s EO 18 calling for Delaware’s government to pursue a clean energy economy and become more energy efficient.

Governor Markell announced in April 2010 his intention to seek legislation, called the Clean Energy Jobs Act, which would facilitate the potential installation of approximately 300 MW of new solar photovoltaic systems by 2029. Within the Act there is the potential for installation of 1000 MW of utility-scale generation, probably in offshore wind power.

The seventh RGGI auction was held on March 10, 2010. The auction sold 40,612,408 allowances of the 2010 vintage at a clearing price of $2.07 per allowance and 2,091,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance. The eighth RGGI auction was held on June 9, 2010. The auction sold 40,685,585 allowances of the 2010 vintage at a clearing price of $1.88 per allowance and 2,137,993 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

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1033 Id.
1034 Id.
1035 Id.
1037 Id.
1039 Id.
1041 Id.
1043 Id.
In June 2010, Delaware hosted a historic gathering of transportation, energy and environmental officials to discuss cooperative efforts at reducing mobile GHG emissions in the Northeast Region. Twelve jurisdictions within RGGI announced the creation of the Transportation and Climate Initiative (TCI) to reduce GHG emissions, promote sustainable growth, reduce vehicle-miles traveled and help build the clean energy economy. Signatories will work cooperatively over a three-year period to develop and implement strategies to reduce mobile sources of GHG emissions and improve environmental sustainability among communities. The TCI was launched in June 2010 and is facilitated by the Georgetown Climate Center.

Energize Delaware is an initiative of the Delaware SEU, a nonprofit organization created to advance a sustainable energy future. Under Energize Delaware, residents and businesses will have one contact person for education, resources and programs that will include low and no-cost steps to save thousands on energy bills and new clean energy sources. These programs will focus on conservation, efficiencies and the use of renewable energy sources, like solar, wind and geothermal. Energize Delaware also offers rebates on certain ENERGY STAR® appliances for residents, and started a standard lighting program for businesses and other non-residential energy consumers by using RGGI proceeds from previous auctions.

Four bipartisan bills were signed into law the summer of 2010. These renewable energy laws make up the Clean Energy Jobs package and are designed to put more people to work in expanding industries, such as wind and solar power. The laws put protections in place for ratepayers while also protecting the environment by reducing dependence on fossil fuels and improving air quality. Senate substitute (SS) No. 1 for S.B. 119 extends and expands Delaware’s RPS requiring that 25% of Delaware’s electricity come from renewable energy sources by the year 2025; includes solar energy targets; and provides incentives for local labor and manufacture of renewable energy systems. For the first time, the Delaware Electric Cooperative and municipal electric companies will be included in the standard, which is significant since these entities

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1045 Id.
1046 Id.
1049 Id.
1050 Id.
provide about a third of Delaware’s electricity. SS 1 for S.B. 119 also provides consumer protections by limiting any rate impacts. S.B. 266 updates the Green Energy Fund law to address the large backlog of projects across the state currently awaiting incentive funds. S.B. 267 strengthens Delaware’s net metering law by increasing the amount of energy customers can sell back to their electric supply grid. Homes and businesses may sell back 110% of their aggregate consumption; customers, such as a business campus or agricultural operations can aggregate several meters for multiple locations making it easier to finance larger renewable energy installations; and homeowner associations and similar groups of customers sharing a unique set of interests will be able to cooperatively finance and build community-scale renewable energy projects both on and off-site. S.B. 316 makes it possible for property owners to install and use ground-mounted solar energy systems on land zoned residential where the lots are one-half acre or greater in size without being restricted by the use of covenants, restrictions, and conditions in deeds, contracts and other legal instruments which might seek to prohibit or unreasonably restrict such construction.

The ninth RGGI auction was held on September 8, 2010. The auction sold 34,407,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,312,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance. The tenth RGGI auction was held on December 10, 2010. The auction sold 24,755,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,172,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

2011: Energy Efficiency, Climate Change Agreements, Transportation/Fuels, and Renewable Energy

On February 24, 2011, Governor Markell announced that eleven Kent County towns would receive funding under the Energy Efficiency and Conservation Block Grant in order to retrofit municipal buildings in an effort to save energy. The retrofits are expected to save the towns more than $45,000 per year on energy costs.

The eleventh RGGI auction was held on March 9, 2011. The auction sold 41,995,813 allowances of the 2011 vintage at a clearing price of $1.89 per allowance and...
2,144,710 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.\textsuperscript{1063} The twelfth RGGI auction was held on June 8, 2011.\textsuperscript{1064} The auction sold 12,537,000 allowances of the 2011 vintage at a clearing price of $1.89 and 943,000 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.\textsuperscript{1065} The thirteenth RGGI auction was held on September 7, 2011 and the auction sold 7,487,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\textsuperscript{1066}

Delaware was one of nine states to join the Northeast Electric Vehicle Network in October 2011. The Network helps the states increase economic growth and reduce their GHG emissions, and focuses on building infrastructure for clean vehicles and fuels, as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.\textsuperscript{1067} The Network is part of the TCI. A nearly $1 million Electric Vehicle Readiness Grant from the DOE was awarded to New York State Energy Research and Development Authority (NYSERDA) on behalf of the TCI in September 2010 and will be used to fund the Network’s efforts to deploy electric vehicles throughout the Northeast.\textsuperscript{1068}

Also in October 2011, the Vote Solar Institute awarded Delaware an “A” rating, ranking the state’s policies supporting renewable resources among the strongest in the country.\textsuperscript{1069} Delaware has moved from an “F” to an “A” rating for interconnection policies as the state has been working to make it easier for small renewable resources to connect to the grid.\textsuperscript{1070}

The fourteenth RGGI auction was held on December 7, 2011 and the auction sold 27,293,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\textsuperscript{1071}

**2012: Climate Change Agreements**

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of

\textsuperscript{1063} Id.
\textsuperscript{1065} Id.
\textsuperscript{1068} Id.
\textsuperscript{1070} Id.
The auction generated $41.6 million in proceeds, which the RGGI participating states will invest in consumer-oriented energy efficiency initiatives. On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances. The auction of the 20.9 million allowances generated $40.4 million in funds, and represents 57% of the allowances offered for sale by all nine participating states. On September 7, 2012, the RGGI states announced the results of its seventeenth quarterly auction for carbon dioxide allowances. The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represents 65% of the allowances offered for sale by all nine states.

On November 19, 2012, RGGI reported that RGGI investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011. RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement, and climate change adaptation programs.

2013: Greenhouse Gas Reduction and Climate Change Agreements

On February 7, 2013, RGGI announced significant program improvements implemented in the Updated Model Rule after a two-year comprehensive program review. Improvements include a reduction of the 2014 regional cap by 45% from 165 million to 91 million tons, and a cap further declining by 2.5% each year from 2015 to 2020; additional adjustments to the cap from 2014 to 2020 in order to account for privately banked allowances which will be deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances which may be accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program, including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year compliance period; and developing tools to track electricity imported into

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1073 Id.
1075 Id.
1077 Id.
1079 Id.
participating states from non-participating states in order to address those emissions.\textsuperscript{1081} Each RGGI state will implement these measures in their respective statutory regimes.\textsuperscript{1082}

On April 16, 2013, an independent market monitor of RGGI confirmed that there continues to be no material concerns regarding the auction process or in the competitiveness of the secondary market for RGGI allowances.\textsuperscript{1083} During 2012, the average auction-clearing price was $1.93 for carbon dioxide allowances.\textsuperscript{1084}

On March 13, 2013, RGGI announced the results of its nineteenth quarterly auction in which 37,835,405 allowances were sold at a clearing price of $2.80 per allowance.\textsuperscript{1085} On June 5, 2013, RGGI announced the results of its twentieth quarterly auction in which 38,782,076 allowances were sold at a clearing price of $3.21 per allowance.\textsuperscript{1086}

On July 23, 2013 Environment America Research & Policy Center’s report named Delaware the 7\textsuperscript{th} in the nation per capital for cumulative solar installations and 5\textsuperscript{th} per capita for solar installations from 2012.\textsuperscript{1087}

On September 4, 2013, RGGI announced the results of its twenty-first quarterly auction in which 38,409,043 allowances were sold at a clearing price of $2.67 per allowance.\textsuperscript{1088}

Governor Markell signed EO 41 on September 12, 2013, “creating a Governor’s Committee on Climate and Resiliency to oversee development of an implementation plan to maintain and build upon Delaware’s leadership in responsibility reducing greenhouse gas emissions and develop agency-specific actionable recommendations for improving Delaware’s preparedness and resiliency to climate impacts.”\textsuperscript{1089} The Committee’s responsibilities include reporting to Markell no later than December 31, 2014, on the completion of a plan to reduce GHG emissions, with agency-specific, actionable recommendations to improve preparedness and resiliency to climate impacts on public

\begin{footnotes}
\footnote{1081} Id.
\footnote{1082} Id.
\footnote{1084} Id.
\end{footnotes}
health and safety, infrastructure, natural ecosystems, agriculture, tourism, and other industries.

On December 2, 2013, the RGGI states submitted a comment to the EPA for “consideration as EPA develops guidelines for state programs to reduce carbon dioxide (CO₂) emissions from power plants under Clean Air Act section 111(d).” On the comment the RGGI states encouraged the EPA to view the RGGI program success as a benchmark for national action and recommended, “EPA’s new rules encourage states to develop market-based GHG emission reduction programs designed to work for their region(s).”

On December 4, 2013, RGGI announced the results of its twenty-second quarterly auction in which 38,329,378 allowances were sold at a clearing price of $3.00 per allowance.

On December 9, 2013 Delaware and seven other Northeast and Mid-Atlantic States – Connecticut, Maryland, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont – petitioned the EPA to require upwind states to reduce the air pollution generated within their borders downwind. This petition asks EPA to require nine upwind states – Illinois, Indiana, Kentucky, Michigan, North Carolina, Ohio, Tennessee, Virginia, and West Virginia – to join the downwind states in the Ozone Transport Region, set forth under section 176A of the Clean Air Act, which would require these states to “take actions consistent with the air pollution efforts of the downwind states through use of readily available control technologies and reliance on cleaner fuels to generate power.”

FLORIDA

1997: Market-Based Solutions

Since 1997, Florida has offered a sales and use tax exemption for solar power generators.

2003: Transportation

1091 Id.
1094 Id.
As of July 1, 2003, the state allowed hybrid vehicles, certified and labeled in accordance with federal regulations, to drive in high occupancy vehicle lanes at any time, regardless of the number of passengers.\textsuperscript{1096}

2006: Climate Change Adaptation and Market-Based Solutions

Governor Bush signed a $100 million Renewable Energy Technologies and Energy Efficiency Act in June 2006, creating the Florida Energy Commission to advise the legislature on state energy policies based on principles of reliability, affordability, efficiency, and diversity. The Act required that the first report of the Commission, due before December 2007, include recommended steps and a schedule for the development of a state climate action plan. The Act provides rebates for photovoltaic and solar thermal technology installations on commercial buildings and a sales tax exemption for the purchase of energy efficient products.\textsuperscript{1097} The Act also provides matching grants for research and development of alternative energy vehicles and “next generation” technologies.\textsuperscript{1098} It also authorizes a corporate income tax credit for businesses that invest in renewable energy-production.\textsuperscript{1099}

2007: Climate Change Agreements, Greenhouse Gas Reduction, and Green Building

In May 2007, Florida and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{1100}

Governor Crist signed three executive orders (EO) in July 2007, introducing the state’s energy policy. EO 07-126 entitled, \textit{Leadership by Example: Immediate Actions to Reduce Greenhouse Gas Emissions from Florida State Government}, mandates that the state government reduce its greenhouse gas (GHG) emissions by 10% by 2012, 25% by 2017, and 40% by 2025.\textsuperscript{1101} Crist recommended that to attain these goals the Department of Management Services (DMS) adopt the U.S. Green Building Council’s LEED standards for new state government buildings and all existing DMS buildings, lease only energy-efficient buildings, purchase only energy efficient vehicles, and use ethanol and biofuels when possible.\textsuperscript{1102}

EO 07-127 entitled, \textit{Immediate Actions to Reduce Greenhouse Gas Emissions within Florida}, calls for a statewide reduction of utility GHG emissions to 2000 levels by

\textsuperscript{1096} Id. § 316.0741.
\textsuperscript{1097} S.B. 888, 2006 Leg., Reg. Sess. (Fla. 2006).
\textsuperscript{1098} Id.
\textsuperscript{1099} Id.
\textsuperscript{1100} Id.
\textsuperscript{1102} Fla. Exec. Order 07-126 (Fla. 2007).
2017, 1990 levels by 2025, and 80% of 1990 levels by 2050. The EO further calls for the adoption of California’s motor vehicle emission standards: a 22% reduction by 2012 and a 30% reduction by 2016; a statewide diesel engine idle reduction standard; an increase in new construction energy performance by at least 15% from the 2007 Energy Code; a 15% increase in energy efficiency for energy-efficient consumer appliances; an increase to 20% of electricity generated by renewables, especially wind and solar sources; and the establishment of a net-metering program.

On July 13, 2007 Governor Crist approved EO 07-128, establishing the Florida Governor’s Action Team on Energy and Climate Change, which is charged with creating an Energy and Climate Change Action Plan to achieve the GHG targets set out in EO 07-127.

2008: Climate Change Adaptation, Renewable Portfolio Standards, and Green Building

On February 14, 2008, Governor Crist released Florida’s First Comprehensive Assessment of Greenhouse Gas Emissions Produced by the State Government. The study will be used to track GHG emissions in order to make state vehicles and buildings more efficient, as outlined in EO 07-126.

At the 2008 Serve to Preserve Florida Summit on Climate Change, Governor Crist signed House Bill (H.B.) 7135, creating various climate change mitigation strategies. This Bill contains the Florida Climate Protection Act, which enabled the Department of Environmental Protection to develop a GHG cap-and-trade program for electric-utilities. It also mandated that the Public Service Commission (PSC) develop a renewable portfolio standard (RPS) by February 1, 2009. The Act additionally required that all gasoline contain 10% ethanol by 2011, and it required updated and expanded appliance efficiency standards. Finally, the Act required that a nationally recognized green building certification program certify all new state-financed building construction and renovations. The purpose of these initiatives was to achieve the GHG emission levels and the renewable energy standard set forth in EO 07-127.

In July 2008, Florida and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA

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1103 Fla. Exec. Order 07-127 (Fla. 2007).
1104 Id.
1107 Id.
1109 Id.
1110 Press Release, Nat’l Governors Ass’n, NGA Awards Clean Energy Grants to 12 States (June 30, 2008), http://web.archive.org/web/20080703234533/http://www.nga.org/portal/site/nga/menuitem.6c9a8a9ebc6ae07e9a28aca9501010a0?vgnextoid=feeed9b353ada110VgnVCM1000001a01010aRCRD.
Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards are designed to help develop greater energy efficiency, conservation, and clean energy resources.\textsuperscript{1111}

In September 2008, Florida won a $495,708 grant from the federal Department of Energy (DOE) to implement an energy efficient model state code for building construction and renovation.\textsuperscript{1112} Florida also made progress toward curbing its GHG emissions in the transportation sector when the Environmental Regulation Commission adopted California’s Motor Vehicles Emissions Standards.\textsuperscript{1113} In November, Governor Crist visited California to co-host the Governors’ Global Climate Summit.\textsuperscript{1114}

\textbf{2009: Climate Change Adaptation, Energy Efficiency, Renewable Energy, Renewable Portfolio Standards, American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels}

Governor Crist addressed the Florida Energy & Climate Commission’s first meeting on January 15, 2009.\textsuperscript{1115} At the first meeting, the Commission discussed Proposed Rule 62-16, containing a proposed renewable energy and energy efficiency grant program, solar rebate program, and renewable energy investment tax credit.\textsuperscript{1116} The Commission also discussed a draft rule of the Green Governments Grant Program. A workshop on the development of these draft rules was held on March 20, 2009.\textsuperscript{1117}

At the Commission’s meeting on January 26, 2009, the Florida Oceans and Coastal Council presented its \textit{Climate Change Report}.\textsuperscript{1118} The Council found that Florida’s reef building corals are 1 to 1.5 Celsius closer to their upper temperature limits than they were one hundred years ago, sea level rise around Florida has been one inch or less per decade, and that this rate will continue or accelerate in the future with the potential to damage coastal development and ecosystems, especially in the Pensacola and Miami-to-Palm-Beach corridors, which are vulnerable to salt water intrusion in the public

\textsuperscript{1111} \textit{Id.}
\textsuperscript{1114} Governor Crist Joins Governors, International Leaders to Address Climate Change, PROJECT VOTE SMART (Nov. 19, 2008), \url{http://votesmart.org/public-statement/397536/} (original press release not found).
\textsuperscript{1116} See generally Meetings and Workshops, FLA. ENERGY AND CLIMATE COMM’N (Jan. 15, 2009).
\textsuperscript{1117} See generally Meetings and Workshops, FLA. ENERGY AND CLIMATE COMM’N (Mar. 20, 2009).
\textsuperscript{1118} See generally Meetings and Workshops, FLA. ENERGY AND CLIMATE COMM’N (Jan. 26, 2009).
water supply. The Council recognized that Florida has already started to experience the effects of climate change and that the severity of these effects will depend upon how rapidly sources of harmful levels of GHG emissions can be eliminated.

Governor Crist publicly supported President Obama’s directive to the U.S. EPA to reconsider “California’s request for a federal waiver to regulate vehicle tailpipe emissions under the Clean Air Act” on January 26, 2009.

Governor Crist and eleven other governors signed a letter to President Obama on January 29, 2009, urging the President to form a strong state/federal leader partnership in initiating a national climate change program. This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit where he offered the governors a partnership with the White House in addressing climate change issues. The governors believed that their states have played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.” The letter also contained suggestions for how a national climate change program should be implemented. One of these suggestions is for the national government to recognize private investments that have been made in current cap-and-trade programs and to preserve the clean energy plans that are funded by the proceeds from these programs.

In February 2009, Governor Crist discussed environmental conservation and renewable energy investment opportunities in Florida with Ted and Beau Turner and T. Boone Pickens. Also in February, Crist applauded Florida Atlantic University’s installation of a solar panel roof on one of its campuses. Two days later, he released his proposed 2009-2010 budget that promoted clean emission and renewable energy policies.

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1121 Letter from Arnold Schwarzenegger, Governor of Cal., M. Jodi Rell, Governor of Conn., Charlie Crist, Governor of Fla., Kathleen Sebelius, Governor of Kan., Martin O’Malley, Governor of Md., Deval Patrick, Governor of Mass., John S. Corzine, Governor of N.J., Bill Richardson, Governor of N.M., David Paterson, Governor of N.Y., Theodore R. Kulongoski, Governor of Or., Christine O. Gregoire, Governor of Wash., Jim Doyle, Governor of Wis., to Barack Obama, President of the United States of America (Jan. 29, 2009), http://web.archive.org/web/20090214185812/http://www.wisgov.state.wi.us/docview.asp?docid=15821.
1122 Id. at 1.
1123 Id. at 2.
In February 2009, under Florida’s American Recovery and Reinvestment Act (ARRA) money, the state received $30.4 million in Energy Efficiency and Conservation Block Grants with $126 million going towards energy efficiency and renewable energy projects and $14.4 million going towards the solar rebate program.\(^{1127}\)

On March 12, 2009, the DOE announced that Florida is eligible for $126,089,000 under the State Energy Program of the ARRA.\(^{1128}\) On March 23, Governor Crist wrote a letter to Secretary of Energy Chu stating that Florida meets the requirements of Section 410 of the ARRA, a condition that must be met in order to receive funding through the State Energy Program.\(^{1129}\) At the end of the month, Crist announced that Florida would receive more than $168 million through the Energy Efficiency and Conservation Block program funded by the ARRA.\(^{1130}\)

On April 30, 2009, Governor Crist announced that the Senate passed a state RPS\(^{1131}\), referred to in the Bill as a “Clean Portfolio Standard.” The state RPS required public utilities to obtain 7% of their electricity from clean energy sources by 2013, 12% by 2016, 18% by 2019, and 20% by 2021.\(^{1132}\) The Bill eventually died in the House’s Energy and Utilities Policy Committee. Crist also signed an agreement with the governors from the 31 other states and territories in the Governors’ Energy and Climate Coalition to support federal climate change legislation.\(^{1133}\) The agreement contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\(^{1134}\)

In May 2009, Governor Crist signed H.B. 167, creating a rebate program for energy efficient products.\(^{1135}\) Two months later, he announced that nine energy efficient products...
and renewable energy projects received grants totaling $15 million. Crist then encouraged the growth of biofuel feedstocks in his state at the Farm to Fuel Summit. In August, he announced that Buckeye Technologies would produce 12 megawatts (MW) of electricity from renewable wood resources in Taylor County.


In January 2010, Governor Crist reminded eligible residents of the help available to them through the state’s Low-Income Home Energy Assistance Program (LIHEAP), which provides emergency financial assistance to low-income families to help heat their homes. In early 2009, a total of $101 million was made available from the U.S. Department of Health and Human Services for LIHEAP. The Department of Community Affairs (DCA) has already assisted thousands of Floridians with these funds and expects to assist more than 150,000 residents overall with crisis utility payments.

Governor Crist also reminded residents of the state’s Weatherization Assistance Program (WAP), which received more than $175 million in funding through ARRA. These funds will provide up to $6,500 in energy improvements to the homes of more than 19,000 Floridians. Weatherization provides significant energy efficient improvements to homes, including replacing or repairing water heaters, windows, and doors, and installing insulation and weather stripping, thereby reducing the energy burden on residents.

Also in January 2010, Governor Crist announced that $12.4 million in ARRA grants would go to Boley Centers Inc., Florida State College at Jacksonville, Opportunities Industrialization Centers of America Inc., and Workforce Connection. The grants, known collectively as Pathways Out of Poverty, support programs that provide training and create jobs in energy efficient and renewable energy industries in disadvantaged areas such as Broward County, Duval County, Marion County, and

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1136 Governor Crist Highlights Florida’s Renewable Energy Technology Industry, Project Vote Smart (July 29, 2009), http://votesmart.org/public-statement/447962/ (original press release not found).
1137 Governor Crist Encourages Investment and Increased Use of Florida’s Biofuels at the Farm to Fuel Summit, Project Vote Smart (July 30, 2009), http://votesmart.org/public-statement/447965/ (original press release not found).
1139 Id.
1140 Id.
1141 Id.
1142 Id.
1143 Id.
Pinellas County. Approximately 2,500 Floridians expected to receive training through these grants.

The Broward County Minority Builders Coalition also received a $3.2 million ARRA grant, which they will use to train 1,000 workers in technologies that improve energy efficiency. The coalition, which includes Workforce One of Broward County, will train and place workers in occupations involving design and installation of solar energy panels and systems, weatherization of buildings, and LEED certification.

Governor Crist recommended $2.1 billion for the 2010-11 budget to safeguard Florida’s natural resources. Crist highlighted projects that will secure Florida’s economic future, and proposed investments in the Florida Forever land conservation program, renewable energy, water supply, Everglades restoration, and state park improvements. The programs Crist highlighted and suggested funding for included: Florida Forever, green energy technologies, everglades restoration, sustainable water resources, underground petroleum tank cleanup and State Park repairs, protection of Florida’s fish and wildlife, and agriculture projects.

In February 2010, Governor Crist announced that $10 million in ARRA grants would go to the Florida Solar Energy Center in Cocoa Beach. The grant, known as the SunSmart School and E-Shelters (Emergency Shelters) Program, will provide opportunities for state agencies, local governments and businesses to deploy renewable energy and energy-efficient technologies. The grant promoted renewable energy through installation of solar energy systems, also known as photovoltaic (PV) systems, and also provided power during outages through the program’s PV systems at the schools and shelters where the Program is administered. Additionally, the Program supports solar-energy education initiatives for students, and renewable energy curriculum training for teachers.

The Florida ENERGY STAR® Appliance Rebate Program provided rebates on approximately 68,000 appliances purchased from Florida retailers, including: refrigerators, freezers, washers, dishwashers, tank-less gas water heaters, and room air conditioners. Those that qualify get a rebate of 20% off the retail price and $75 for recycling the old appliance, up to $1,500 per household.

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1144 Id.
1145 Id.
1147 Id.
1149 Id.
1151 Id.
In October 2010, Florida purchased 26,800 acres of land from the U.S. Sugar Corporation to continue the restorations of the Everglades, an important defense against sea level rise for the state.\textsuperscript{1152}

\textbf{2011: Renewable Energy}

In February 2011, the Wind Capital Group made plans to develop the first wind farm in Florida. The $250 million, 150 MW project will span 10,000 acres and will also be the first large wind project in the Southeast.\textsuperscript{1153} However, this project has yet to begin construction.

Florida held an Energy Summit in October 2011 to bring together stakeholders to discuss the development of Florida’s energy sector. Topics ranged from biofuels to alternative vehicles to solar.\textsuperscript{1154}

\textbf{2012: Renewable Energy}

In March 2012, the Florida Office of Energy released its first annual report since transferring to the Department of Agriculture and Consumer Services on July 1, 2011.\textsuperscript{1155} The report highlights the shift of the Office’s focus from administering grants to developing an energy policy for the state.\textsuperscript{1156}

On April 14, 2012 Florida enacted H.B. 7117, a bipartisan energy Bill that includes renewable energy tax credits for production and investment as well as support for efficiency improvements and rebates for renewable technologies.\textsuperscript{1157}


\textsuperscript{1156}Id.

On August 15, 2012, Florida hosted the Second Annual Florida Energy Summit. At the Summit Commissioner Putnam highlighted the state’s renewed emphasis on an “all-of-the-above” energy strategy.

2013: Transportation/Fuel

On May 31, 2013 Governor Scott signed H.B. 4001 into law, which repealed the Florida Renewable Fuel Standard Act. This Bill removed the requirement that all gasoline offered for sale in Florida include a percentage of ethanol.

In an attempt to incentivize natural gas use in Florida, Governor Scott signed H.B. 579 on June 14, 2013. The Bill repealed the fee program for motor vehicles fueled by alternative fuels, repealed the sales tax on alternative fuels, established a new fuel tax structure for motor vehicles powered by natural gas, and created a natural gas fuel fleet vehicle rebate program.

GEORGIA

2001: Market-Based Solutions

On April 28, 2001, Governor Barnes signed into law Georgia’s Cogeneration and Distributed Generation Act of 2001. The Act’s net metering requirement allows customer generators to be compensated at a higher price than the avoided cost rate if the utility uses the power to supply a green pricing program.

2004: Greenhouse Gas Reduction

In 2004, legislators authorized the development of a Carbon Registry in Georgia. One purpose of the Registry is to encourage voluntary actions to reduce...
greenhouse gas (GHG) emissions. The law directs the Georgia Forestry Commission and The University of Georgia to define a Carbon Registry protocol for Georgia by using Traditional Industries Program research funds. The Registry’s protocol was developed in July 2007.

Georgia offers an income tax credit of 10 to 20% of the cost to purchase or lease a zero or low-emission vehicle. Hybrid electric vehicles (EVs) with fewer than two passengers will also be authorized to use high occupancy vehicle lanes if the U.S. Congress or U.S. Department of Transportation approves such authorization through legislative or regulatory action.

2008: Fuels, Green Jobs, and Renewable Energy

In the summer of 2008, Governor Perdue signed House Bill (H.B.) 272, authorizing sales tax and use tax exemptions for conventional fuels used in the manufacturing process. These exemptions expired in 2011. Perdue also announced the State’s first solar manufacturing plant later that summer. It is estimated that the plant will provide one hundred local jobs.

2009: American Recovery & Reinvestment Act (ARRA) and Green Technology

On March 12, 2009, the Department of Energy (DOE) announced that Georgia is eligible for $82,495,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA). ARRA funding and the Georgia Environmental Facilities Authority provided $63.1 million to fund 135 energy efficiency projects in September 2009. That same month, the state also held an ENERGY STAR® sales tax holiday.
Governor Perdue announced in December 2009 that as a result of a partnership between Diamond Alternative Energy, a wholly owned subsidiary of Valero Energy Corporation, and American Process, Inc. (API) the city of Thomaston will be home to a new biorefinery demonstration plant. The demonstration plant will use API’s proprietary biorefinery technology for the production of cellulosic fuels and chemicals. The new facility will demonstrate that cellulosic biorefineries are feasible and economically viable on a scale that will allow rapid commercial replication.

2010: Energy Efficiency, Renewable Energy, and Green Technology

By March 2010, 64 communities in Georgia had earned grant funds for small-to-medium sized cities and counties totaling $13.3 million for energy efficiency and renewable energy projects through the Energy Efficiency and Conservation Block Grant (EECBG) program from ARRA. Between February 2009 and March 2010, the Georgia Environmental Finance Authority awarded $185 million in stimulus funds for following energy efficiency and renewable energy programs; $99 million for the Weatherization Assistance Program to weatherize approximately 13,000 low-income homes statewide; $63.1 million for 135 energy efficiency projects in state facilities; $10 million for 16 renewable energy and energy efficiency (commercial, industrial, and residential) projects; $4.5 million for 14 solar energy projects through the Clean Energy Property Rebate Program; and $8.6 million for the ENERGY STAR® Appliance Rebate Program.

In April 2010 ZF Group, a leading global automotive supplier for driveline and chassis technology, announced that it would expand its Georgia plant to manufacture gearboxes for wind turbine energy generation.

The Water Stewardship Act of 2010 went into effect on June 2, 2010. It included incentives for increasing water stewardship and new conservation requirements. Beginning in July 2012, the Act required efficient water fixtures in all new residential and commercial construction; installation of efficient cooling towers in new industrial construction; and sub-metering for all new residential and commercial multi-unit projects so that each unit will receive consumption reports to encourage conservation.

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1179 Id.
1181 Id.
The Act further instructs eight different state agencies to consider local government and water provider grant and loan programs to encourage retrofit programs on existing construction, which could range from retrofitting water fixtures to installing drought resistant landscapes to using grey water and implementing conservation pricing. It also tasks the Georgia Environmental Protection Division with setting standards for water loss and leak detection for all medium and large public water systems, which account for 91% of Georgia’s water customers.

2011: Renewable Energy

In January 2011, Georgia Power announced that, in partnership with Dalton Utilities and United Renewable Energy, it would construct a new solar facility that will eventually produce up to 1 megawatt of electricity. The project will develop in three phases; the first phase was completed in late March 2011, the second phase began construction in January 2012, and the third and final phase is scheduled to be completed by January 2014.

2012: Energy Efficiency

Governor Deal signed senate Bill (S.B.) 113 on April 12, 2012. S.B. 113 changed the definition of “public works construction” projects for local governments in the Georgia Code to exempt projects local governments may enter into that would normally be covered under the Guaranteed Energy Savings Performance Contracting Act. This Bill requires local governments to issue a request for proposal when entering into a guaranteed energy savings performance contract and additionally publicly advertise the energy services contract opportunity.

2013: Energy Efficiency

Governor Deal signed S.B. 242 on May 6, 2013, amending the Georgia Code section 36-42-8, and authorizing the downtown development authorities to provide financing to property owners citywide for the purpose of installing or modifying improvements to their property in order to reduce energy or water consumption or to install an improvement to such property that produces energy from renewable resources.

1184 Id.
1185 Id.
1189 Id.
HAWAI‘I

1990: Market-Based Solutions and Renewable Energy

Since 1990, Hawai‘i has offered income tax credits to both individual residents and corporations buying and installing renewable power generators.\(^{1191}\) Currently, the credit is 35% of the purchase price and installation costs of a solar power generator; the credit is 20% for wind power systems.\(^{1192}\)

1998: Climate Change Agreements

Hawai‘i enacted their first climate change action plan in 1998.\(^{1193}\)

2001: Market-Based Solutions

Legislation enacted in 2001 and revised in 2004 and 2005 requires utilities in Hawai‘i to offer net metering to customers with renewable power systems.\(^{1194}\) Utilities are barred from requiring that their customers make additional payments for net metering.\(^{1195}\)

2004: Renewable Portfolio Standards

In 2004, Hawai‘i established a renewable portfolio standard (RPS) requiring utilities to generate 10% of their electricity from renewable power generators by 2011 and 20% by 2021.\(^{1196}\) The same legislation mandates that, once every five years, Hawai‘i’s Public Utilities Commission (PUC) must fund a study by the University of Hawai‘i’s Natural Energy Institute to determine whether the RPS should be revised.\(^{1197}\) Based on the study’s findings, the PUC can revise the RPS.\(^{1198}\)

2005: Renewable Energy

Since 2005, Hawai‘i has banned covenants or zoning laws restricting residents from installing solar power systems.\(^{1199}\) The same legislation requires homeowner associations to adopt rules providing for the installation of solar power generators.\(^{1200}\)

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\(^{1191}\) HAW. REV. STAT. ANN. § 235-12.5 (LexisNexis 2009).
\(^{1192}\) Id.
\(^{1194}\) Id. §§ 269-101 – 269-111.
\(^{1195}\) Id.
\(^{1196}\) Id. § 269-91 – 269-94.
\(^{1197}\) Id.
\(^{1198}\) Id.
\(^{1199}\) Id. § 196-7.
\(^{1200}\) Id.
2006: Renewable Energy, Green Building, Market-Based Solutions, and Transportation/Fuels

Since 2006 Hawaiian government agencies planning the construction or renovation of state-funded facilities must consider the potential costs and benefits of solar-powered water-heating systems.\textsuperscript{1201}

In June 2006, Hawai‘i became the first state in the nation to require the installation of solar water heating systems on new single-family homes.\textsuperscript{1202} Act 204 prohibits the issuing of building permits for single-family homes that do not have solar water heaters, and the Act took effect on January 1, 2010.\textsuperscript{1203} It also allows homebuilders to use gas-demand-water heaters if the home contains another gas appliance.

Hawai‘i adopted several energy related laws in 2006. Senate Bill (S.B.) 2957 encouraged the use of renewable energy and renewable fuels by raising the tax credit for specific renewable technologies, making the tax credit permanent and establishing a pilot financing program for residential solar hot water heating systems.\textsuperscript{1204} It also supports production of biodiesel and cellulosic ethanol and establishes the Hawai‘i Renewable Hydrogen Program to move the state towards a renewable hydrogen economy.\textsuperscript{1205} House Bill (H.B.) 2175 appropriates $5 million for solar power systems for public schools and instructs state agencies to maximize energy efficiency.\textsuperscript{1206} The Bill also encourages the construction of green buildings by giving them priority when they apply for construction permits and sets green building standards for state buildings.\textsuperscript{1207} Finally, the legislation requires 20% of the state’s new vehicles to be hybrids or alternative fuel vehicles with the percentage increasing over time.\textsuperscript{1208} S.B. 3185 established a public benefits fund for energy efficiency programs and allows the PUC to set penalties for failing to meet the state’s RPS.\textsuperscript{1209}

2007: Climate Change Agreements and Greenhouse Gas Reduction

In May 2007, Hawai‘i and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{1210}

\begin{footnotesize}
\begin{itemize}
\item[1203] Id.
\item[1205] Id.
\item[1207] Id.
\item[1208] Id.
\end{itemize}
\end{footnotesize}
In June 2007, Governor Lingle signed H.B. 226, *The Global Warming Solutions Act of 2007*, which directed a statewide decrease in GHG emissions to 1990 levels or lower by January 1, 2020.\textsuperscript{1211} The Act also created the Greenhouse Gas Emissions Reduction Task Force, which it charged with preparing a work plan and regulatory scheme aimed at achieving this goal.\textsuperscript{1212}

In 2007, Hawai‘i passed H.B. 226 establishing a “GHG emissions reduction task force to prepare a work plan and regulatory scheme for implementing reductions to achieve the statewide GHG limit.”\textsuperscript{1213}

**2008: Renewable Energy, Climate Change Agreements, Green Building, Green Technology, Market-Based Solutions, and Transportation/Fuels**

On January 28, 2008, Hawai‘i and the U.S. Department of Energy (DOE) formed a partnership that will seek to move the state’s energy system from one that is fueled primarily by oil to one that is powered mainly by renewable energy.\textsuperscript{1214} The agreement, called the Hawai‘i Clean Energy Initiative, aims to have 70% of all of Hawai‘i’s energy needs generated by renewable energy sources by 2030.\textsuperscript{1215} As part of the partnership, the DOE will help Hawai‘i develop its renewable energy sources in both the public and private sectors.\textsuperscript{1216}

In March 2008, Governor Lingle announced a collaborative public-private partnership with the DOE’s National Renewable Energy Laboratory (NREL) “as part of the Administration’s ongoing efforts to increase the state’s energy independence.”\textsuperscript{1217} The memorandum of understanding (MOU) established a NREL partner site at UPC Wind’s Kaheawa Wind Farm on Maui.\textsuperscript{1218} The partnership expanded the Hawai‘i Clean Energy Initiative signed in January 2008.\textsuperscript{1219}

Also in March 2008, the Hawai‘i PUC issued a ruling allowing residents and businesses with electrical generators powered by renewable sources to generate twice as

\textsuperscript{1211} H.B. 226, 24th Leg., Reg. Sess. (Haw. 2007).
\textsuperscript{1212} Id.
\textsuperscript{1215} Id.
\textsuperscript{1216} Id.
\textsuperscript{1218} Id.
\textsuperscript{1219} Id.
much power. The ruling doubles the limit on net energy metering generators to 100 kilowatts for customers on Oahu, Maui, and the Big Island.

Three bills were signed into law in July 2008 that seek to increase renewable energy generation and reduce the state’s dependence on foreign oil. H.B. 2863 streamlines the permitting process for the siting, development, construction, and operation of new renewable energy facilities of at least 200 megawatts (MW) of electricity. Act 208 establishes a full-time renewable energy facilitator within the Hawai‘i Department of Business, Economic Development, and Tourism. Finally, Act 209 expands existing loan programs to enable farmers to develop renewable energy for their farms. The maximum loan given will be $1.5 million or 85% of the project cost, whichever is less, for up to forty years.

In July 2008, Hawai‘i and eleven other states received a $50,000 competitive grant from the National Governors Association (NGA) to study electric vehicle (EV) policy issues. The NGA Center for Best Practices awarded grants of $50,000 to states as part of its Clean Energy States Grant Program. The awards are designed to help develop greater energy efficiency, conservation, and clean energy resources.

In September 2008, the Hawai‘i Department of Business, Economic Development and Tourism was awarded a $500,000 federal DOE grant to pursue increased use of renewable energy.

In November 2008, Hawai‘i was one of seven states selected by the NGA Center for Best Practices to participate in its Policy Academy for Advanced Energy Strategies for Buildings. The Academy will assist in the development of planning and implementation strategies for increased energy efficiency in Hawai‘i’s public and private buildings.

On November 18, 2008, Governor Lingle announced a partnership between the Taiwan Industrial Research Institute (TIRI) and Lockheed Martin, Corp. to develop an

1223 HAW. REV. STAT. § 201-12.5 (2009).
1226 Id.
1227 Id.
1229 Id.
Ocean Thermal Energy Conversion (OTEC) pilot plant in Hawai‘i.\textsuperscript{1230} OTEC would generate clean renewable energy from the difference in temperature between the ocean’s surface and the much colder water and the lower depths.\textsuperscript{1231} The technology would provide a consistent base power and facilitate greater energy independence in a state that currently relies on imported fossil fuels for 94\% of its energy needs.\textsuperscript{1232}

On December 2, 2008, Governor Lingle launched a partnership with Better Place, Inc., a world leader in sustainability mobility, aimed at the creation of an electric-car network in the state.\textsuperscript{1233} Hawai‘i Energy Companies and Better Place signed a MOU to collaborate on developing the infrastructure and energy sources necessary to supply the “network of public charging spots and battery stations.”\textsuperscript{1234} The goal of large-scale EV deployment would further Hawai‘i Clean Energy Initiative’s goal of 70\% clean energy 2030.\textsuperscript{1235} A week later, a partnership with Phoenix Motorcars was announced as part of Lingle’s plan to bring EV infrastructure to Maui by 2009.\textsuperscript{1236}


On March 12, 2009, the DOE announced that Hawai‘i is eligible for $25,930,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\textsuperscript{1237} That same week Governor Lingle announced that two DOE personnel would be assisting Hawai‘i with the implementation of wind and solar systems integration.\textsuperscript{1238}

According to The Pew Charitable Trust’s June 2009 Clean Energy Economy Fact Sheet for Hawai‘i, Hawai‘i’s clean energy economy grew by 2,732 jobs and 356 businesses from 1998 to 2007.\textsuperscript{1239} Moreover, Hawai‘i attracted more than $12 million in capital investment in clean energy between 2006 and 2009.\textsuperscript{1240}

\textsuperscript{1230} \textit{State of Governor Lingle Announces New Ocean Thermal Energy Partnership}, \textsc{Project Vote Smart} (Nov. 18, 2008), \url{http://votesmart.org/public-statement/398371/} (original press release not found).
\textsuperscript{1231} Id.
\textsuperscript{1232} Id.
\textsuperscript{1233} Id.
\textsuperscript{1234} Id.
\textsuperscript{1235} Id.
\textsuperscript{1236} Id.
\textsuperscript{1238} Id.
\textsuperscript{1239} Id.
\textsuperscript{1239} \textit{Clean Energy Economy Hawaii Fact Sheet}, \textsc{The Pew Charitable Trusts},
On October 6, 2009, the Hawai‘i Department of Accounting and General Services (DAGS) issued a $33.9 million contract to energy services company Noresco, LLC for a project aimed at improving energy efficiency in state office buildings. The projected increase in energy efficiency will “reduce emissions of carbon dioxide equivalent by 9,917 tons each year.”

In late October 2009, Governor Lingle announced she would travel to China for a two-week trip promoting tourism and clean energy partnerships. Lingle hoped to identify potential partnerships for Hawaiian businesses “to share their expertise in clean energy” and secure Chinese investments in the state that will aid Hawaii in attaining its clean energy goals.

On October 29, 2009, as part of the Hawai‘i Clean Energy Initiative, the state issued a request for proposals for an undersea cable environmental impact statement (EIS). The proposed undersea cable would connect four Hawaiian islands and would allow for the transmission of wind power generated in Maui to be transferred throughout the state’s islands. On that same day, Governor Lingle announced that the state received $6 million in federal grant money to conduct renewable energy projects, including “upgrad[ing] the energy efficiency of about 400 homestead homes with solar water heaters and compact fluorescent lamps” and “install[ing] photovoltaics on state buildings.”

As part of a November 2009 visit to China, Governor Lingle met with representatives from the China Academy of Engineering (CAE) and the National Reform and Development Commission to exchange ideas on clean energy and energy efficiency initiatives. As a result of the meeting, the CAE chairman agreed to co-sponsor the
2010 Asia-Pacific Clean Energy Summit and Expo that was held in Hawaii the following September.\footnote{Id. The Asia-Pacific Clean Energy Summit and Expo was held on August 30 – September 2, 2010. Hawaii - Transforming to a Clean Energy Economy, 2010 ASIA PACIFIC CLEAN ENERGY SUMMIT AND EXPO, http://www.ct-si.org/events/APCE/ (Oct. 3, 2013).}

In late 2009, Governor Lingle released $1 million for energy improvements in Hawaii’s state parks. The funds were used to “design renewable energy sources to power park facilities such as water system pumps, sewer system pumps, booster pumps, trail lighting and rental cabins and kitchens.”\footnote{Press Release, State of Haw., Governor Lingle Releases $1 Million for Energy Efficiency Improvements at State Parks (Nov. 17, 2009), http://archive.lingle.hawaii.gov/govgallery/news/releases/2009-news-releases/governor-lingle-releases-1-million-for-energy-efficiency-improvements-at-state-parks.} Lingle also released $710,000 for energy improvements of Army National Guard buildings, including more efficient heating, air conditioning, and photovoltaic roofing.\footnote{Press Release, State of Haw., Governor Lingle Releases $710,000 for Energy Efficiency Improvements at Hawai’i Army National Guard Buildings (Nov. 18, 2009), http://archive.lingle.hawaii.gov/govgallery/news/releases/2009-news-releases/governor-lingle-releases-710-000-for-energy-efficiency-improvements-at-hawai-i-army-national-guard-buildings.}

\textbf{2010: Renewable Energy, Climate Change Agreements, Energy Efficiency, Market-Based Solutions, and Transportation/Fuels}

In January 2010, Governor Lingle honored several clean energy companies with the Governor’s Innovation Award.\footnote{Press Release, State of Haw., Innovation Award Winners Focus on Clean Energy (Jan. 14, 2010), http://archive.lingle.hawaii.gov/govgallery/news/releases/2010-news-releases/innovation-award-winners-focus-on-clean-energy.} Recipients included Honolulu Seawater Air Conditioning, a company “developing a project to cool downtown Honolulu buildings using deep seawater as a renewable energy source,” saving 75% of electricity used for air conditioning.\footnote{Id.}

On January 25, 2010, Governor Lingle announced proposed legislation that will create clean energy investment bonds.\footnote{Press Release, State of Haw., Governor Lingle Proposes Hawai’i Clean Energy Investment Bonds (Jan. 25, 2010), http://archive.lingle.hawaii.gov/govgallery/news/releases/2010-news-releases/governor-lingle-proposes-hawai-i-clean-energy-investment-bonds.} The Hawai’i Clean Energy Investment (HCEI) Bonds program will assist homeowners and businesses with installing energy efficiency improvements by “allowing them to borrow the money from the state and then repay the loans over a period of years via an annual assessment on their real property tax bill.”\footnote{Id.} On the heels of the bond proposal, Lingle announced that HCEI was on track at the two-year anniversary of its creation of meeting its goal of 70% clean energy by 2030.\footnote{Id.}
In June 2010, Hawai‘i launched the EV Ready Grants Program, which provided for the installation of electric vehicle charging equipment. The Program will be funded through $3 million of ARRA grants and complements Hawai‘i’s EV rebate program, which started in January 2011 and ran until March 2012 when it ran out of funds. During the time the program was running, it provided up to $4,500 in rebates to consumers who purchase EVs.

Hawai‘i and the Prefecture of Okinawa, in partnership with the DOE and the Japanese Ministry of Economy, Trade and Industry, signed a memorandum of cooperation, creating the Hawai‘i-Okinawa Partnership on Clean and Efficient Energy Development and Deployment in June 2010. One of the goals of the Partnership is to exchange technical information on clean energy and evaluate the potential for joint research projects “into technology issues affecting both countries.”

In September 2010, the Energy Services Coalition ranked Hawai‘i as the second state in the United States in per capita investment in energy savings performance contracting. The Energy Services Coalition is a non-profit organization comprised of public and private organizations.

Due to the success of the Hawai‘i Energy Solar Water Heating Rebate Program, Hawai‘i’s State Energy Office is diverting its remaining ARRA funds to meet consumer demand for solar water heaters. Through the program, which has serviced 600 households so far, purchasers of solar water heaters can save up to $849 per year in energy costs.

2011: Market-Based Solutions and Renewable Energy

Governor Abercrombie signed H.B. 1520 into law in July 2011, authorizing an investigation by the PUC into on-bill financing for utility customers. On-bill financing is a method of paying for energy efficiency projects through a utility bill credit, which can help reduce energy usage. This approach is expected to encourage more sustainable practices and investments in renewable energy sources.

financing allows utility customers to purchase a renewable energy system or device and pay for it over time with energy savings. The Bill did not include funding for the investigation, but private partners led by the Blue Planet Foundation offered to help the PUC cover the costs of the program.

In September 2011, Hawai‘i was awarded $6.8 million from the DOE for solar projects. The funds will be used to help integrate solar technology into the grid and develop smart grid-enabled photovoltaic (PV) inverters.

2012: Climate Change Agreements and Renewable Energy

In February 2012, Hawai‘i announced a new agreement with the Republic of Korea to pursue mutual interests in smart grid development in the Hawaiian Islands. Governor Abercrombie highlighted the agreement as demonstrative of Hawai‘i’s commitment to clean energy development and implementation.

On May 25, 2012, Governor Abercrombie approved over $3.4 million for energy conservation and sustainable design projects statewide as part of the Capital Improvements Projects program.

On June 27, 2012, Governor Abercrombie signed into law S.B. 2787 and S.B. 2785. S.B. 2787 authorizes the PUC to “develop, adopt and enforce reliability standards and interconnection requirements, as well as contract for the performance of related duties with a party that will serve as the Hawai‘i electricity reliability administrator.” S.B. 2785 “establishes a regulatory structure for the installation and implementation of an interisland high-voltage electric transmission cable system and for the construction of on-island transmission infrastructure.”

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1265 Id.
1266 Id.
1268 Id.
1270 Id.
1271 Id.
1273 Id.
1274 Id.

**2013: Transportation/Fuels and Energy Conservation**

On April 6, 2013 Governor Abercrombie presented a $200,000 check from the state Department of Agriculture that went towards funding a biofuel and high protein feed program in Hilo.\footnote{Press Release, State of Haw., State of Hawaii Invests in Innovative Zero Waste Fuel Program (Apr. 16, 2013), http://governor.hawaii.gov/blog/state-of-hawaii-invests-in-innovative-zero-waste-biofuel-program/.} This zero waste conversion project takes 14 days and uses unmarketable papaya, however, this technology can be applied to any plant material as a carbon source.\footnote{Id.}

On April 9, 2013 the State announced a $100,000 federal grant through the U.S. Department of Agriculture’s Rural Energy for America Program that allows “for investment grade energy audits for Hawaii agricultural producers and rural small businesses interested in energy efficient practices.”\footnote{Press Release, Dep’t of Bus., Econ. Dev. & Tourism, State Offers Energy Efficiency Audits to Rural Small Businesses and Agricultural Producers (Apr. 9, 2013), http://www.hawaiicleanenergyinitiative.org/storage/pdf-news-releases/NR_AgEnergyAudits_4.09.13.pdf.} These energy audits “will provide approved farms, agricultural producers and other rural small businesses with an investment grade audit that will examine current energy usage, recommend actions and investments to reduce energy usage, and show associated energy savings and financial returns.”\footnote{Id.} Applicants for the program will still be responsible for paying a small share of the audit cost, and after the audit is completed “the applicant may be able to recoup the upfront cost of the audit through Hawaii Energy . . . which has augmented this federal grant with a $25,000 commitment through its existing Whole Building Assistance incentive offer.”\footnote{Id.}

To further advance Hawai‘i’s clean energy goals, Governor Abercrombie signed S.B. 1087 on June 27, 2013.\footnote{See Press Release, State of Haw., Governor Signs Bill Advancing Hawai‘i’s Clean Energy Goals (June 27, 2013), http://governor.hawaii.gov/blog/governor-signs-bill-advancing-hawaiis-clean-energy-goals/.} S.B. 1087 established a green infrastructure loan program, Green Energy Market Securitization (GEMS), to make green infrastructure loans and expend funds to finance the purchase or installation of green infrastructure equipment for clean energy technology, demand response technology, and energy use reduction and demand side management infrastructure, programs, and services.\footnote{S.B. 1087, 27th Leg., Reg. Sess. (Haw. 2013), http://www.capitol.hawaii.gov/session2013/bills/SB1087_CD1_.htm.} Payment for these green infrastructure “devices would be made over time through one’s electricity bill and paid for with the energy savings. The state’s Department of Business,
Economic Development, and Tourism (DBEDT) will facilitate the GEMS financing program via the Hawaii State Energy Office.”

In September 2013, for the second year in a row Hawai’i was honored with the top rank in the nation for energy savings performance contracting (ESPC) investment per capita, with an investment of $132.25. ESPC is “an innovative approach to implement energy and water efficiency retrofits in buildings using guaranteed energy savings to pay for projects.”

On October 14, 2013 the Hawai‘i State Energy Office announced a new fuel contract between the Hawaiian Electric Company and Hawai‘i BioEnergy (HBE) that called for Hawaiian Electric to purchase approximately 10 million gallons of locally produced biofuels annually from HBE over 20 years for the utility’s Kahe Power Plant in Kapolei.

On November 1, 2013 Governor Abercrombie announced that President Obama appointed him to serve on the President’s Task Force on Climate Preparedness and Resilience. The “task force consists of a select group of governors, mayors and other leaders who will develop recommendations on how the federal government can better support local preparedness and resilience-building efforts.”

IDAHO

2002: Climate Change Adaptation

In 2002, Idaho formed the Carbon Sequestration Advisory Committee. The Committee was established primarily to “recommend policies or programs to enhance the ability of Idaho agricultural and non-industrial private forest landowners to participate in systems of carbon trading.” The Committee also promotes research and raises awareness concerning carbon sequestration in the agricultural and forestry sectors. The Committee consists of sixteen members, including relevant heads of state departments, as well as farmers, livestock producers, members of the electricity,
transportation, and biofuels sectors, and one member representing an environmental protection or conservation organization.\textsuperscript{1292}

**2006: Greenhouse Gas Reduction and Green Building**

In 2006, Idaho adopted a two-year moratorium on permitting new coal-fired power plants.\textsuperscript{1293} The moratorium does not apply to coal-fired power plants owned or constructed by a public utility regulated by the Idaho Public Utilities Commission or by a cooperative or municipality, nor does it apply to the operations of the Idaho National Laboratory.\textsuperscript{1294}

Idaho has only passed a few statutes that relate to greenhouse gas (GHG) reduction. The state gives certified distributors a fuel tax deduction of up to 10\% based on the percentage of ethanol in a blended motor fuel or the agricultural, animal fat, or waste products contained in biodiesel fuel.\textsuperscript{1295} It also exempts “special gaseous fuels,” including compressed natural gas, and hydrogen, from the standard 25\$ per gallon fuel excise tax when distributed for use in permitted vehicles.\textsuperscript{1296}

Regarding residential buildings, Idaho adopted the Energy Conservation Code portion of the 2003 International Code Council’s (ICC) International Building Code.\textsuperscript{1297} Local municipalities that elect to enforce building codes must also adopt the ICC standard.\textsuperscript{1298} The code specifies minimum levels of energy efficiency for heating and cooling systems, window design, and other elements of building construction and maintenance.\textsuperscript{1299}

**2007: Greenhouse Gas Reduction and Transportation/Fuels**

In May 2007, Governor C.L. “Butch” Otter issued Executive Order (EO) 2007-05, which directs the Department of Environmental Quality to complete a statewide emissions inventory, work with state government to implement GHG reductions within each agency, provide recommendations for the governor, and serve as a central point for coordinating GHG reduction efforts and information for the state.\textsuperscript{1300}

On December 21, 2007, Governor Otter signed EO 2007-21, establishing a policy to reduce fossil fuel use and GHG emissions from state vehicles.\textsuperscript{1301} The policy directs all state agencies to decrease the amount of gasoline and diesel used in state vehicles.\textsuperscript{1302}

\textsuperscript{1292} Id.
\textsuperscript{1293} H.B. 791, 58th Leg., 2nd Reg. Sess. (Idaho 2006).
\textsuperscript{1294} Id.
\textsuperscript{1295} IDAHO CODE ANN. § 63-2407 (West 2009).
\textsuperscript{1296} Id. §§ 63-2401 — 63-2402. See also id. §§ 63-2423 — 63-2434 (concerning rebates for special fuels taxes in specific categories).
\textsuperscript{1297} Id. § 39-4109.
\textsuperscript{1298} Id. § 39-4116.
\textsuperscript{1299} Id. § 39-4109.
\textsuperscript{1300} Idaho Exec. Order No. 2007-05 (2007).
\textsuperscript{1302} Id.
In addition, it directs the state government to minimize the purchase of sport utility vehicles and to give priority in purchasing and leasing to fuel efficient/low emission vehicles.\textsuperscript{1303}

**2009: American Recovery & Reinvestment Act (ARRA), Market-Based Solutions, Green Jobs, and Green Technology**

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Idaho is eligible for $28,572,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).\textsuperscript{1304}

On July 7, 2009, Governor Otter issued a statement urging opposition to proposed federal cap-and-trade legislation.\textsuperscript{1305} Otter stated that the American Clean Energy and Security Act of 2009 (ACESA) would “raise taxes and energy costs while eliminating jobs and slowing our economy.”\textsuperscript{1306}

According to The Pew Charitable Trusts’ June 2009 Clean Energy Economy Fact Sheet for Idaho, Idaho’s clean energy economy grew by 4,517 jobs and 428 businesses from 1998 to 2007.\textsuperscript{1307} Idaho attracted more than $27 million in venture capital investment in clean energy industries between 2006 and 2009.\textsuperscript{1308}

In October 2009, Governor Otter recognized the work of some Idaho companies at his Innovation Summit, including a winery’s project utilizing solar energy, and a tech company’s “new light-emitting diode technology that can be used in energy-efficient lights.”\textsuperscript{1309}

**2010: American Recovery & Reinvestment Act (ARRA) and Renewable Energy**

Idaho has distributed its ARRA funds in various ways. In February 2010, the Office of Energy Resources launched a $2.75 million program under ARRA to install solar panels on public schools. The program allows each Idaho school district to request a solar panel installation for one of its schools.\textsuperscript{1310} In October 2010, Governor Otter

\textsuperscript{1303} Id.


\textsuperscript{1306} Id.


\textsuperscript{1308} Id.


launched the Idaho Energy Efficiency Research Institute in partnership with the Center for Advanced Energy Studies.\textsuperscript{1311} The Institute’s primary goal is to help Idaho residents and businesses to conserve energy and save money, through programs such as energy efficiency training for architects.\textsuperscript{1312}

On February 9, 2011, Governor Otter announced that the Idaho Strategic Energy Alliance released an innovative new energy report for the state, the \textit{Idaho Energy Primer}. The Primer is an educational booklet designed to inform Idaho citizens of their state’s energy efficiency use and sources, including renewable energy.\textsuperscript{1313}

In March 2011, Governor Otter signed four bills into law that will enable Idaho to better tap into its geothermal energy resources. Collectively, House Bill (H.B.) 52\textsuperscript{1314}, 53\textsuperscript{1315}, 54\textsuperscript{1316}, and 56\textsuperscript{1317} are designed to make it easier for Idaho to lease state-owned geothermal land to private developers, in an effort to promote and develop geothermal energy.\textsuperscript{1318}

\textbf{2012: Renewable Energy}

On February 1, 2012, Governor Otter signed an EO creating the Idaho Nuclear Energy Commission.\textsuperscript{1319} Idaho is home to the Idaho National Laboratory, the lead laboratory for nuclear energy research and development in the United States.\textsuperscript{1320} The Commission will study the opportunities and challenges associated with the laboratory’s location in the state.\textsuperscript{1321}

At a meeting in December 2012, the Governors of the Western Governors’ Association, which includes the states of Alaska, American Samoa, Arizona, California, Colorado, Guam, Hawai’i, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Northern Mariana Islands, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming, lauded the west as the nation’s “energy breadbasket,” and

\begin{footnotes}
\item[1312] \textit{Id.}
\item[1320] \textit{Id.}
\item[1321] \textit{Id.}
\end{footnotes}
Governor Otter highlighted Idaho’s role as an electricity exporter and the challenges with energy transmission.\textsuperscript{1322}

**ILLINOIS**

**1994: Climate Change Agreements**

Illinois completed a climate change action plan in June 1994, which serves as an informational tool for the state.\textsuperscript{1323}

**1997: Renewable Energy**

In 1997, Illinois developed the Renewable Energy Resources Trust Fund, offering grants and loans supporting renewable power sources.\textsuperscript{1324} The Fund is the product of mandatory contributions from public utilities and other electricity providers in Illinois.\textsuperscript{1325}

**1999: Renewable Energy and Market-Based Solutions**

Another provider of renewable energy grants is the Illinois Clean Energy Community Foundation.\textsuperscript{1326} Endowed with the $250,000 settlement that the state received for approving a utility merger, the Foundation, since 1999, has offered grants to projects designed to develop renewable power generators and improve energy efficiency.\textsuperscript{1327} In addition, the Foundation sponsors clean-energy programs for communities across Illinois.\textsuperscript{1328}

In 1999, Illinois enacted a law requiring utilities to list the percentages of different energy sources in their fuel mixes on customers’ electric bills.\textsuperscript{1329} In addition, utilities must disclose the amount of carbon dioxide, nitrous oxide, and sulfur-dioxide emissions produced by their facilities.\textsuperscript{1330}

**2001: Renewable Energy**

Legislation in 2001 mandated that utilities set a goal to derive 5% of the state’s electricity from renewable resources by 2010 and 15% by 2020.\textsuperscript{1331} In 2005, the Illinois Commerce Commission issued a resolution elaborating on the 2001 law, requiring

\textsuperscript{1322} Press Release, Western Governors’ Ass’n, Western Governors Discuss the West as “Nation’s Energy Breadbasket” (Dec. 3, 2012), http://gov.idaho.gov/pdf/12-3-2012, Western Governors Discuss the West as.pdf.


\textsuperscript{1324} 20 ILL. COMP. STAT. ANN. 687/6-4 (West 20065).

\textsuperscript{1325} Id. 687/6-5.

\textsuperscript{1326} 220 ILL. COMP. STAT. ANN. 5/16-111.1 (West 20065).

\textsuperscript{1327} Id.

\textsuperscript{1328} Id.

\textsuperscript{1329} Ill. Exec. Order No. 5/16-127 (2006).

\textsuperscript{1330} Id.

\textsuperscript{1331} 20 ILL. COMP. STAT. ANN. 688/5 (West 2001).
utilities to increase their generation of renewable energy by 1% annually until 2013. The resolution also specifies that wind power must constitute 75% of each utility’s renewable energy.

2002: Renewable Energy

A 2002 Executive Order (EO) required that buildings used or owned by state agencies controlled by the Governor of Illinois must derive 5% of their power from renewable energy sources by 2010. By 2015, these buildings must depend on renewable energy for 15% of their power needs.

2006: Greenhouse Gas Reduction

In January 2006, the Illinois Environmental Protection Agency created the Illinois Conservation and Climate Initiative, a voluntary program that awards credits to farmers for practices that reduce greenhouse gas (GHG) emissions such as conservation tillage, planting grasses and trees, and capturing methane from animal operations. After third party verification of the offsets, the credits will be sold on the Chicago Climate Exchange. The Renewable Energy Resources Trust Fund supports the Renewable Energy Resources Program, which, since January 2006, has provided rebates of up to $10,000 for new solar power generators.


2007: Transportation/Fuels, Climate Change Agreements, Greenhouse Gas Reduction, and Renewable Portfolio Standards

Governor Blagojevich signed House Bill (H.B.) 4137 on January 12, 2007, which mandated that state agencies purchase flexible-fuel, fuel-efficient hybrid, or biodiesel vehicles and expanded the green vehicle rebate program.

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1333 Id.
1334 Ill. Exec. Order No. 6 (2002).
1335 Id.
1339 Id.
1340 30 ILL. COMP. STAT. ANN. 500/25-75 (West 2007).
In February 2007, Governor Blagojevich established a GHG reduction goal to reduce emissions to below 1990 levels by 2020 and 60% below 1990 levels by 2050. The Climate Change Advisory Group is charged with researching and recommending cost-effective ways to meet these goals.

In May 2007, Illinois and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”  

In July 2007, the Climate Change Advisory Group released nineteen recommendations for meeting the state’s goal of reducing GHG emissions to below 1990 levels by 2020. These recommendations included: smart growth requirements; renewable transportation fuels standard; expansion of mass transit; energy-efficiency standards for appliances and equipment; renewable portfolio standard; carbon capture and storage; reforestation programs; energy-efficiency incentive programs; cap-and-trade program; and no-till farming and methane capture programs. The Group considers further strategies for meeting the governor’s goal of reducing yearly carbon dioxide emissions by 90 million metric tons by 2020.

In August 2007, Governor Blagojevich signed Senate Bill (S.B.) 1592 into law, creating a mandatory Renewable Energy Standard (RES) and Energy Efficiency Portfolio Standard (EEPS). The RES requires that utilities generate 2% of their electricity from renewables by 2008, 10% by 2015, and 25% by 2025. The EEPS further mandates that utilities decrease electricity usage by 2% by 2015. Wind power must supply 75% of the renewable energy requirements. Other eligible renewable sources include solar, biomass, and existing hydropower sources.

Additionally, on November 15, 2007, Governor Blagojevich joined the governors of Iowa, Kansas, Michigan, Minnesota, and Wisconsin, as well as the Premier of the Canadian Province of Manitoba in signing the Midwestern Regional Greenhouse Gas Reduction Accord (MGGRA) to reduce GHG emissions and achieve energy security.
Signed at the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, the Accord aimed to establish GHG emission targets, including a 60 to 80% reduction in emissions, create a market-based, multi-sector cap-and-trade system, and create a tracking and crediting system. The Final Model Rule was released in April 2010 and although the MGGRA has not been formally suspended, the participating states are no longer actively pursuing the goals.

Also at the Summit, Illinois, Iowa, Kansas, Michigan, Minnesota, Wisconsin, Nebraska, and North Dakota, adopted an Energy Security and Climate Stewardship Platform. The Platform’s goals for the Midwest region included promoting energy efficiency, advances in biobased products, electricity production from renewables, and advanced coal and carbon capture and storage. Platform members also signed cooperative regional initiatives that will work to create a Carbon Management Infrastructure Partnership, a bioproduct procurement program, electricity transmission adequacy for new wind energy, renewable fuels corridors, advanced bioenergy permitting, and low-carbon energy transmission infrastructure.

2008: Renewable Energy, Greenhouse Gas Reduction, and Climate Change MOUs

In May 2008, Governor Blagojevich announced that Illinois would provide $19.8 million for the construction of a 45 million gallon per year biodiesel plant. In September of that year, the state awarded $4 million for the construction of an 88 million gallon per year ethanol plant located in southwestern Illinois. The state legislature then passed a carbon dioxide emission standard for new coal-fired power plants in January 2009. This legislation requires that by 2025, 25% of the state’s electricity will be generated from clean coal facilities. The Bill defines a clean coal facility as an electricity generating facility that captures and sequesters 50% of the carbon emissions it produces if the facility begins operations before 2016, 70% of the carbon emissions it produces if the facility begins operations during 2016 or 2017, and 90% of the carbon emissions it produces if the facility begins operations after 2017.

1350 Id.
1353 Id.
1354 Id.
1358 Id. at 20.
1359 Id. at 4.
In November 2008, Governor Blagojevich’s Climate Change Advisory Council released its recommendations to achieve its goals of reducing GHGs to 1990 levels by 2020 and 60% below 1990 levels by 2050. 1360 The Council voted on 24 strategies to reach this goal. The strategies are organized into four categories: transport; power/energy; commercial, industrial, agricultural; and cap-and-trade. Two days later, Blagojevich announced that Illinois River Energy, LLC would receive $4 million to use towards the construction of an ethanol production facility. 1361

Later that month, Governor Blagojevich announced that he would sign an international memorandum of understanding (MOU) to reduce deforestation while attending the Governor’s Global Climate Summit. 1362 He also announced that he would sign the Global Climate Solutions Declaration, which established common principles among the signatories to create a low carbon economy, enhance energy security, and provide ongoing support for national governments. 1363

2009: Greenhouse Gas Reduction, Cap & Trade, Climate Change Agreements, Energy Efficiency, Green Building, Market-Based Solutions, Renewable Energy, American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels

In January 2009, the advisory group to the MGGRA released preliminary trade design recommendations. 1364 The Group recommended that carbon dioxide, nitrous oxide, hydro-fluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions be reduced 15 to 25% below 2005 levels by 2020 and 60 to 80% below 2005 levels by 2050. It also recommended that the following sources be subject to these reductions: power plants, industrial facilities, industrial combustion sources, industrial process sources, and transportation fuels. 1365 It recommended that an offset component be incorporated in the program and that allowance value be used only for climate-related purposes by participating states. 1366 However, the group refused to comment on whether allowances should be auctioned or allocated, maintaining that this decision must be made by each

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1366 Id. at 3.
On February 18, 2009, representatives from the three University of Illinois campuses signed the Sustainable University Compact, which sets out twelve environmental objectives, including purchasing renewable energy, implementing green building practices, and developing sustainable transportation options.1368 A week later, Governor Blagojevich announced that seven state parks that had been closed during the previous administration would be reopened.1369 The following month, he announced that the state was giving a $2 million incentive package to Wanxiang America to develop a solar panel manufacturing facility in Rockford.1370 As part of the agreement, the company agreed to also develop a 200-acre solar farm in a public-private cooperative.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Illinois is eligible for $101,321,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).1371 In May, Governor Quinn announced that 59 projects will receive $21 million to preserve parks and open spaces.1372 Two days later, he signed an agreement with the Illinois Department of Central Management Services and the capital city of Springfield to purchase wind power for state facilities.1373

In May 2009 Governor Quinn joined the Governor’s Energy and Climate Coalition, which supports federal climate change legislation.1374 The agreement between the Coalition partners contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.1375

In June 2009, the MGGRA Advisory Group released its draft final

1367 Id.
recommendations for the design of a regional cap-and-trade program.\textsuperscript{1376} It recommended emission reduction goals of 20\% below 2005 levels by 2020 and 80\% below 2005 levels by 2050. The Advisory Group also recommended that the program cover electricity generation and imports; industrial combustion sources; industrial process sources; fuels serving industrial, commercial, and residential buildings; and transportation fuels.\textsuperscript{1377} The recommendations also included exemptions for biofuels, authorization of offset projects, and free allocation of allowances. The governors of the member states were required to approve these recommendations before they could be implemented, which they did.\textsuperscript{1378}

Governor Quinn signed various bills into law at the 2009 Sustainable University Symposium: H.B. 1013, the Green Buildings Act, requires state-owned building to implement sustainable practices; H.B. 2437, requires every state-owned building to use environmental cleaning products; H.B. 1042, amends the Green Governments Illinois Act; and S.B. 1932 requires state facilities to apply compost materials for all land maintenance.\textsuperscript{1379}

On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the Western Climate Initiative (WCI), and MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.\textsuperscript{1380}

In July 2009 Governor Quinn hosted a summit where he joined seven other Midwest states in signing a MOU to coordinate ARRA applications and advocacy for high-speed rail.\textsuperscript{1381} After the summit, he signed S.B. 1906, requiring the state and the Illinois Finance Authority to make available up to $3 billion in guaranteed energy financing for renewable energy and clean coal projects.\textsuperscript{1382} Illinois also received $100 million from ARRA funding for its State Energy Plan.\textsuperscript{1383} The Illinois Department of Commerce and Economic Opportunity then released guidelines for entities interested in

\begin{itemize}
\item \textsuperscript{1377} Id. at 5.
\item \textsuperscript{1378} News, MIDWESTERN GREENHOUSE GAS REDUCTION ACCORD, \url{http://web.archive.org/web/20100511090324/http://www.midwesternaccord.org/news.html} (Oct. 11, 2013).
\item \textsuperscript{1379} Press Release, Ill. Gov’t News Network, Governor Quinn Signs Green Bills Into Law at 2009 Sustainable University Symposium (July 24, 2009), \url{http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=3&RecNum=7699}.
\item \textsuperscript{1380} Kyle Danish et al., \textit{Weekly Climate Change Policy Update} – June 29, 2009, VAN NESS FELDMAN (June 29, 2009), \url{http://www.vnf.com/news-policyupdates-373.html}.
\item \textsuperscript{1381} Mem. of Understanding, from Governor of State of Ill., Governor of State of Ind., Governor of State of Iowa, Governor of State of Mich., Governor of State of Minn., Governor of State of Mo., Governor of State of Ohio, Governor of State of Wis., and Mayor of City of Chi., to Fed. R.R. Admin. (July 27, 2009), \url{http://web.archive.org/web/20090801132216/http://www.wisgov.state.wi.us/docview.asp?docid=17199}.
\item \textsuperscript{1382} Press Release, Ill. Gov’t News Network, Governor Quinn Signs Renewable Energy Bill (July 29, 2009), \url{http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=3&RecNum=7709}.
\item \textsuperscript{1383} Press Release, Ill. Gov’t News Network, Quinn Administration Receives Over $100 Million in Recovery Funding to Boost State Energy Efforts (Aug. 14, 2009), \url{http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=3&RecNum=7748}.
\end{itemize}
Quinn also appointed a sustainability advocate to be part of the Chicago Transit Board.

In September 2009, the MGGRA governors decided to no longer pursue the regional cap-and-trade program. Instead, the Midwestern Governors’ Association released the Midwestern Energy Infrastructure Accord. The Accord focuses on developing smart grid, carbon capture and sequestration, and biofuels in the Midwest. Governor Quinn then joined Governors Schwarzenegger (California) and Doyle (Wisconsin) in drafting and signing a memo with regional leaders from Brazil and Indonesia, urging national leaders to put strong anti-deforestation measures in any instrument that may come out of the Copenhagen climate negotiations.

Governor Quinn also signed a letter endorsing the 25x25 Vision, creating a state goal to produce 25% of Illinois’ energy from renewable sources by 2025. He also announced his support for the Illinois Smart Grid Collaboration, a public-private partnership led by the Illinois Institute of Technology and the University of Illinois at Urbana-Champaign (UIUC) to undergo innovative research on smart grid technologies. The Collaboration planned to apply for $60 million in ARRA funding for regional smart grid demonstration projects, and if it receives this funding, the state will invest up to $30 million for two advanced technology and investment centers.

In September 2009, Illinois received $20 million in ARRA grants to fund 27 alternative transportation projects across the state. In October 2009, the state celebrated its 200th E85 station. That same month, Illinois received $252 million in ARRA funding for low-income weatherization programs.

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Eligible Illinois households can apply for winter heating assistance through the Low Income Home Energy Assistance Program (LIHEAP). The state received $174.6 million in federal funds to assist low-income families for the 2009-2010 winter season and made energy assistance payments on behalf of more than 300,000 households this winter with a combination of both federal and non-federal funding. LIHEAP is a state and federally funded energy assistance program for low-income families that makes heating bill payments on behalf of households. A single-person household can qualify with a monthly income of up to $1,354; a two-person household up to $1,821; and a family of four up to $2,756. Applications were accepted for the LIHEAP summer cooling program between July 19 and July 30, 2010 or until funds are exhausted. Through LIHEAP, utility bill payments are made on behalf of households with incomes of up to 150% of the federal poverty level.

Governor Quinn signed legislation in November 2009 that provides a state backed guarantee supporting construction of energy efficiency projects that will create jobs across Illinois. S.B. 1906 (Public Act 96-0103) clarifies the Illinois Finance Authority’s (IFA) existing bonding authority for renewable energy and clean coal projects. The legislation will allow the state government and the IFA to work in partnership to make up to $3 billion in guaranteed energy project financing available for qualified renewable energy and clean coal efforts as well as a loan guarantee for $225 million for agricultural businesses. It also provided guarantees to back qualified renewable energy projects such as wind, biodiesel or biomass initiatives that are related to agriculture.

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec. North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create...
North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.  

2010: Green Jobs, Energy Efficiency, Green Building, Market-Based Solutions, and Renewable Energy

In January 2010, Governor Quinn announced a $1.7 million state grant for the Illinois Community College Sustainability Network (ICCSN) to expand green education and training throughout the Illinois community college network. Part of the funding will be used to establish Green Jobs Centers at three Illinois campuses.

Guidelines for the ENERGY STAR® Appliance Rebate Program were announced at the end of January 2010 and will be managed by the Midwest Energy Efficiency Alliance (MEEA) on behalf of the Illinois Department of Commerce and Economic Opportunity. Illinois received $12.4 million in ARRA funding to implement the Program, which provides consumers with a point-of-sale rebate on ENERGY STAR® qualified refrigerators, freezers, washers, dishwashers, air conditioners, and water heaters, as well as highly efficient heating and air conditioning systems. The second phase of the Program, running from April 16-25, provides a flat 15% rebate to consumers who purchase energy efficient appliances at participating retail stores. Consumers who turn in their old appliances for recycling will also be eligible for an additional mail-in rebate of $50-$100.

UIUC was the first recipient of a Large Customer Energy Efficiency Grant to help large energy users reduce the amount of energy they expend. The program is one component of Illinois’ Energy Plan, and the UIUC will receive more than $848,000 for a campus-wide energy efficiency initiative that will save $1 million per year in energy costs. The energy-saving measures include energy wheels in several new and renovated buildings, thermal pipe insulation, variable air Volume hoods and controls, heating ventilating and air conditioning controls, exhaust controls, and geothermal systems.

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1402 See id.
1405 Id.
1407 Id.
1408 Id.
Exelon Corporation and Caterpillar joined some of the world’s largest energy corporations as a member of the FutureGen Alliance in the beginning of 2010. FutureGen Alliance is an Illinois based “non-profit membership organization created to benefit the public interest, and the interests of science through research, development and demonstration of near-zero emissions coal technology.” FutureGen is designed to be the cleanest coal-fueled power plant in the world, focused on converting coal into hydrogen and electricity, while capturing and safely storing the carbon dioxide in sandstone formations a mile beneath the site. Construction on the Meredosia power plant and carbon dioxide pipeline and storage facility is schedule to start in the summer of 2014 and the plant is scheduled to begin commercial operations in the fall of 2017.

At the end of March 2010, Ingersoll Machine Tools, Inc. received $5 million “to develop wind energy turbine components and create and retain more than 150 green jobs at its facility in Rockford.” The grant was awarded through the Green Industry Business Development Program, a component of Illinois’ Energy Plan funded by ARRA.

Governor Quinn launched the final phase of Illinois’ ENERGY STAR® Appliance Rebate Program in April 2010 and September 2010. The Program gave a 15% rebate on energy efficient home appliances for qualified refrigerators, freezers, washers, dishwashers, and air conditioners purchased at any of over 600 participating retail stores.

In May 2010, $13.1 million in federal stimulus funds were made available through the Energy Efficiency and Conservation Block Grant (EECBG) Program to help local governments with populations under 35,000 implement energy efficiency and conservation efforts. Each regional agency will provide a local Request for Application (RFA) for the Program. Possible projects include creation of a strategic energy plan, residential and commercial building audits, energy retrofits, or purchasing hybrid, electric or alternative-fueled vehicles.

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1416 Id.
In May 2010, Governor Quinn signed S.B. 3429, which initiates a study of the energy performance of state-owned buildings with hopes of furthering the state’s goal of adopting more comprehensive energy efficiency benchmarks for existing state buildings. The Illinois Energy Efficiency Committee conducted the study, focusing on existing buildings as a place to begin targeting upgrades to improve the efficiency of those buildings.

In June 2010, S&C Electric Company, which is located in Illinois, received a $1 million grant to increase its manufacturing capacity for energy-efficient electrical switching and protection products. The Company’s products will facilitate connection of renewable sources, such as wind to the electric system, and facilitate development of smart grid technologies. In addition, S&C planned to use part of the funding to install a green roof at its facility to reduce annual energy consumption by 474 million BTUs and carbon dioxide emissions by 29 tons.

In August 2010, Governor Quinn announced the completion of new geothermal heating and cooling systems at four Rantoul schools, including Eastlawn Primary Grade Level Center, Pleasant Acres Primary Grade Level Center, Broadmeadow Intermediate Grade Level Center, and Northview Intermediate Grade Level Center. Funded in part through a $480,000 federal stimulus grant, the geothermal systems replaced outdated heating and air conditioning systems. This project resulted in more than 118,000 therms of natural gas being saved, enough to heat approximately 125 homes for a year.

In October 2010, solar panels were installed in the Illinois Executive Mansion as part of the 10/10/10 Global Work Party. It is estimated that the new, one kilowatt solar array will reduce GHG emissions by 30 tons of carbon dioxide over the next 25 years, which is equivalent to approximately 100,000 car miles or the planting of 1,100 trees.

Funk Linko, a Chicago Heights, Illinois manufacturer, received a $5 million federal stimulus grant for retooling the company’s existing steel mill equipment to

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1419 Id.
1421 Id.
1423 Id.

\textbf{2011: Renewable Portfolio Standard, Transportation/Fuels, Green Technology, and Renewable Energy}

On December 22, 2011, Governor Quinn announced that several 25-year contracts for solar and wind energy were formed in order to help Illinois meet its Renewable Portfolio Standard (RPS) guidelines.\footnote{Press Release, Ill. Gov’t News Network, Governor Quinn Announces Long-Term Renewable Energy Agreements to Boost Illinois’ Green Economy (Dec. 22, 2010), http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=3&RecNum=9123} The RPS requires that 25% of the energy supplied to smaller consumers must come from renewable sources by 2025. The winning solar and wind vendors will provide energy to the state’s two major utilities, Ameren and ComEd, which will then redistribute it to consumers throughout the state.\footnote{Id.}

Governor Quinn announced the installation of electric vehicle (EV) charging stations throughout the Chicagoland area in February 2011.\footnote{Press Release, Ill. Gov’t News Network, Governor Quinn Announces Partnership to Boost Sustainability in Illinois (Feb. 18, 2011), http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=3&RecNum=9230} Funding comes partly from ARRA ($1 million) and partly from state capital investment (also $1 million). The project will create eighteen permanent and temporary jobs as part of the “Illinois Jobs Now!” Program, and is expected to result in the largest concentration of DC quick-charge stations in the world. DC quick-charge stations represent a new technology that drastically reduces the amount of time it takes to charge an EV.\footnote{Id.}

That same month, Illinois further aimed to develop its EV infrastructure when Governor Quinn announced a MOU with Mitsubishi Motors North American (MMNA).\footnote{Press Release, Ill. Gov’t News Network, Governor Quinn, Mitsubishi Motors Announce Innovative Partnership to Promote Sustainability (Feb. 4, 2011), http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=3&RecNum=9201} Under the MOU, MMNA will loan a limited number of EVs to Illinois in order to test the EV’s in the state’s fleet and will also provide Illinois with recommendations on adopting EV technology statewide. In addition, Quinn committed to exploring opportunities for joint research and industrial development and to establishing courses on EV technology in community colleges and technical schools.\footnote{Id.} Thanks in large part to these efforts, the all-electric Nissan Leaf was released early in the state.\footnote{Press Release, Ill. Gov’t News Network, Governor Quinn Announces Electric Car Coming to Illinois This Fall (Aug. 25, 2011), http://www.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=18&RecNum=9680.}

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Governor Quinn announced a comprehensive energy plan to invest in renewable energy and energy efficiency in May 2011. The plan aims to advance Illinois’s mandated goal of 25% of energy from renewable sources by 2025. Also in May, the Illinois Energy Now Program announced it would begin accepting applications for projects to be completed between June 1, 2011 and May 15, 2012. The Illinois Energy Now Program provides assistance to communities and public schools to fund energy efficiency projects.

In August 2011, Governor Quinn signed into law two bills, H.B. 1558 and H.B. 1487, creating a council to study offshore wind energy projects in Lake Michigan. Quinn also signed the Higher Education Green Jobs and Technology Act, H.B. 166, which will promote collaboration between the state’s colleges and universities to promote green jobs and industry.

2012: Energy Efficiency, Climate Change MOUs, Market-Based Solutions, and Transportation/Fuels

On March 5, 2012, Illinois issued its first Home Performance ENERGY STAR® certificate to a homeowner in Elmwood Park. The homeowner performed extensive duct-sealing and added additional insulation to the attic and basement, resulting in an approximate savings of 35% or $440 per year.

Also in March 2012, Illinois signed a MOU with several other Great Lakes States and federal agencies regarding offshore wind energy. The MOU requires regulatory
agencies to disclose and share their current regulatory regimes for offshore wind projects to facilitate coordination.  

On March 29, 2012, Governor Quinn announced the availability of “the nation’s largest network of fast-charging EV stations.” As part of the Chicago-Area EV Infrastructure Project, 26 stations had been installed out of a total of 73 planned.

On Earth Day, April 22, 2012, Governor Quinn announced a $300,000 grant to Amtrak to improve the energy efficiency of its train yard in Chicago. The upgrades will help Amtrak save $2 million per year in natural gas costs.

In September 2012, the National Governors Association (NGA) announced a policy academy in coordination with four states (Alabama, Arkansas, Illinois, and Iowa) that will focus on energy efficiency in the industrial sector in order to improve productivity and competitiveness. The Policy Academy on Enhancing Industry Through Energy Efficiency and Combined Heat and Power (CHP) will include two workshops, site visits, expert technical assistance, networking and a grant opportunity to support related activities.

Illinois was one of four states to receive a Best Practices Policy Academy grant from the NGA for CHP. The grant will address ways for nine industrial sectors in Illinois to increase efficiency and CHP.

In November 2012, Illinois instituted the Illinois Building Operator Certification Program that provides returning veterans seeking employment with energy-efficiency installation training, among other opportunities. The Program, led by the Midwest

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1444 Id.
1446 Id.
1448 Id.
1450 Id.
1452 Id.
Energy Efficiency Alliance, will result in an estimated average savings of 181,000 kWh and 557 therms per year.\textsuperscript{1454}

\textbf{2013: Green Building}

The United States Green Building Council ranked Illinois fourth in the nation in its January 30, 2013 Green Building Survey.\textsuperscript{1455} Illinois certified 156 LEED projects in 2012 as part of the state’s ongoing commitment to energy efficiency.

\textbf{INDIANA}

\textbf{2002: Fuels}

In 2002, Indiana established the Center for Coal Technology Research to develop methods of coal use and extraction that are not detrimental to the environment.\textsuperscript{1456} The Center investigates methods to limit environmentally harmful emissions from coal extraction facilities.\textsuperscript{1457}

\textbf{2004: Market-Based Solutions}

In 2004, Indiana’s Utility Regulatory Commission established a set of rules requiring utilities to provide net metering to residents and K-12 schools with renewable power systems.\textsuperscript{1458} Net-metered systems must comply with Indiana’s interconnection rules established in 2005, which require Indiana’s investor-owned utilities to provide three levels of interconnection to customer-generators.\textsuperscript{1459}

\textbf{2007: Climate Change Agreements}

Indiana signed the Midwestern Greenhouse Gas Reduction Accord (MGGRA) as an observer in 2007.\textsuperscript{1460} The MGGRA was a “commitment by the governors of six Midwestern states and the premier of one Canadian province to reduce greenhouse gas (GHG) emissions through a regional cap-and-trade program and other complementary policy measures.”\textsuperscript{1461}


On March 12, 2009, the U.S. Department of Energy (DOE) announced that Indiana is eligible for $68,621,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).1462

The next week, Governor Daniels announced that Indiana would submit its plan to the federal government to use $132 million in federal stimulus funding to implement energy conservation measures.1463 This plan proposes aiding 30,000 low-income homes through the state’s Energy Assistance Program. Through this Program, Indiana will expend up to $5,000 per household on energy audits and the installation of necessary, energy saving equipment.

Governor Daniels declared April 13-18, 2009 “Indiana Wind Energy Week.”1464 This declaration was prompted by the groundbreaking of two new wind farms during that week as well as the American Wind Energy Association’s announcement that Indiana is the fastest-growing state for wind energy development. The new wind farms will produce 306 megawatts (MW) of wind energy, increasing the state’s commercially available wind energy to 836 MW by the end of 2009.

Governor Daniels joined seven other Midwest states in signing a memorandum of understanding (MOU) to coordinate ARRA applications and advocacy for high-speed rail.1465 Indiana also received $132 million in ARRA funding for energy conservation projects in August 2009.1466 While in China meeting with government officials in September, Daniels discussed his state’s current sustainable efforts and his desire to create more jobs in the green collar economy.1467

2010: Climate Change Adaptation and Energy Efficiency

In June 2010, Governor Daniels announced a major land conservation initiative whereby the state will begin to acquire 43,000 acres located in the flood plain of the

Another major land conservation project targets more than 25,600 acres along the Muscatatuck River, which contains the largest, least-fragmented complex of bottomland forest remaining in Indiana including several species of oak, hickory, and sweet gum. Indiana used $21.5 million from the Lifetime License Trust Fund, a state trust fund dedicated to conservation purposes, and $10 million from the U.S. Fish & Wildlife Service to begin the acquisitions. The initiatives’ key objectives are to: design an effective model for sustainability of natural resources by connecting fragmented parcels of public land; restore and enhance riparian corridors; protect essential habitat for threatened and endangered species; open public access for recreational opportunities; preserve significant rest areas for migratory birds, especially waterfowl; create a regionally significant conservation destination; and provide additional flood relief to current riparian landowners.

In December 2010 four community projects were selected to receive $100,000 each as part of Indiana’s Community Conservation Challenge. The grants are geared toward energy efficiency projects that have a community-wide impact.

2011: Energy Efficiency

In October 2011, Indiana introduced Energy Action in Schools, a program administered by the National Energy Foundation, to help schools reduce energy usage and cut costs. The program begins with an energy audit of each participating school, after which “Energy Action Patrols” monitor usage and make recommendations for further energy usage reduction.
In April 2011, the state government announced that Indiana cities and counties would also benefit from an energy efficiency program. The DOE’s Energy Efficiency and Conservation Block Grant Program (EECGB) will provide funding for energy audits and developing energy plans for cities below 35,000 and counties below 200,000 in population. After the energy plans are completed, the Program will also assist with setting up community meetings in order to raise awareness about increasing energy efficiency in the communities.

IOWA

1990: Renewable Energy

In 1990 the Iowa Energy Center was created. The Center provides grants for research on renewable energy and energy efficiency by colleges, non-profit groups, and other institutions. The Energy Center also administers the Alternate Energy Revolving Loan Program, providing loans to people and businesses seeking to construct renewable energy generators in Iowa. The Program offers half of each loan at no interest for twenty years.

1996: Climate Change Agreements

The University of Iowa completed a climate change action plan for the state in December 1996. The plan is built on a variety of energy efficiency programs and renewable energy initiatives.

2004: Renewable Energy and Fuels

Since 2004, Iowa has required its electric utilities to provide their customers with annual reports on the percentage mix of fuel used in electric generation. Each utility must also estimate the amount of sulfur dioxide, nitrogen oxides, and carbon-dioxide emissions that its generation facilities produce. Also since 2004, Iowa has required its utilities to provide their customers with the option of contributing money to support the development of renewable power sources.

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1475 Id.
1476 IOWA CODE ANN. § 266.39C (West 2011).
1477 Id. § 266.39C.
1478 Id. § 476.46.
1479 Id.
1482 Id.
1483 IOWA CODE ANN. § 476.47 (West 2001).
2005: Renewable Energy

In April 2005, Governor Vilsack introduced Executive Order (EO) 41, mandating that Iowa’s agencies rely on renewable energy for at least 10% of their power. The EO also requires that the following be achieved by 2010: (1) state agencies must reduce their energy use by 15% from the level it was in 2000; (2) all state-owned automobiles other than heavy trucks and law-enforcement vehicles must be either hybrid-electric or use alternative fuels; and (3) any bulk diesel fuel purchased by the state must be 20% renewable.

Iowa provides several tax incentives to promote renewable power sources. In June 2005, the state began offering energy providers production tax credits of 1.5¢ for every kilowatt-hour of renewable power sold to their customers. Energy providers may apply the credit toward the personal income tax, sales tax, use tax, business tax, or financial institutions tax. Iowa also exempts energy generated by wind power from the replacement generation tax. Under the same law, operators of hydropower generators that produce at least 100 megawatt-hours of energy pay a reduced replacement generation tax of $0.000001847 instead of the usual $0.0006 for every kilowatt-hour.

2006: Fuels

In 2006 Iowa enacted a series of laws related to energy. The first law provides a 25¢ per gallon tax break for using 85% ethanol fuel (E-85). House File (HF) 2759 requires 25% of the petroleum used in the formulation of gasoline be replaced by biofuel by 2020. Senate File (SF) 2398 has a sales tax exemption for the purchase of solar power equipment. SF 2399 implemented a renewable energy tax credit.

2007: Greenhouse Gas Reduction and Climate Change Agreements

In April 2007, Governor Culver created the Iowa Climate Change Advisory Council by signing SF 485 into law. This Council will identify the best strategies for reducing greenhouse gas (GHG) emissions. In addition, the law enables GHG emissions data to be collected by licensing electric power generating facilities and reporting by GHG producers.
On November 15, 2007, Governor Culver joined the governors of Illinois, Kansas, Michigan, Minnesota, and Wisconsin, as well as the Premier of the Canadian Province of Manitoba, in signing and establishing the Midwestern Greenhouse Gas Reduction Accord (MGGRA) to reduce GHG emissions and achieve energy security.\(^{1497}\) Signed at the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, the Accord will establish GHG emission targets, including a 60 to 80% reduction in emissions, create a market-based, multi-sector cap-and-trade system, and create a tracking and crediting system.\(^{1498}\) The MGGRA’s final model rule was released in April 2010; however, although the MGGRA has not been formally suspended, participating states are no longer formally pursuing it.\(^{1499}\)

Also at the Summit, Iowa, Illinois, Kansas, Michigan, Minnesota, Wisconsin, Nebraska, and North Dakota, adopted an Energy Security and Climate Stewardship Platform.\(^{1500}\) The Platform’s goals for the Midwest include promoting energy efficiency, advances in biobased products, electricity production from renewables, advanced coal, and carbon capture and storage.\(^{1501}\) Platform members also signed cooperative regional initiatives that will work to create a Carbon Management Infrastructure Partnership, a bioproduct procurement program, electricity transmission adequacy for new wind energy, renewable fuels corridors, advanced bioenergy permitting, and low-carbon energy transmission infrastructure.\(^{1502}\)


On February 21, 2008, Governor Culver signed EO 6, establishing a new “green government” initiative.\(^{1503}\) The initiative set goals to improve energy efficiency in the areas of buildings, materials, and biofuels, and establishes separate task forces to address these issues.\(^{1504}\) The EO called for each executive branch agency to appoint a coordinator to support the effort.\(^{1505}\)

In May 2008, Governor Culver signed SF 2405 into law. It encourages banks to
invest in wind energy by expanding the Wind Production Tax Credit to 2012. It encourages consumers to use wind energy by allowing both individuals and businesses to take advantage of the credit.

Also in May 2008, Governor Culver signed legislation requiring utilities to set energy efficiency goals. SF 2386 establishes a two-year Commission on Energy Efficiency Standards and Practices within the Department of Public Safety, which is tasked with developing energy standards for construction projects and creating an energy efficiency rating program. It requires the Iowa Utilities Board to report energy efficiencies for gas and electric utilities to the General Assembly. The law also requires electric utilities to establish energy efficiency goals, report on progress, and review the most cost-effective means for renewable energy generation by 2025.

In May 2008, Governor Culver signed legislation that changed parts of the Iowa Renewable Fuels Infrastructure Program to expand renewable fuel infrastructure and access to renewable fuels. This included increasing funding for biodiesel terminals and encouraging state and local government fleets to use biodiesel when commercially available.

On November 14, 2008, Iowa was one of seven states chosen by the National Governors Association (NGA) Center for Best Practices to participate in its Policy Academy aimed at the development of planning and implementation strategies for increased energy efficiency in Iowa’s public and private buildings.

On December 23, 2008, the Iowa Climate Change Advisory Commission (ICCAC) issued its final report. The ICCAC proposed two GHG reduction scenarios and 56 policy options chosen from a study of 300. The GHG reduction scenarios are: 50% cutback from 2005 emissions by 2050, with interim goals of 1% by 2012 and 11% by 2020; and 90% cutback from 2005 emissions by 2050, with interim goals of 3% by

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1507 Id.
1509 Id.
1511 Id.
1515 Id.
2012 and 22% by 2020.\textsuperscript{1516} The ICCAC projected that attainment of the more aggressive 90\% cutback goal is possible if all 56 policy options recommended are adopted.\textsuperscript{1517}

**2009: Climate Change Agreements, Renewable Energy, Cap-and-Trade, Green Building, Green Jobs, American Recovery & Reinvestment Act (ARRA), and Fuels**

In January 2009, the advisory group to the Midwestern Greenhouse Gas Reduction Accord (MGGRA) released preliminary trade design recommendations.\textsuperscript{1518} The group recommended that carbon dioxide, nitrous oxide, hydro-fluorocarbon, perfluorocarbon, and sulfur hexafluoride emissions be reduced 15 to 25\% below 2005 levels by 2020 and 60 to 80\% below 2005 levels by 2050. It also recommended that the following sources be subject to these reductions: power plants, industrial facilities, industrial combustion sources, industrial process sources, and transportation fuels.\textsuperscript{1519} It further recommended that an offset component be incorporated in the program and that allowance value be used only for climate-related purposes by participating states.\textsuperscript{1520} However, the group refused to comment on whether allowances should be auctioned or allocated, maintaining that this decision must be made by each state.\textsuperscript{1521}

The American Wind Energy Association report released in late January 2009 ranked Iowa as second in the nation in wind energy capacity.\textsuperscript{1522} At that time, with an installed capacity of 2,700 megawatts (MW), Iowa surpassed California’s wind energy production and generated enough wind energy to power 825,000 homes.\textsuperscript{1523} In April 2010, Governor Culver announced that the American Wind Energy Association’s report for 2009 shows that Iowa led the nation in percentage of wind energy generation in 2009.\textsuperscript{1524} In 2009 the state generated 14\% of its electricity using wind energy.\textsuperscript{1525}

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\textsuperscript{1516} Id.
\textsuperscript{1517} Id.
\textsuperscript{1520} Id. at 3.
\textsuperscript{1521} Id.
\textsuperscript{1523} Id.
\textsuperscript{1525} Id.
On March 12, 2009, the U.S. Department of Energy (DOE) announced that Iowa was eligible for $40,546,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).\footnote{U.S. DEP’T OF ENERGY, NAT’L ENERGY TECH. LAB., STATE ENERGY PROGRAM FORMULA GRANTS, at 44 (Apr. 24, 2009), \url{http://www1.eere.energy.gov/wip/pdfs/sep_arra_foa.pdf}.}


In May 2009, Governor Culver continued to promote the state’s growing wind energy industry.\footnote{Press Release, Office of the Governor, Governor Culver Promotes Iowa’s Booming Wind Industry at World’s Largest Wind Industry Event (May 4, 2009), \url{http://web.archive.org/web/20090507005101/http://www.governor.iowa.gov/news/2009/05/4_3.php}.} At the American Wind Energy Association 2009 WINDPOWER conference held in Chicago, Culver led a round table discussion with the governors of Ohio, Wisconsin, and Michigan on the future of the Governor’s Wind Energy Coalition.\footnote{Id.} Culver spoke of the passage of recent legislation that promotes the expansion of the Iowa’s wind energy and the creation of “more than 2300 green-collar jobs” related to wind energy.\footnote{Id.} In a speech at the conference, he pushed for national “Renewable Energy Standard” (RES) legislation that will facilitate “markets for Midwestern wind energy projects and . . . ensure the long-term growth of the wind industry nationwide.”\footnote{Id.} Culver continued to promote both the wind industry and push for a federal RES while meeting with Senate Majority Leader Harry Reid in Washington, D.C. in early June 2009.\footnote{Id.}

Governor Culver also signed an agreement to support federal climate change legislation in May with a coalition of governors.\footnote{Press Release, Office of the Governor, Governor Culver Calls on Congress, Administration to Increase Wind Energy Use and Production (May 5, 2009), \url{http://web.archive.org/web/20090506233506/http://www.governor.iowa.gov/news/2009/05/5_2.php}.} The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\footnote{Press Release, Office of the Governor, Governor Culver Travels to Discuss Jobs, Economy, Alternative Energy (June 1, 2009), \url{http://web.archive.org/web/20090922143633/http://www.governor.iowa.gov/news/2009/06/1_1.php}.}

Governor Culver ended May 2009 by signing state wind energy related legislation, including a bill appropriating $1 million to create a “community energy efficiency grant program,” and another bill creating “small wind innovation zones, allowing small wind energy producers access to state wind production tax credits.”

On June 22, 2009, the federal government recognized Iowa’s burgeoning renewable industry and presented the state with $16 million in ARRA funds for further expansion of its renewable energy initiatives. The funds from ARRA’s State Energy Program will be used to “help finance energy improvements for public facilities; provide low-interest loans for the commercial and agricultural sectors, as well as non-profit agencies; support technology demonstrations and innovative projects; and fund training programs to quickly expand energy efficiency and renewable energy efforts.”

In June 2009, the MGGRA advisory group released its final recommendations for a regional cap-and-trade program to the participating governors. The committee advised that a federal program is preferable to a regional one, but MGGRA should continue developing a program until federal legislation passes. The advisory group recommended targets of 18 to 20% below 2005 emissions levels by 2020 and 80% below by 2050. On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the Western Climate Initiative (WCI), and the MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade legislation.


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1539 Id.


1541 Id.


1544 Id.
Iowa’s renewable energy strides have been recognized by other states. In July 2009, Governor Culver was invited to Alaska to give the keynote address at renewable energy fair sponsored by the Renewable Energy Alaska Project (REAP). Later that week, Culver returned to Iowa and toured two renewable energy projects, a solar project at Iowa State University and Crane Creek Wind Farm.

On August 20, 2009, Governor Culver participated in a groundbreaking ceremony for a green building that will house the Iowa Utilities Board and the Office of the Consumer Advocate. The new building “will use 63% less energy than a typical office.” This building is the first state building in Iowa to receive the LEED Platinum designation. That same day, Culver demonstrated Iowa’s commitment to green job creation with the issuance of EO 16, creating the Iowa Green Jobs Task Force.

On August 27, 2009, Governor Culver announced that Iowa’s Office of Energy Independence has received grant applications totaling $65 million for energy projects under federal ARRA funding. Proposals were received from private, public and non-profit sectors and would “bring in more than $236 million in matching funds and support for additional ‘green jobs’ in Iowa.”

In October 2009, the Midwestern Governor’s Association, in which Iowa participates, issued the report, Midwestern Energy Infrastructure Accord, which includes “agreements by Midwestern governors to expand transmission capacity, adopt smart grid technologies, build new pipelines for biofuels and for the capture and storage of carbon

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1548 Id.


1552 Id.
dioxide, and deploy a refueling system for biofuels and other low-carbon transportation fuels. The report set renewable energy goals for the nine participating states at 10% by 2015 and 30% by 2030. The Accord focuses on developing smart grid, carbon capture and sequestration, and biofuels in the Midwest.

In November 2009, Iowa received $1.1 million in ARRA funding to study the green jobs market. The funds will be used to investigate the labor and supply needed for creating a green economy.

In December 2009, Governor Culver praised the EPA on its announcement that it will likely approve an E15 waiver permitting the use of higher ethanol blends in fuel for automobiles.

In 2009, the Iowa General Assembly established the Iowa Power Fund Community Grants Program (PFCG), which is funded by 4% of the Iowa Power Fund’s annual appropriation. Under the PFCG, cities, counties and non-profit organizations receive funding to develop local programs to save energy. Since the Program’s inception, the Iowa Power Fund has distributed more than $50 million in grants to 39 projects, and an additional $700,000 has been made available in PFCG funding through May 2011.

2010: Energy Efficiency and Market-Based Solutions

In March 2010, Governor Culver applauded an energy plan submitted by the Iowa Department of Administrative Services (DAS) that will install energy efficiency equipment throughout the state capital complex and save the government over $300,000 in energy costs.

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1556 Id.
1559 Id.
In May 2010, the Iowa Office of Energy Independence made additional ARRA funds available through the Energy Efficiency and Conservation Block Grants (EECBG). Any city or county within Iowa that has not received direct funding from the federal government through EECBG may apply for a grant to create and implement strategies relating to reducing fossil fuel use and overall energy use, increasing energy efficiency, and creating green jobs.


In January 2011, the Iowa Power Fund Board (IPFB) and DuPont Danisco Cellulosic Ethanol (DDCE) companies agreed to start contract negotiations for a cellulosic ethanol plant to be constructed in Iowa. The plant, which will be one of the first in the nation, is expected to be capable of producing 25 million gallons of cellulosic ethanol per year, using corn stover. The project will cost a total of $235 million, with $9 million coming from the IPFB and the remaining $226 million from DDCE. It is expected to be completed by March 2014.

In June 2011, the Iowa Power Fund Board (IPBC) awarded over $4 million to three companies and the University of Northern Iowa for solar and ethanol research and development, and biofuel research using prairie species and farm waste. In July, the

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1563 Id.
1566 Id.
1567 Id.
IPBC awarded $2.2 million to Clipper Windpower to develop a prototype turbine designed for sites with low wind speeds.\textsuperscript{1570}

In November 2011, Governor Branstad co-authored a letter with Rhode Island Governor Chafee to Senate Majority Leader Reid, Senate Minority Leader McConnell, Speaker of the House Boehner, and House Minority Leader Pelosi advocating extension of the wind energy production tax credit.\textsuperscript{1571}

In September 2012, the NGA announced it will coordinate with four states, Alabama, Arkansas, Illinois, and Iowa, in a policy academy that will focus on energy efficiency in the industrial sector in order to improve productivity and competitiveness.\textsuperscript{1572} The Policy Academy on Enhancing Industry Through Energy Efficiency and Combined Heat and Power will include two workshops, site visits, expert technical assistance, networking and a grant opportunity to support related activities.\textsuperscript{1573}

\textbf{2013: Renewable Energy and Greenhouse Gas Reduction}

On May 8, 2013 MidAmerican Energy Company announced its plans to “add up to 1,050 megawatts of wind generation, consisting of up to 656 new wind turbines, in Iowa by year-end 2015.”\textsuperscript{1574} The proposed wind expansion will help reduce future rates to Iowans by as much as $10 million per year and it will reduce MidAmerican’s carbon footprint by 10.3%.

On December 19, 2013 the Iowa Department of Natural Resources commented on their legislatively mandated 2012 Iowa Greenhouse Gas Inventory Report, which stated that the State’s GHG emissions decreased 3.27% from 2011 levels, but still remained 8.30% above 2005 levels.\textsuperscript{1575} The report additionally found that “the percentage of electricity generated in Iowa from coal decreased from 78 percent in 2005 to 63 percent in 2012. The percentage generated from wind increased from 4 percent to 25 percent in the same period.”\textsuperscript{1576}

\textbf{KANSAS}

\begin{thebibliography}{99}
\bibitem{1573} Id.
\bibitem{1576} Id.
\end{thebibliography}
1999: Renewable Energy

Kansas offers three major incentives designed to promote renewable energy. First, since January 1, 1999, Kansas has provided property tax exemptions for qualifying renewable energy equipment regularly and predominantly used as electric generators. Second, since July 1, 2003, the Interconnection Standards Law has permitted renewable energy sites producing power measured at 25 kilowatts (residential) or 100 kilowatts (commercial) to link with the utility grid.

2000: Energy Efficiency

The Kansas Energy Office offers a Facility Conservation Improvement Program, which began in 2000, where state agencies can partner with energy companies to implement energy-saving strategies. Interested parties enter into a contract for private funding for a project, and that private company guarantees that energy savings will meet or exceed the costs of the project, which normally takes between ten to fifteen years. If the cost of the improvement is not recovered by this time, the participating energy company would be responsible for the remainder.


There was serious and heated debate in 2007 and 2008 regarding coal-fired power plants in Kansas. Under H.B. 2412, which was introduced into the House in February 2007, the legislature attempted to expand a coal generating station in western Kansas by adding two new coal-fired units. However, Governor Sebelius vetoed this Bill for the third time in May 2008. In October 2007, the Secretary of the Kansas Department of Health and Environment had denied a permit to Sunflower Electric Power Corporation to build the new 700 megawatt (MW) coal-fired power plants, concluding that they would create too much carbon dioxide.

In March 2007, Governor Sebelius signed House Bill (H.B.) 2419, which grants tax breaks for five years for new property used for carbon dioxide capture and sequestration, electricity-generating units that sequester carbon emissions, machinery that captures carbon and converts it into new products, carbon dioxide injection wells, and equipment that recovers carbon dioxide from sequestration. The Bill also permits

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1578 Id. § 66-1,184.
1580 Id.
qualified property to depreciate over ten years for income tax purposes.\textsuperscript{1584}

In April 2007, Governor Sebelius signed H.B. 2038, which created tax credits and exemptions for new renewable energy production equipment purchased between 2007 and 2011 and used for at least ten years.\textsuperscript{1585} These credits and exemptions included: a tax credit for purchases of biofuel blending and storage equipment; a tax deduction for depreciation of the eligible equipment; a tax credit for facilities that generate electricity from renewables for industrial, commercial, and agricultural uses; a tax exemption for facilities that recover waste-heat; a tax credit for new cellulosic alcohol production facilities that produce at least 500,000 gallons per year; and a tax exemption for new nuclear power facilities located within three miles of existing facilities.\textsuperscript{1586} In addition, the Bill repealed tax credits for new oil refineries, pipelines, and coal gasification plants beginning in 2010.\textsuperscript{1587}

In May 2007, Kansas and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{1588}

On November 15, 2007, Governor Sebelius joined the governors of Illinois, Iowa, Michigan, Minnesota, and Wisconsin as well as the Premier of the Canadian Province of Manitoba in signing and establishing the Midwestern Regional Greenhouse Gas Reduction Accord (MGGRA) in order to reduce greenhouse gas (GHG) emissions and achieve energy security.\textsuperscript{1589} Signed at the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, the Accord established GHG emission targets, including a 60 to 80% reduction in emissions, created a market-based, multi-sector cap-and-trade system, and created a tracking and crediting system.\textsuperscript{1590} The MGGRA’s final model rule was released in April 2010; however, although the MGGRA has not been formally suspended, participating states are no longer formally pursuing it.\textsuperscript{1591}

\textsuperscript{1584} Id.
\textsuperscript{1586} Id.
\textsuperscript{1587} Id.
\textsuperscript{1590} Id.
Also at the Summit, Kansas, Illinois, Iowa, Michigan, Minnesota, Wisconsin, Nebraska, and North Dakota adopted an Energy Security and Climate Stewardship Platform.\textsuperscript{1592} The platform’s goals for the Midwest region include promoting energy efficiency, advances in biobased products, electricity production from renewables, and advances in coal and carbon capture and storage.\textsuperscript{1593} Platform members also signed cooperative regional initiatives that will create a Carbon Management Infrastructure Partnership, a bioproduct procurement program, electricity transmission adequacy for new wind energy, renewable fuels corridors, advanced bioenergy permitting, and low-carbon energy transmission infrastructure.\textsuperscript{1594}

**2008: Renewable Energy and Greenhouse Gas Reduction**

On January 7, 2008, Governor Sebelius signed Executive Order (EO) 08-01, establishing the Governor’s Wind Working Group.\textsuperscript{1595} The Group educates stakeholders with current information on wind energy markets, technologies, economics, policies, prospects and issues.\textsuperscript{1596} In addition, on March 21, 2008, Sebelius signed EO 08-03, which established the Kansas Energy and Environmental Policy Advisory Group.\textsuperscript{1597} The 25-member Advisory Group recommends steps that the state can take to reduce GHG emissions, as well as proposes a timetable for implementation of the recommendations.\textsuperscript{1598}

In a letter to state lawmakers dated January 31, 2008, Governor Sebelius detailed the rejection of a compromise plan between her administration and energy companies, Sunflower Electric and Midwest Energy.\textsuperscript{1599} In response to Sunflower’s permit applications for two 700 MW coal-fired power plants, the state had offered a compromise plan permitting a smaller plant, and requiring, among other things, carbon sequestration technology, 20% wind power, net metering and 100 MW energy efficiency.\textsuperscript{1600}

Governor Sebelius also addressed identical energy bills, Senate Bill (S.B.) 515 and H.B. 2711, proposed in the state Senate and House of Representatives.\textsuperscript{1601}
Sebelius encouraged the portions of the Bill that would support her 2007 directive to increase state vehicle fuel economy, purchase equipment meeting start energy efficiency standards, and promote net metering. She expressed her disapproval of bills that would result in a lack of a permitting for coal power plants, a carbon emissions offset act, prohibitions against state action in the face of federal inaction, as well as portions that restrict the Secretary of the Department of Environment from requiring standards more stringent than federal requirements for coal power plants.

In July 2008, Kansas and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards are designed to help develop greater energy efficiency, conservation, and clean energy resources.

On November 20, 2008, Governor Sebelius and four other governors co-hosted the first Governor’s Global Climate Summit. Sebelius shared Kansas’s advancements in wind energy and ethanol production at the event, which included leaders from North America, the European Union, the United Nations, the United Kingdom, India, Indonesia, and Brazil.

On December 31, 2008, Governor Sebelius signed EO 08-13 dissolving the Kansas Energy Council (KEC). She noted the individual energy focus groups, such as the Kansas Electric Transmission Authority and Kansas Wind Working Group, will be able to build and expand on the foundation established by KEC to work toward a “clean energy future.”

2009: Climate Change Agreements, American Recovery & Reinvestment Act (ARRA), Green Jobs, and Renewable Energy


Governors Sebelius and Schwarzenegger Host Climate Summit, PROJECT VOTE SMART (Nov. 20, 2008), https://votesmart.org/public-statement/398399/ (original press release not found).

In January 2009, the advisory group to the MGGRA released preliminary trade design recommendations. The group recommended that carbon dioxide, nitrous oxide, hydro-fluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions be reduced 15 to 25% below 2005 levels by 2020 and 60 to 80% below 2005 levels by 2050. It also recommended that the following sources be subject to these reductions: power plants, industrial facilities, industrial combustion sources, industrial process sources, and transportation fuels. It recommended that an offset component be incorporated in the program and that allowance value be used only for climate-related purposes by participating states. However, the group refused to comment on whether allowances should be auctioned or allocated, maintaining that this decision must be made by each state.

In January 2009, Governor Sebelius and eleven other governors signed a letter to President Obama, urging him to form a strong state-federal partnership in administering and initiating a national climate change program. This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believe that their states have played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.” The letter also contains suggestions for how a national climate change program should be implemented. One of these suggestions is for the national government to recognize the private investments that have been made in current cap-and-trade programs and to preserve the clean energy plans that are funded by the proceeds from these programs.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Kansas is eligible for $38,284,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).

On April 6, 2009, Governor Sebelius signed S.B. 108 modifying the Kansas Economic Revitalization and Reinvestment Act. The modification provided

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1614 Id. at 3.
1615 Id.
1616 Letter from Arnold Schwarzenegger, Governor of Cal., M. Jodi Rell, Governor of Conn., Charlie Crist, Governor of Fla., Kathleen Sebelius, Governor of Kan., Martin O’Malley, Governor of Md., Deval Patrick, Governor of Mass., John S. Corzine, Governor of N.J., Bill Richardson, Governor of N.M., David Paterson, Governor of N.Y., Theodore R. Kulongoski, Governor of Or., Christine O. Gregoire, Governor of Wash., Jim Doyle, Governor of Wis., to Barack Obama, President of the United States of America (Jan. 29, 2009), http://web.archive.org/web/20090214185812/http://www.wisgov.state.wi.us/docview.asp?docid=15821.
1617 Id. at 1.
1618 Id. at 2.
incentives for wind and solar energy projects with a minimum of $30 million invested in Kansas.\textsuperscript{1621}

In May 2009, Governor Parkinson signed an agreement with the other governors that comprise the Governor’s Energy and Climate Coalition to support federal climate change legislation.\textsuperscript{1622} The agreement contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\textsuperscript{1623}

According to The Pew Charitable Trust’s June 2009 Clean Energy Economy Fact Sheet for Kansas, the state’s clean energy economy grew by 8,017 jobs and 591 businesses from 1998 to 2007.\textsuperscript{1624} Between 2006 and 2009, Kansas attracted over $13 million in capital investment in clean energy.\textsuperscript{1625}

In June 2009, the MGGRA advisory group, in which Kansas participates, released its final recommendations for a regional cap-and-trade program to the participating governors.\textsuperscript{1626} The committee advised that a federal program is preferable to a regional one but that MGGRA should continue developing a program until federal legislation passes. The advisory group recommended targets of 18 to 20\% below 2005 emissions levels by 2020 and 80\% below by 2050.\textsuperscript{1627} On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the Western Climate Initiative (WCI), and MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.\textsuperscript{1628}

In October 2009, Governor Parkinson sent a letter to the board of directors of Southwest Power Pool (SPP) urging that they prioritize reinstating the V-Plan.
transmission venture.\textsuperscript{1629} The V-Plan is a 200-mile transmission linkage between the eastern and western portions of the state that would enable increased utilization of the state’s wind energy potential.\textsuperscript{1630} Subsequently, on October 27, 2009, SPP’s board issued a statement that it had decided to reinstate the V-Plan project.\textsuperscript{1631}

That same month, the Midwestern Governors Association, in which Kansas participates, issued the Midwestern Energy Infrastructure Accord, which includes “agreements by Midwestern governors to expand transmission capacity, adopt smart grid technologies, build new pipelines for biofuels and for the capture and storage of carbon dioxide, and deploy a refueling system for biofuels and other low-carbon transportation fuels.”\textsuperscript{1632} The report set renewable energy goals at 10\% by 2015 and 30\% by 2030.\textsuperscript{1633}

2010: Renewable Energy and Energy Efficiency

In April 2010, the Southwest Power Pool board filed approved tariff language with the Federal Energy Regulatory Commission (FERC), bringing Kansas one step closer to building a transmission project to expand the regional transmission electric grid that will harness wind energy and serve as a critical connection in future transmission of renewable energy throughout the Midwest.\textsuperscript{1634}

The Kansas Geological Survey is a partner of the Southwest Partnership on Carbon Sequestration (SPCS) with eight other Southwest states.\textsuperscript{1635} The SPCS is comprised of numerous state agencies, private companies, non-profit organizations and universities, and is charged with evaluating the possibilities for carbon sequestration in the Southwest.\textsuperscript{1636} The project is organized under the DOE’s Regional Carbon Sequestration Partnerships and is currently in its “deployment” phase, during which carbon sequestration technologies that have been identified as viable options will be tested on a large scale in the Southwest states including Kansas.\textsuperscript{1637}

\begin{footnotesize}
\begin{enumerate}
\item Id.
\item Id.
\item Id.
\item Id.
\end{enumerate}
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In August 2010, Kansas launched an Energy Manager Grant Program with $1.7 million of ARRA funds. Through the Program, ten coalitions of local governments hired “energy managers” for two-year terms. The managers are responsible for developing short and long-term plans for the local governments to reduce their energy use and increase their energy efficiency.

Governor Parkinson signed EO 10-13 in October 2010, creating the Kansas Interagency Working Group for Wind Energy, which will facilitate interagency communication and coordination in order to expand wind energy facilities in Kansas.

**2011: Energy Efficiency and Renewable Energy**

Kansas introduced a statewide competition in January 2011, the *Take Charge! Challenge*, which awarded $100,000 to the four cities that engineer the greatest energy savings between January and September 2011. One city from each of four competition zones will be selected as a winner. The cities will be judged on energy audits and completed projects, conversion to energy-efficient light bulbs, and community outreach and education.

Governor Brownback showcased his commitment to investment in wind energy infrastructure when he announced a road map for wind energy development in Kansas that promoted wind energy development while protecting the “Tallgrass Heartland” in May 2011. He reiterated his support at the Heartland Transmission Conference in August 2011.

On February 15, 2012, Governor Brownback highlighted the growing role of wind energy in Kansas’s economy. He cited a study by the American Wind Energy Association, which found that in 2012 Kansas lead the nation in the number of wind turbines under construction.

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1639 *Id.*
1643 *Id.*
1644 *Id.*
2013: Energy Efficiency

On November 6, 2013 the American Council for an Energy-Efficient Economy (ACEEE) released their 2013 State Energy Efficiency Scorecard where Kansas was listed as one of the five most improved states as it improved its score to 39th, up from 43rd in 2012 and 48th in 2011.\(^\text{1647}\)

KENTUCKY

1998: Climate Change Agreements

In 1998, Kentucky completed a climate change action plan with funds provided by the U.S. EPA.\(^\text{1648}\) In the same year, Kentucky passed a statute forbidding the state cabinet from promulgating emission-reduction regulations established by the Kyoto Protocol without legislative or federal authority.\(^\text{1649}\)

2004: Market-Based Solutions

In 2004, Kentucky enacted a statute requiring all of the state’s rural electric cooperatives and investor-owned utilities to provide net metering to customers with solar power generators producing at most 15 kilowatts of energy.\(^\text{1650}\)

2007: Green Technology

The Kentucky General Assembly passed House Bill (H.B.) 1 in a 2007 special session.\(^\text{1651}\) The Bill authorized funding for research by the Kentucky Geological Survey in the areas of carbon dioxide enhanced oil and gas recovery as well as permanent geologic storage of carbon dioxide.\(^\text{1652}\) The Bill also created the Kentucky Consortium for Carbon Storage, which seeks to encourage the Geological Survey to partner with industry and share research costs.\(^\text{1653}\)

2008: Renewable Energy and Transportation

On March 12, 2008, Governor Beshear announced the launch of Kentucky New Energy Ventures, a state program that administers $5 million in public funds for

\(^{1650}\) Id. §§ 278.465-.468.
\(^{1652}\) Id.
\(^{1653}\) Id.
investment in renewable and alternative energy companies.\footnote{Press Release, Governor of Kentucky, Kentucky Launches New Fund to Invest in Companies Developing Renewable and Alternative Energy Technologies (Mar. 12, 2008), http://web.archive.org/web/20090408203227/http://www.governor.ky.gov/pressrelease.htm?PostingGUID={9463C35F-CA73-4CEA-A279-B95902DABDD2}.} The program, created under H.B. 1 in 2007, is designed to grow Kentucky-based alternative fuel and renewable energy companies; stimulate private investment; expand the alternative fuel and renewable energy knowledge base, talent force and industry; develop a resource network to build the technical and business capacity of entrepreneurs; and build statewide awareness of the economic development opportunities offered by Kentucky’s alternative fuel and renewable energy industries.\footnote{Id.}

In support of these industries, Governor Beshear released an energy plan on November 20, 2008, entitled \textit{Intelligent Energy Choices for Kentucky’s Future}.\footnote{Press Release, Governor of Kentucky, Governor Beshear Releases First-ever Comprehensive Energy Plan (Nov. 20, 2008), http://web.archive.org/web/20111202093031/http://www.governor.ky.gov/pressrelease.htm?PostingGUID=%7B3CCA56DD-7541-4A32-AD02-E1D6B07CC53%7D.} The plan contains seven strategies for achieving energy independence: “(1) Improve the Energy Efficiency of Kentucky’s Homes, Buildings, Industries, and Transportation Fleet; (2) Increase Kentucky’s Use of Renewable Energy; (3) Sustainably Grow Kentucky’s Generation of Biofuels; (4) Develop a Coal-to-Liquids (CTL) Industry in Kentucky to Replace Petroleum-Based Liquids; (5) Implement a Major and Comprehensive Effort to Increase Gas Supplies, Including Coal-to-Gas (CTG) in Kentucky; (6) Initiate Aggressive Carbon Capture/Sequestration (CCS) Projects for Coal-Generated Electricity in Kentucky; and (7) Examine the Use of Nuclear Power for Electricity Generation in Kentucky.”\footnote{ENERGY AND ENV’T CABINET, INTELLIGENT ENERGY CHOICES FOR KENTUCKY’S FUTURE (2008), http://web.archive.org/web/20100617175736/http://eec.ky.gov/NR/rdonlyres/3BB23D1C-F42C-4E3D-808D-CF7588926BD3/0/FinalEnergyStrategy.pdf.} The first goal’s strategy is to offset 18% of the state’s projected 2025 energy demand;\footnote{Id. at vi.} the second goal’s strategy is to triple the state’s renewable energy generation by 2025;\footnote{Id. at vii.} the third goal’s strategy is to derive 12% of the state’s motor fuels demand from biofuels by 2025;\footnote{Id.} the fourth goal’s strategy is for the CTL industry to generate four billion gallons of fuel by 2025;\footnote{Id. at viii.} the fifth goal’s strategy is to meet the state’s entire natural gas demand with synthetic natural gas that is derived from CTG processing by 2025;\footnote{Id. at ix.} the sixth goal’s strategy is that 50% of the state’s coal-based energy applications will practice carbon management by 2025;\footnote{Id. at x.} and the seventh goal’s strategy for the state to decide whether nuclear power will play an important role in the state’s energy portfolio by 2025.\footnote{Id. at xi.}
Also in November 2008, Kentucky joined The Climate Registry.\textsuperscript{1665} Two days later, the Transportation Secretary signed an Administrative Order (AO) authorizing alternative electric vehicles to be authorized and titled in the state for the first time.\textsuperscript{1666}

Eastern Kentucky University and General Atomics announced a partnership in which they would explore the viability of a cellulose-derived biodiesel industry in Kentucky.\textsuperscript{1667} Governor Beshear also entered into a memorandum of agreement with the University of Louisville to operate Kentucky’s Center for Renewable Energy Research and Environmental Stewardship.\textsuperscript{1668}


In February 2009, Governor Beshear announced two energy efficiency initiatives for greening public buildings.\textsuperscript{1669} The first initiative required new public facilities or renovated facilities built with at least 50\% state funds to be LEED certified. The second initiative required state-owned facilities to “set back” their lighting, heating ventilation, and air conditioning systems on nights and weekends to reduce energy consumption. Later that month, Beshear launched the Kentucky Clean Energy Corp’s pilot program to perform energy efficiency rehabilitation for 100 low and moderate-income homes.\textsuperscript{1670}

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Kentucky is eligible for $52,533,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\textsuperscript{1671}

\begin{thebibliography}{99}
  \bibitem{1665} Press Release, Governor of Kentucky, Kentucky Joins the Climate Registry (Nov. 10, 2008), \url{http://web.archive.org/web/20111202085152/http://www.governor.ky.gov/pressrelease.htm?PostingGUID=7BC994AB23-9D6C-4718-8256-FBFB2CDAE4D8%7D}.
  \bibitem{1666} Press Release, Governor, of Kentucky, Transportation Secretary Signs Order to Permit Registration, Titling of Alternative Electric Vehicles (Nov. 12, 2008), \url{http://web.archive.org/web/20111202073352/http://www.governor.ky.gov/pressrelease.htm?PostingGUID={F252E1C1-4C00-4336-BA16-92F1359E68C0}}.
  \bibitem{1668} Press Release, Governor of Kentucky, Beshear Taps UofL to Take the Lead on Renewable Energy Research (Jan. 26, 2009), \url{http://web.archive.org/web/20111202084952/http://www.governor.ky.gov/pressrelease.htm?PostingGUID=%7B3818E394-9AF4-4CAC-BACE-1A5F8DA2B37%7D}.
  \bibitem{1669} Press Release, Governor of Kentucky, Beshear Administration Leads the Nation in Public Building Energy Efficiency Standards (Feb. 18 2009), \url{http://web.archive.org/web/20111202084856/http://www.governor.ky.gov/pressrelease.htm?PostingGUID=%7BD415AE6F-856A-4D6B-AEB3-F4BE5B89E8CF%7D}.
  \bibitem{1670} Press Release, Governor of Kentucky, Governor Beshear, First Lady Launch Pilot Program of Kentucky’s Clean Energy Corps (Feb. 26 2009), \url{http://web.archive.org/web/20111202084841/http://www.governor.ky.gov/pressrelease.htm?PostingGUID=%7BEBA66428-8377-4610-B275-4FAC53F1B38A%7D}.
  \bibitem{1671} U.S. DEP’T OF ENERGY, NAT’L ENERGY TECH. LAB., STATE ENERGY PROGRAM FORMULA GRANTS, at 44 (Apr. 24, 2009), \url{http://www1.eere.energy.gov/wip/pdfs/sep_arra_foa.pdf}.
\end{thebibliography}

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In March 2009, Western Kentucky University adopted a comprehensive energy policy. The Green River Intra-County Transit System also received $4 million of ARRA funding. Additionally, the cities of Bowling Green, Elizabethtown, and Fort Knox received stimulus funding to replace buses, equipment, and transit facilities. Finally, Kentucky also received $1.73 million in stimulus funding for a clean school bus program.

At the end of March, the U.S. EPA sent two letters to the Army Corp of Engineers, halting between 150 and 200 coal mining permit applications in Virginia, West Virginia, Kentucky, and Tennessee in order to investigate the mining operations’ impact on water quality.

In April 2009, Governor Beshear announced a partnership between Kentucky, the University of Louisville, the University of Kentucky, and Argonne National Laboratory to establish the Battery Manufacturing Research and Development Center. The state also received $52 million in ARRA funding for energy efficiency and renewable energy projects. Kentucky also welcomed a new energy project when General Electric announced that it would be building a new line of hybrid electric water heaters in

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Louisville. Further, various school districts received stimulus money to retrofit their buses and to purchase a total of 200 hybrid electric buses.

In September 2009, Governor Beshear issued an Executive Order (EO) forming a task force to guide and facilitate the sustainable development of the biomass and biofuels industry in the state. Beshear also announced the establishment of the *Green Bank of Kentucky*, a multi-million dollar financing program to provide the state government with low-interest rate loans for energy efficiency projects. On a day commemorating public service, Beshear focused on educating and mobilizing communities behind clean energy and energy efficiency efforts.

Also in September, the DOE released more than $10 million in Energy Efficiency and Conservation Block Grants (EECBG) for Kentucky. Another $2 million will go towards two agriculture-energy programs: one to help state farms increase energy efficiency and renewable energy production; and the other to complement tobacco settlement funds to advance renewable energy production on farms as part of the Multi-County Collaborative Agricultural Energy Initiatives Program.

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The Kentucky Education and Workforce Development Cabinet received more than $1.2 million from ARRA through the State Labor Market Information (LMI) Improvement grant program. The LMI grants were used to identify green jobs opportunities and necessary training for Kentuckians.\textsuperscript{1687} The grants were also used to invest in state and consortium models designed to collect, analyze, and publicize labor market information, and improve the labor exchange infrastructure for careers within energy efficiency and renewable energy fields.\textsuperscript{1688}

In December 2009, state funding of up to $3.5 million for the recently formed Kentucky-Argonne Battery Manufacturing Research and Development Center in Lexington was approved, by the Kentucky Economic Development Finance Authority from the Cabinet for Economic Development’s High-Tech Pools, with the potential to be matched with up to $3.5 million in federal funds.\textsuperscript{1689}

\textbf{2010: Energy Efficiency, Green Jobs, and Renewable Energy}

In January 2010, Governor Beshear announced that Kentucky families who need help paying for heat during winter’s coldest months were eligible for assistance from the Low Income Home Energy Assistance Program (LIHEAP), funded by the U.S. Department for Health and Human Services (HHS).\textsuperscript{1690} Kentucky had access to $66.6 million in available LIHEAP funding. The previous year, Kentucky spent approximately $61 million in LIHEAP funding and served nearly 300,000 families.\textsuperscript{1691}

Also in January, Kentucky was awarded a $4,740,457 State Energy Sector Partnership and Training grant by the U.S. Department of Labor through the ARRA.\textsuperscript{1692} The program was designed to focus on jobs in energy-efficient building, construction and retrofit, energy efficiency assessment, and renewable energy. The program gave dislocated workers, unemployed individuals, out-of-school youth and veterans the opportunity to earn degrees and industry-recognized certification in green job industries.

\textsuperscript{1687} Press Release, Governor of Kentucky, Kentucky Receives Stimulus Dollars to Identify Green Jobs, Provide Career Path Assistance (Nov. 18, 2010), http://web.archive.org/web/20111202083819/http://www.governor.ky.gov/pressrelease.htm?PostingGUID=%7BECFE0EF7-6EE3-411E-8FD5-178123916C68%7D.

\textsuperscript{1688} Id.

\textsuperscript{1689} Press Release, Governor of Kentucky, Governor Beshear Announces Funding for Federal Battery Laboratory (Dec. 10, 2009), http://web.archive.org/web/20111202083749/http://www.governor.ky.gov/pressrelease.htm?PostingGUID=%7BDCE5ACA2-AD4D-4C99-8CDC-5D686049E27%7D.


\textsuperscript{1691} Id.

including energy assessment, smart grid technology, chemical engineering, plumbing and pipefitting.\textsuperscript{1693}

In March 2010, the Kentucky New Energy Ventures Fund (KNEV), a state program providing public funds to promising, early-stage Kentucky companies developing and commercializing alternative fuels and renewable energy technologies, granted funds to two Kentucky companies.\textsuperscript{1694} Wellhead Energy Systems received $500,000 to develop generator systems that can be placed near natural gas wells to produce electricity for rural communities. Southeast Biofuels received $30,000 to develop a portable system that can produce ethanol by using sorghum as a feedstock.\textsuperscript{1695} From its inception until March 2010, KNEV has made 25 awards for a total of $2.85 million. The majority of the companies receiving KNEV awards were located in rural Kentucky communities and focused on developing alternative and renewable energy technologies based on clean coal, solar, wind or biofuel.\textsuperscript{1696}

Kentucky’s Local Government Economic Development (LGED) program gave a $400,000 multi-county grant to the Pine Mountain Regional Industrial Development Authority (Bell, Harlan, Knox, Letcher, and Whitley Counties) to develop an integrated energy plan focused on resources located in and around Bell County.\textsuperscript{1697} The plan called for investigating electric power generation using indigenous fuels, the exploration of greenhouse gas (GHG) containment and beneficial re-use options, and the potential manufacture of “green” crude oil and transportation fuels such as algae.\textsuperscript{1698}

ARRA awarded $4 million to the Kentucky State Energy Appliance Rebate Program for rebates on sixteen ENERGY STAR\textsuperscript{®} qualified appliances, including washers, dishwashers, refrigerators, freezers, room air conditioners, water heaters, central air conditioners, air source heat pumps, geothermal heat pumps, gas furnaces, and gas boilers.\textsuperscript{1699} The Program was designed to help achieve the goals of Kentucky’s 7-Point Energy Strategy and to meet 18\% of Kentucky’s energy needs from efficiency improvements by 2025.\textsuperscript{1700}
Governor Beshear announced in July 2010 that $4 million in federal funding was for summer cooling assistance through the LIHEAP.\textsuperscript{1701} The emergency funding was provided to assist low-income families and the elderly burdened by increased energy costs because of the extreme heat experienced that summer.\textsuperscript{1702}

Also in July, ARRA funded nineteen EECBG totaling $1,172,265 to communities across Kentucky in support of energy efficiency programs.\textsuperscript{1703} Improvements included retrofitting light fixtures to decrease energy costs, installing programmable thermostats to better regulate temperature and energy use, replacing doors and windows to enhance insulation, and purchasing bins for recycled materials.\textsuperscript{1704}

In August 2010, ARRA funded On-Farm Energy Efficiency and Production Incentives grants totaling $481,690 to 52 producers thanks to a partnership between the Governor’s Office of Agricultural Policy and Kentucky’s Department for Energy Development & Independence.\textsuperscript{1705} Recipients may receive a 25% reimbursement of the actual cost of a federally qualified energy saving project and up to $10,000 for projects. Qualifying projects included: energy audits, energy efficient farm building components, on-farm energy upgrades, on-farm energy efficiency training, and biomass energy production activities.\textsuperscript{1706}

In October 2010, Governor Beshear announced the launch of KY Home Performance, a comprehensive energy efficiency program that will help homeowners save money and energy. KY Home Performance is a partnership between the Kentucky Housing Corporation (KHC), the Kentucky Department for Energy Development and Independence (DEDI), and the Kentucky Finance and Administration Cabinet.\textsuperscript{1707} A $4 million State Energy Program Grant provided by ARRA plus an additional $2.1 million from KHC funded the program. The original goal was to have at least 1,200 homes statewide receive home-energy upgrades through the program by March 2012, including


\textsuperscript{1702} Id.


\textsuperscript{1704} Id.


\textsuperscript{1706} Id.

a comprehensive, home-energy evaluation by a certified professional who would write a report identifying opportunities in the home to save energy and money. The homeowners would also be provided with an evaluation of their home’s energy performance and $150 toward the cost of a whole-house energy evaluation. The program offered a rebate of up to $2,000 or financing for qualified homeowners up to $20,000 for qualified improvements at a 6.99% interest rate for a maximum 10-year term.

In November 2010, the Green Bank of Kentucky program, which was established in 2009, was nationally recognized for its innovative use of ARRA funding to finance energy-efficient improvements in state buildings, where the savings are guaranteed and used to repay the loan. The program’s mission is to promote energy efficiency and reduce operating costs in state buildings through competition for low-interest loans; to protect the environment; to promote economic development; and to create new green collar jobs. From its inception until November 2010, the program has loaned over $3.4 million for energy efficiency projects in state facilities. The Green Bank emerged from Governor Beshear’s comprehensive energy plan establishing the goal of reducing projected statewide energy demand by 25% by 2025 through strategies including energy-efficiency measures.

2011: Energy Efficiency

In March 2011, Governor Beshear announced that a $375,000 grant would be awarded to several Kentucky cities to support local energy efficiency measures. The EECA was used to perform audits of public facilities and finance the resulting energy efficiency recommendations.

Governor Beshear announced an award of $773,447 in stimulus funds for on-farm energy efficiency, upgrades, and production in July 2011.

2012: Energy Efficiency

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1709 Id.
1711 Id.
1712 Id.
On May 24, 2012, Governor Beshear announced $700,000 in reimbursement awards to 81 farms and 36 counties for energy saving investments. Qualifying expenditures included energy audits, energy efficient farm building components, on-farm energy upgrades, and on-farm energy efficiency training.

2013: Renewable Energy

On October 10, 2013 the Kentucky Public Service Commission (PSC) announced that it approved a 20-year contract allowing Kentucky Power Co. to purchase electricity generated by a biomass-fueled plant near Hazard that will burn various wood wastes and low-quality timber. The PSC estimated that constructing the plant “will employ 230 people for two years and that the plant will employ 30 people and create an additional 225 jobs for loggers and truckers.”

LOUISIANA

1993: Renewable Energy

Since 1993 Louisiana has offered a tax exemption for solar power equipment used for buildings and swimming pools. In addition, Louisiana’s Department of Natural Resources offers the Home Energy Loan Program (HELP), which provides homeowners low-interest rate loans for the purchase and installation of alternative energy sources.

2006: Fuels

Louisiana enacted legislation in 2006 requiring ethanol derived from Louisiana-produced feedstock to account for 2% of the total gasoline sold in the state and that 2% of the total diesel sold in the state be biodiesel once specified ethanol and biodiesel production thresholds have been reached in the state.

The Louisiana Department of Natural Resources offered a state income tax credit worth 20% of the cost of converting a vehicle to operate on an alternative fuel and 20%

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1717 Id.
of the incremental cost of purchasing an Original Equipment Manufacturer alternative fuel vehicle.1721


On March 12, 2009, the U.S. Department of Energy (DOE) announced that Louisiana is eligible for $71,694,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).1722

According to The Pew Charitable Trusts’ June 2009 Clean Energy Economy Fact Sheet for Louisiana, Louisiana’s clean energy economy grew by 10,641 jobs and 995 businesses from 1998 to 2007.1723

On July 24, 2009, Governor Jindal celebrated the opening of Chesapeake Energy Corporation’s new Haynesville Shale Corporate Office in Shreveport.1724 He noted that Louisiana was making progress in increasing production of clean and affordable energy.1725 Jindal touted legislation he had recently signed that increased the income tax credit from 20 to 50% for the purchase of “clean burning motors.”1726

In late 2009, Governor Jindal sent a letter to EPA Administrator Jackson discouraging the adoption of EPA’s proposed rule regulating greenhouse gases.1727

2010: Transportation/Fuels and Renewable Energy

Louisiana Act 1181728 was signed into law in June 2010. It created an Alternative Fuel Vehicle Revolving Loan Fund to assist local governments in purchasing qualified alternative fuel vehicles.1729

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1725 Id.
1726 Id. (citing H.B. 110, 35th Leg., Reg. Sess. (La. 2009)).
1728 2010 La. Acts 118.
In June 2010, Louisiana Act 274\textsuperscript{1730} was signed into law, giving property owners the right to install solar energy devices and preventing local rules and regulations from prohibiting such installations except in historic districts or on landmarks.\textsuperscript{1731}

Louisiana Act 930\textsuperscript{1732} was signed into law on July 2, 2010, allowing the State Mineral and Energy Board to lease land for alternative energy production with the exception that leased land cannot be used to grow biomass fuels. House Bill (H.B.) 841 is mirrored in Senate Bill (S.B.) 183, which also permits the Mineral and Energy Board to lease land for such purposes.\textsuperscript{1733}

In November 2010, the Louisiana Public Service Commission (PSC) adopted an implementation plan for its Renewable Energy Pilot Program, and requests for bids began in April 2011.\textsuperscript{1734} The Program called for companies to propose and conduct feasibility studies for renewable energy projects that could be operational by December 2013. In addition, the Program sought project proposals for a total of 350 megawatts (MW) of renewable energy resources capable of being on-line between January 1, 2011 and December 31, 2014.\textsuperscript{1735}

2012: Fuels

On December 13, 2012, Governor Jindal announced that Drax Biomass plans to build a wood pellet production facility in the state.\textsuperscript{1736} Louisiana offered a $1.7 million economic incentive package to convince the company to build in the state.\textsuperscript{1737}

2013: Green Jobs and Renewable Energy

On June 21, 2013 Governor Jindal signed H.B. 705 into law amending the tax credit structure for solar and wind energy systems.\textsuperscript{1738} The bill removed the tax credit for wind energy systems and deleted the applicability of the tax credits for apartments, but the legislation retained the solar energy system tax credit and expanded the credit to include both solar electric and solar thermal systems.\textsuperscript{1739}

\begin{itemize}
\item \textsuperscript{1730} 2010 La. Acts 274.
\item \textsuperscript{1731} \textit{Id}.
\item \textsuperscript{1732} 2010 La. Acts 930.
\item \textsuperscript{1733} \textit{Id}.
\item \textsuperscript{1734} Louisiana Renewable Energy Pilot Program, EPA, \url{http://www.epa.gov/chp/policies/policies/louisianarenewableenergyprogram.html} (Oct. 20, 2013).
\item \textsuperscript{1735} \textit{Id}.
\item \textsuperscript{1736} Press Release, Office of the Governor, Governor Jindal and Drax Biomass Announce Energy Project to Result in More Than 200 New Direct and Indirect Jobs (Dec. 13, 2012), \url{http://www.gov.state.la.us/index.cfm?md=newsroom&tmp=detail&catID=2&articleID=3763&navID=12}.
\item \textsuperscript{1737} \textit{Id}.
\item \textsuperscript{1739} \textit{Id}.
\end{itemize}
On August 23, 2013 Governor Jindal and Cool Planet Energy Systems announced the company would build 3 bio-refineries in Louisiana. Each bio-refinery will be capable of producing 10 million gallons of high-octane, low-vapor pressure gas. In building these refineries Cool Planet will create 72 new direct jobs and 422 new indirect jobs.

MAINE

1999: Renewable Portfolio Standards

In September 1999, Maine’s Public Utilities Commission adopted rules for the state’s Renewable Resource Portfolio Requirement, requiring electricity providers to supply at least 30% of their total retail sales in Maine using electricity generated by eligible renewable resources. The Public Utilities Commission also administers Efficiency Maine, an effort designed to promote efficient energy use in Maine via multiple programs.

2003: Greenhouse Gas Reduction and Climate Change Adaptation

On June 26, 2003, Maine established the Lead-by-Example Initiative, which was a state planning incentive structure designed to reduce greenhouse gas (GHG) emissions. The Initiative required the development of a plan to reduce GHG emissions by state-owned buildings and state-funded programs to below the 1990 level by 2010. It set 2006 as the deadline for Maine to establish carbon emission reduction deals with at least fifty businesses and nonprofit groups.

Lead-by-Example also mandated that Maine create an inventory of GHG emissions across the state. The registry was designed to facilitate the following statewide GHG emission reduction goals: (1) the 1990 GHG level by 2010; (2) 10% below the 1990 level by 2020; and, in the long term, (3) a reduction “sufficient to eliminate any dangerous threat to the climate.” In order to meet these targets, the law mandated that Maine’s Department of Environmental Protection (DEP) develop a long-term climate action plan to reduce Maine’s GHG emissions. The DEP completed this plan in 2004.

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1743 Id.
1744 Id. § 575 (2006).
1745 Id.
1746 Id. § 576.
1747 Id. § 577.
1748 Id. § 577.

In June 2005, Governor John Baldacci signed a bill into law that created the Solar Rebate Program. This Program provided rebates to residences and businesses that install qualifying solar thermal and photovoltaic (PV) systems. Each year, $500,000 is available for rebates, which consist of $3 per watt for the first 2,000 watts of installed capacity, followed by $1 per watt for the next 1,000 watts. Rebates up to 25% of the cost of solar thermal systems for water or space heating are also available.

On December 1, 2005, also in furtherance of Lead-by-Example’s goals, Maine adopted California’s rigorous GHG emissions standards for motor vehicles.

Maine has also agreed, under the auspices of the New England Governors and Eastern Canadian Premiers, to a voluntary short-term goal of reducing regional GHG emissions to 1990 levels by 2010 and by 10% below 1990 levels by 2020. Maine is a participant in the Regional Greenhouse Gas Initiative (RGGI), where beginning in 2015 the carbon dioxide cap on emissions will decrease by 2.5% per year, for a total reduction of 10% by 2018.

2007: Greenhouse Gas Reduction, Cap-&-Trade, and Market-Based Solutions

In May 2007 Maine and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

Additionally, on October 29, 2007, Maine joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming. ICAP provides a forum for...
governments to share information regarding cap-and-trade systems and works to ensure that market programs are compatible. In addition, ICAP promotes low-carbon products and services, innovations, and cost effective reductions.

In June 2007, Governor Baldacci signed a Resolve entitled, To Ensure the Success of Regional Climate Change Efforts, that called for the creation of a study group to assess the effects of RGGI upon electric rates and recommend ways to reduce the costs of RGGI implementation. The group’s recommendations culminated in a report that was sent to the Joint Standing Committee on Utilities and Energy on December 14, 2007.

Maine implements RGGI through five laws and regulations. The first is An Act To Establish the Regional Greenhouse Gas Initiative Act of 2007, Public Law, Chapter 317. The law authorized a cap-and-trade program under which the state may auction carbon dioxide allowances and set the state’s cap at 5,948,902 tons of carbon dioxide until 2015 after which the cap will decrease 10% over four years until 2018. The RGGI proceeds will be invested in energy efficiency products or will be credited to consumers’ electricity bills. In 2008, Public Law, Chapter 608 was passed, amending the Act. It redefined a “carbon dioxide budget unit” from an “electrical generating unit” to a “fossil fuel fired unit.” Additionally, Chapter 608 created a voluntary renewable energy market set-aside allowing regulated sources to purchase renewable energy credits as an offset of carbon dioxide emissions.

On December 6, 2007, the Bureau of Air Quality adopted Chapter 156, the CO₂ Budget Trading Program, based on the 2007 Act mentioned above. This regulation established the Maine component of the CO₂ Budget Trading Program, which is designed to stabilize and then reduce anthropogenic emissions of carbon dioxide in an

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1758 Id.
1759 Id.
1763 Leg. Doc. 1851, 123rd Leg., 1st Reg. Sess. (Me. 2007).
1764 Id.
1765 Id.
1767 Id.
1768 Id.
economically efficient manner. Chapter 156 was amended in July of 2008. These amendments incorporate the legislative amendments of Public Law, Chapter 608 and add the auction provisions for the State of Maine.

2008: Renewable Energy, Market-Based Solutions, and Transportation/Fuels

In July 2008, Maine and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards were designed to help develop greater energy efficiency, conservation, and clean energy resources.

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale. Each of these allowances sold at a clearing price of $3.07, raising a total of $38,575,783. These proceeds will be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances.

In support of the state’s RGGI-regulated facilities, Governor Baldacci participated in a ribbon-cutting ceremony on December 8, 2008 for Maine Energy Systems, a company that generates electricity from wood pellets. At the ceremony, he stressed the need to enhance Maine’s renewable energy economy.

The second RGGI auction took place on December 17, 2008 and each of the ten states participated. All of the available 31,505,898 allowances were sold 3.5 times lower than the demand of 108,709,000 allowances. The clearing price was $3.38 per allowance, raising a total of $106.5 million.

On December 31, 2008, RGGI participants and Pennsylvania (a RGGI observer) signed a letter of intent to reduce carbon emissions from the transportation sector.
Specifically, the letter stated their intent to incorporate a Low Carbon Fuel Standard (LCFS) into RGGI, which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.\textsuperscript{1783}


In further support of reducing GHG emissions in the state, Governor Baldacci announced a wind energy rebate on January 13, 2009.\textsuperscript{1784} The rebate provided $2,000 for residential units, $4,000 for businesses and an additional $2,000 if the proposed project met the highest standards for siting and height.\textsuperscript{1785} Projects that qualified for this additional money were sited in areas with average annual wind speeds of 9.5 to 12.8 mph at 60 feet.\textsuperscript{1786} Nine days after the announcement of this wind energy rebate program, Stetson Wind Project, the largest wind project in Maine, connected to the grid.\textsuperscript{1787} This project has the capacity to power 23,500 homes.\textsuperscript{1788}

On January 14, 2009, Governor Baldacci announced that Maine would be the first state to use U.S. Department of Energy (DOE)-provided funds for a weatherization program.\textsuperscript{1789} This program funded the weatherization of low-income homes to reduce the homes’ energy needs by 20 to 30%. Baldacci stated, “One of the best ways we have to . . . make a smaller ‘carbon footprint’ is to make our homes more energy efficient.”\textsuperscript{1790} Twelve days later, he showed his support for President Obama’s directive to the EPA to

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\begin{itemize}
\item [1784] Id.
\item [1788] Id.
\item [1789] Id.
\item [1790] Id.
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review California’s request for a national vehicle emission standard waiver. Maine was one of thirteen states seeking to adopt California’s stricter standards.

In an effort to make more informed climate change policy decisions, Governor Baldacci received a report compiled by the University of Maine entitled, *Maine’s Climate Future: An Initial Assessment*, on February 25, 2009. The report identified ecological, economical, and ethical aspects affected by climate change in the state and recommended that state policymakers create a climate change adaptation plan to assess and minimize negative impacts associated with climate change. This recommendation coincided with the bill proposed by Senator Simpson to create a stakeholder group to evaluate and recommend the options available for Mainers to adapt to the likely climate change effects. Section two of the bill requires the DEP to “build upon” the University of Maine’s report.

On February 26, 2009, Governor Baldacci announced the opening of a 300-ton wood pellet storage facility located at the Heutz Oil Facility in Lewiston.

Governor Baldacci announced on February 27, 2009 that weatherization courses would be offered through interactive television at 14 universities. These courses were intended to train individuals in becoming weatherization technicians, which the Director of Maine Housing stated there was a growing demand for.

On March 12, 2009, the DOE announced that Maine is eligible for $27,305,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).

In another effort to encourage Maine’s energy efficient economy, Governor Baldacci and New Brunswick’s Premier announced the creation of Northeast Energy

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1792 Id.
1796 Id.
Corridor in March 2009. Feasibility studies for future energy projects would be conducted in the corridor. During the first phase, 1,200 to 1,500 megawatt (MW) electrical transmission capability would be studied. This increased capability could enhance wind development in Maine and New Brunswick.

The third RGGI auction was held on March 18, 2009. The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse of future market prices for RGGI allowances.

In May 2009, in order to protect his state’s wind technology, Governor Baldacci and other governors wrote a letter to the U.S. Congress communicating their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast. He also signed Legislative Document (LD) 562 and LD 67 to protect Maine’s state parks. In an effort to spur interest in employment in the alternative energy sector, Baldacci handed out awards to the winners of the Maine High School Wind Blade Challenge in which eighteen high schools competed by researching, designing, and producing wind blades. Baldacci also received an award from DownEast magazine for his work in preserving the Sears Island coastline later that month.

Also in May, Governor Baldacci signed an agreement with a coalition of governors to support federal climate change legislation. The agreement contained two

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1801 Id.
1803 Id.
1808 Press Release, Georgetown Climate Ctr., Governors’ Energy and Climate Coalition Calls for Action on Climate, Energy Legislation (May 21, 2009),
principles: support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\textsuperscript{1809} He also signed LD 389, legislation to promote biofuel projects\textsuperscript{1810} as well as legislation that encourages the development of ocean energy technology.\textsuperscript{1811} Baldacci further promoted this technology by proposing a National Deep Water Wind Research Center to be operated by the University of Maine to DOE Secretary Chu.\textsuperscript{1812} Eleven days later, Baldacci opened the 2009 Energy Ocean Conference in Rockland.\textsuperscript{1813}

The fourth RGGI auction was held on June 17, 2009 where prices fell to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.\textsuperscript{1814}

On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.\textsuperscript{1815} Governor Baldacci then signed a bill containing a six-year pilot program to evaluate various incentives for individual and community renewable energy projects.\textsuperscript{1816} He showed further support for reducing emissions by applauding the EPA’s decision to grant the California waiver for automobile fuel efficiency standards.\textsuperscript{1817} Baldacci then joined other New England governors in pursuing the development of high-speed rail in the region.\textsuperscript{1818} In another effort to promote sustainable development, the

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University of Maine and the University of Southern Maine announced that they would use a $20 million grant from the Experimental Program to Stimulate Competitive Research to perform various projects aimed at improving the science and practice of sustainable development.\textsuperscript{1819}

Also in July 2009, Governor Baldacci made appointments to the Commission to Study Energy Infrastructure, which was charged with examining the effects of potential transmission systems on state-owned property.\textsuperscript{1820}

The fifth RGGI action was held on September 9, 2009.\textsuperscript{1821} The auction sold 28,408,945 allowances of the 2009 vintage at a clearing price of $2.19 per allowance and 2,172,540 allowances of the 2012 vintage at a clearing price of $1.87 per allowance.\textsuperscript{1822} The sixth RGGI auction was held on December 2, 2009. The auction sold 28,591,698 allowances of the 2009 vintage at a clearing price of $2.05 per allowance and 1,599,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{1823} Sixty-five percent of RGGI auction proceeds will be distributed to the SEU and up to 15% of proceeds will be given to low-income consumers through programs administered through the Department of Health and Social Services. Up to 10% of the auction proceeds will be used for GHG reduction projects and the remaining 10% may be used to administer RGGI and climate change programs in DNREC.\textsuperscript{1824}

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050.\textsuperscript{1825} As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec.\textsuperscript{1826} North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.”\textsuperscript{1827} North America 2050 is open to all U.S. States, Canadian

\textsuperscript{1822} Id.
\textsuperscript{1823} Auction 6, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/112 (Nov. 14, 2103).
\textsuperscript{1824} Id.
Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.\textsuperscript{1828}

The seventh RGGI auction was held on March 10, 2010.\textsuperscript{1829} The auction sold 40,612,408 allowances of the 2010 vintage at a clearing price of $2.07 per allowance and 2,091,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{1830}

\textbf{2010: Fuels, Climate Change Memorandum of Understanding, Energy Efficiency, Market-Based Solutions, and Renewable Energy}

In March 2010, LD 1631, \textit{An Act to Provide Leadership Regarding the Responsible Recycling of Consumer Products}, was signed into law. It provides incentives to recycle and reuse more consumer products.\textsuperscript{1831} The law established a process to expand product stewardship for a number of items, including certain electronics and mercury auto switches and thermostats, through Maine DEP rulemaking. Product stewardship involves the collection of certain products at the end of their intended use by their manufacturers.\textsuperscript{1832}

Maine passed LD 1662, \textit{An Act to Improve Maine’s Air Quality and Reduce Regional Haze at Acadia National Park and Other Federally Designated Class I Areas}, in April 2010.\textsuperscript{1833} This legislation called for incremental reductions in the sulfur content of all fuel oils sold within Maine beginning in 2016 and continuing through 2018.\textsuperscript{1834} The law’s goal is to reduce Maine’s sulfur emissions by 60% from 2010 levels by 2018.\textsuperscript{1835}

Also in April 2010, Maine received a $30 million federal grant from ARRA to fund energy efficiency upgrades in Maine.\textsuperscript{1836} The grant will establish a revolving loan fund called the Maine Home Performance Fund to make buildings more energy efficient and subsidize retrofits for the first three years of the program. The fund will be accessible to residents in towns that have adopted Property Assessed Clean Energy (PACE) programs that meet guidelines established by Maine. The funding presents the

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\textsuperscript{1828} See id.

\textsuperscript{1829} Auction 7, \textsc{Regional Greenhouse Gas Initiative},


\textsuperscript{1830} Id.

\textsuperscript{1831} \textsc{Me. Rev. Stat. tit. 38, § 1771} (2013).

\textsuperscript{1832} Press Release, State of Me. Office of Governor, Governor Ceremonially Signs Legislation to Encourage Recycling and Reuse of Consumer Products (Mar. 25, 2010),


\textsuperscript{1833} \textsc{Me. Rev. Stat. tit. 38, § 583-B} (2010).

\textsuperscript{1834} Press Release, State of Me. Office of Governor, Governor Signs Legislation to Improve Air Quality in Maine (Apr. 5, 2010),


\textsuperscript{1835} Id.

\textsuperscript{1836} Press Release, State of Me. Office of Governor, Maine Wins $30 Million Energy Efficiency Grant (Apr. 21, 2010),

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opportunity to accurately measure energy savings and document reduced carbon emissions.\textsuperscript{1837}

Through the Weatherization Assistance Program, Maine has weatherized 1,582 low-income homes under ARRA as of April 30, 2010.\textsuperscript{1838} The Program partners Maine Housing with local nonprofits and community agencies to conduct energy audits and identify cost-effective improvements, saving families an average of $437 on their energy bills every year. With the plan to weatherize a total of more than 4,400 homes, the state has, as of May 2010, now weatherized more than 2,680 homes.\textsuperscript{1839} Cost-effective energy improvements in homes include installing items such as insulation and weather-stripping, sealing windows and doors, caulking cracks in the building, and replacing inefficient heating and cooling systems.\textsuperscript{1840}

In May 2010, Governor Baldacci signed five pieces of critical legislation into law. LD 1786, \textit{An Act Regarding Energy Infrastructure Development}, sought to ensure a reliable energy infrastructure and process for the state’s use.\textsuperscript{1841} Designated corridors can only be used if likely to reduce electric rates and cannot adversely impact renewable energy generation. Also, revenues from the use of state assets are used to improve energy efficiency and renewable energy.\textsuperscript{1842} LD 1535, \textit{An Act to Create a Smart Grid Policy in the State}, ensures that all ratepayers benefit from smart grid technology that saves energy, increases reliability, reduces costs, and provides consumers with more options.\textsuperscript{1843} LD 1717, \textit{An Act to Increase the Affordability of Clean Energy for Homeowners and Businesses}, helps Maine property owners make affordable energy efficiency upgrades to their homes and businesses.\textsuperscript{1844} Maine towns and cities can establish a PACE program to assist property owners with the up-front costs of weatherization and efficiency upgrades.\textsuperscript{1845} LD 1504, \textit{An Act to Provide Predictable Benefits to Maine Communities That Host Wind Energy Developments}, clarified that as part of a permit application, expedited wind energy development projects must demonstrate a community benefits package, valued at no less than $4,000 per year per wind turbine, in addition to property tax benefits.\textsuperscript{1846} LD 1810, \textit{An Act to Implement the Recommendations of the Governor’s Ocean Energy Task Force}, advances development of renewable ocean energy resource as quickly as possible and established a goal of five

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\textsuperscript{1837} Id.
\textsuperscript{1839} Id.
\textsuperscript{1840} Id.
\textsuperscript{1841} Leg. Doc. 1786, 124th Leg., 2nd Reg. Sess. (Me. 2010).
\textsuperscript{1843} Leg. Doc. 1535, 124th Leg., 2nd Reg. Sess. (Me. 2010).
\textsuperscript{1844} Leg. Doc. 1717, 124th Leg., 2nd Reg. Sess. (Me. 2010).
\textsuperscript{1846} Leg. Doc. 1504, 124th Leg., 2nd Reg. Sess. (Me. 2010).
\end{flushright}
gigawatts of energy generation from facilities located in coastal waters by 2030.\textsuperscript{1847} A competitive process will be conducted for long-term contracting from one or more deep-water offshore wind energy pilot projects up to 25 MWs or tidal demonstration projects up to 5 MWs. The law enacts a clear permitting system for projects in Maine waters and clarifies leasing of submerged lands for ocean energy projects.\textsuperscript{1848}

The eighth RGGI auction was held on June 9, 2010.\textsuperscript{1849} The auction sold 40,685,585 allowances of the 2010 vintage at a clearing price of $1.88 per allowance and 2,137,993 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{1850}

Governor Baldacci signed a memorandum of understanding (MOU) with Nova Scotia Premier Dexter on July 12, 2010 to work cooperatively on renewable ocean electricity generation.\textsuperscript{1851} The MOU was established to share information on renewable electricity with a focus on ocean tidal energy and offshore wind energy. It also sought to explore opportunities to bring together tidal energy academics, researchers, policy makers, and private sector developers from the two jurisdictions.\textsuperscript{1852}

The ninth RGGI auction was held on September 8, 2010.\textsuperscript{1853} The auction sold 34,407,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,312,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{1854}

In August 2010, Governor Baldacci recognized Ocean Renewable Power Company’s (ORPC) successful generation of energy through the use of tidal currents in Cobscook Bay. The company partnered with the University of Maine and the U.S. Coast Guard and received financial support from the Maine Technology Institute and the DOE.\textsuperscript{1855} ORPC advanced its underwater power systems in anticipation of grid-connection in 2011.\textsuperscript{1856} In September 2010, the DOE awarded ORPC $10 million to fund

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\item[\textsuperscript{1847}] Leg. Doc. 1810, 124th Leg., 2nd Reg. Sess. (Me. 2010).
\item[\textsuperscript{1850}] Id.
\item[\textsuperscript{1852}] Id.
\item[\textsuperscript{1854}] Id.
\item[\textsuperscript{1856}] Id.
\end{itemize}
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The tenth RGGI auction was held on December 10, 2010.\footnote{Auction 10, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/174 (Oct. 14, 2013).} The auction sold 24,755,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,172,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\footnote{Id.}

2011: Market-Based Solutions and Fuels

The eleventh RGGI auction was held on March 9, 2011.\footnote{Auction 11, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/108 (Oct. 14, 2013).} The auction sold 41,995,813 allowances of the 2011 vintage at a clearing price of $1.89 per allowance and 2,144,710 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.\footnote{Id.} Maine announced in June 2011 that the state had earned $769,092 in the twelfth RGGI auction.\footnote{Id.} The state planned on reinvesting the money in large-scale commercial and industrial energy efficiency projects.\footnote{Press Release, Me. Dep’t of Envtl. Prot., RGGI Auction Yields $769k for Investment in Energy Efficiency, Job Creation (June 10, 2011), http://www.maine.gov/dep/news/news.html?id=261669.}

In August 2011, Maine became the first state in the country to permit five models of pellet burners to be sold in the state.\footnote{Id.} These standalone systems burn biomass pellets that reduce the carbon footprint of an average home by 16% compared to fossil-fuel burning heating systems.\footnote{Press Release, Me. Dep’t of Envtl. Prot., Maine DEP Innovative Certification Allows Bethel Energy Business to Expand (Aug. 24, 2011), http://www.maine.gov/dep/news/news.html?id=288402.}

The thirteenth RGGI auction was held on September 7, 2011 and the auction sold 7,487,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\footnote{Id.} The fourteenth RGGI auction was held on December 7, 2011 and the auction sold 27,293,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\footnote{Auction 13, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/201 (Oct. 14, 2013).}

2012: Market-Based Solutions

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of
The auction generated $41.6 million in proceeds, which RGGI participating states invested in consumer-oriented energy efficiency initiatives.\textsuperscript{1869} On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances.\textsuperscript{1870} The auction of 20.9 million allowances generated $40.4 million in funds, and represented 57\% of the allowances offered for sale by all nine participating states.\textsuperscript{1871} On September 7, 2012, RGGI announced the results of its seventeenth quarterly auction for carbon dioxide allowances.\textsuperscript{1872} The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represented 65\% of the allowances offered for sale by all nine states.\textsuperscript{1873}

On November 19, 2012, RGGI reported that related state investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011.\textsuperscript{1874} RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement, and climate change adaptation programs.\textsuperscript{1875}

### 2013: Market-Based Solutions, Renewable Energy, Energy Efficiency, Climate Change Adaptation, Green Jobs, and Renewable Portfolio Standard

On February 7, 2013, RGGI announced significant program improvements implemented in the Updated Model Rule after a two-year comprehensive program review.\textsuperscript{1876} Improvements included: a reduction of the 2014 regional cap by 45\% from 165 million to 91 million tons with the cap further declining by 2.5\% each year from 2015 to 2020; additional adjustments to the cap from 2014 to 2020 in order to account for privately banked allowances which will be deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances which may be accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program, including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50\% of their emissions in each of the first two years of the three year compliance period; and the development of tools to track electricity imported into

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\textsuperscript{1869} Id.


\textsuperscript{1871} Id.


\textsuperscript{1873} Id.


\textsuperscript{1875} Id.

participating states from non-participating states in order to address those emissions. Each RGGI state will implement these measures in their respective statutory regimes.

On March 13, 2013, RGGI announced the results of its nineteenth quarterly auction in which 37,835,405 allowances were sold at a clearing price of $2.80 per allowance.

On April 16, 2013, an independent market monitor of RGGI confirmed that there continues to be no material concerns regarding the auction process or in the competitiveness of the secondary market for RGGI allowances. During 2012, the average auction clearing price was $1.93 for carbon dioxide allowances. On June 5, 2013, RGGI announced the results of its twentieth quarterly auction in which 38,782,076 allowances were sold at a clearing price of $3.21 per allowance.

On June 7, 2013 the EPA announced that it was awarding $3.8 million to Maine to assess, clean up and create revolving funds in the state for their Brownfield program. Maine was the third highest recipient nationwide of Brownfield grant funds for the year and “since 2002, Maine has received close to $50 million dollars in funding for the Brownfields program and created 750 jobs and assessed or cleaned up 1500 acres across the state.”

On June 21, 2013 Governor LePage singed LD 385 entitled, An Act To Improve Wind Energy Development Permitting, which amended the existing permitting process for grid-scale wind energy developments by establishing a process where the public can request a public hearing and interveners can request an adjudicatory hearing on a permit application. Moreover, this law established a rebuttable presumption that wind development has a significant adverse effect on natural resources if it is located in a specified acreage of Bicknell’s Thrush habitat and the law requires that permit applications contain best practical mitigation options.

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1877 Id.
1878 Id.
1879 Id.
1882 Id.
1885 Id.
1887 Id.
Governor LePage vetoed LD 825, which aimed to reduce the impacts of climate change on Maine’s communities and their economy, on June 24, 2013. This bill, which passed through the House and Senate with strong support, would have restarted a climate adaptation planning process that was halted two years ago by the LePage administration.

Maine’s Energy Bill, LD 1559 became law on June 27, 2013 after the Senate voted to unanimously and the House voted by a 121-11 margin to overrule LePage’s veto. The bill “focuses on reducing energy costs to Maine residents, increasing energy efficiency, improving electric system reliability, and protecting the environment.” LePage stated that he vetoed the Bill because he wanted it to “support an offshore wind project proposed by the University of Maine rather than one developed by a Norwegian energy company. In addition, the Governor wanted a version that would alter the state’s Renewable Portfolio Standard (RPS) to allow non-wind projects larger than 100 megawatts in capacity to qualify.”

On June 28, 2013 Governor LePage signed LD 1472, An Act to Provide for Economic Development with Offshore Wind Power. This bill “adds offshore wind energy developments and associated manufacturing as an eligible project to receive financial assistance from the Finance Authority of Maine.”

On September 4, 2013, RGGI announced the results of its twenty-first quarterly auction in which 38,409,043 allowances were sold at a clearing price of $2.67 per allowance. On December 2, 2013, the RGGI states submitted a comment to the EPA for “consideration as EPA develops guidelines for state programs to reduce carbon dioxide (CO2) emissions from power plants under Clean Air Act section 111(d).” In the comment the RGGI states encouraged the EPA to view the RGGI program success as a benchmark for national action and recommended, “EPA’s new rules encourage states to develop market-based GHG emission reduction programs designed to work for their region(s).” On December 4, 2013, RGGI announced the results of its twenty-second auction.
quarterly auction in which 38,329,378 allowances were sold at a clearing price of $3.00 per allowance.\footnote{1897}{\textit{Auction 22, REGIONAL GREENHOUSE GAS INITIATIVE,}} http://www.rggi.org/market/co2_auctions/results/auction-22 (Feb. 9, 2014).

On December 5, 2013 six New England governors signed a statement entitled, “New England Governors’ Commitment to Regional Cooperation on Energy Infrastructure,” committing their states to develop an energy agenda “designed to bring more affordable, cleaner, and reliable power to homes and businesses across the northeast.”\footnote{1898}{Press Release, State of Me. Office of Governor, New England Governors Sign Historic Energy Statement Committing to Regional Cooperation on Infrastructure (Dec. 5, 2013), http://www.maine.gov/tools/whatsnew/index.php?topic=Gov+News&id=609923&v=article2011.} Through the statement the Governors will work with the ISO-New England and the New England States Committee on Electricity (NESCOE) to advance a regional energy infrastructure initiative that will diversify their energy supply portfolio.\footnote{1899}{MAINE.GOV, NEW ENGLAND GOVERNORS’ COMMITMENT TO REGIONAL COOPERATION ON ENERGY INFRASTRUCTURE ISSUES, http://www.maine.gov/tools/whatsnew/attach.php?id=609923&an=1 (Feb. 2, 2014).} Over the next couple of months the state’s energy and environmental agencies in cooperation with the NESCOE will work to develop a multi-state strategy that will meet their common needs and goals.

2014: Renewable Energy and Market-Based Solutions


MARYLAND

2000: Fuels and Renewable Energy

Since 2000, Maryland has required electricity providers to disclose fuel mix and emissions data to their customers.\footnote{1901}{MD. CODE ANN., PUB. UTIL. COS. § 7-505 (2011).} Maryland’s utilities must also provide net metering to customers with solar, wind, or biomass power generators.\footnote{1902}{Id. § 7-306.}
2001: Market-Based Solutions

Since 2001, Maryland has offered the following income tax credits for owners of buildings that are green or use photovoltaic, wind, or fuel cells for power: 6 to 8% of the cost to construct or rehabilitate green buildings; 20 to 25% of the cost of photovoltaic power generators; 25% of the cost of wind turbines; and 30% of the cost of fuel cells. Maryland also provides a sales tax exemption for all wood or “refuse-derived” fuel used to heat residential properties.

2004: Climate Change Adaptation, Renewable Portfolio Standard, and Energy Efficiency

The Maryland Energy Administration completed a climate change action plan for the state in March 2004.

Maryland’s Renewable Energy Portfolio Standard and Credit Trading Act, enacted in 2004, requires that utilities utilize renewable power sources for a portion of the energy sold to their customers. Maryland also has efficiency standards for nine appliances.

2005: Market-Based Solutions

As a further incentive for the state’s citizens and businesses to adopt alternative power generators, the Maryland Energy Administration has offered grants for solar-powered heating equipment since 2005.

2007: Renewable Portfolio Standard, Market-Based Solutions, Climate Change Adaptation, Transportation/Fuels, and Green Building

In April 2007, Governor O’Malley signed Senate Bill (SB) 595, which expanded the state’s renewable portfolio standard (RPS), requiring that solar energy comprise 2% of the state’s electricity supply and that other renewable sources comprise 7.5% of the supply by 2022. The Bill also called for the expansion of the state’s net metering program, making customer-owned, grid-connected power systems that generate up to two megawatts (MWs) eligible for net metering and requiring utilities to provide net metering

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1904 Id. § 11-207.
1906 Id. § 7-703.
for up to 1,500 MWs.\textsuperscript{1910}

Also in April 2007, Governor O’Malley signed the Regional Greenhouse Gas Initiative (RGGI) agreement.\textsuperscript{1911} As the (then) tenth member of RGGI, Maryland agreed to reduce carbon dioxide emissions from the state’s electrical generators by 10% from current levels by 2018.\textsuperscript{1912} Additionally, O’Malley signed an Executive Order (EO) establishing the Climate Change Commission to assess the state’s climate change impacts and to work with stakeholders to develop a greenhouse gas (GHG) reduction strategy as well as a strategy to decrease the state’s vulnerability to climate change.\textsuperscript{1913}

Governor O’Malley also signed SB 103, the \textit{Maryland Clean Cars Act}, in April 2007. This Act adopted California’s GHG emissions standards for cars, which required that GHG emissions from cars be reduced 22% by 2012 and 30% by 2016.\textsuperscript{1914} Maryland’s standards "became effective in Maryland for model year 2011 vehicles."\textsuperscript{1915} In addition, the Act created the Clean Car and Energy Policy Task Force and charged it with studying the vehicle emission standards of neighboring states; California and the EPA’s regulatory actions related to vehicle emission standards; and emerging energy technologies.\textsuperscript{1916} Additionally, it tasked the task force with reviewing energy policies, considering strategies for alternative vehicle fuels and efficiency measures, and recommending legislation.\textsuperscript{1917}

At the same time, Governor O’Malley signed SB 332, establishing the Maryland Green Building Council and charging it with making recommendations regarding the most cost-effective green building technologies for state construction projects.\textsuperscript{1918}

In May 2007, Maryland and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{1919}

\begin{thebibliography}{99}
\bibitem{1910} \textit{Id.}
\bibitem{1913} Md. Exec. Order 01.01.2007.07 (2007).
\bibitem{1916} \textit{Id.}
\bibitem{1917} \textit{Id.}
\end{thebibliography}
On October 29, 2007, Maryland joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming. ICAP provides a forum for governments to share information regarding cap-and-trade systems and works to ensure that market programs are compatible. In addition, ICAP promotes low-carbon products and services, innovations, and cost effective reductions.

2008: Energy Efficiency, Climate Change Adaptation, Green Technology, Market-Based Solutions, Renewable Energy, and Transportation/Fuels

In April 2008, the Maryland General Assembly adopted all five energy bills in Governor O’Malley’s legislative energy package. The EmPOWER Maryland Energy Efficiency Act of 2008, when fully implemented, is estimated to save Marylanders $5.7 billion and avoid at least three new power plants. It included a target 15% reduction in per capita electricity consumption and peak demand by the end of 2015. As of 2012 the Act had help Maryland lower its annual per capita peak demand by 10.8% and its annual per capita consumption by 9.4%. SB 268 created a Strategic Energy Investment Fund to provide short-term rate relief and long-term investments in energy efficiency, renewable energy, and climate change programs. The Fund is financed through the sale of carbon allowances to power plants as part of RGGI. Another piece of legislation, SB 209, called for doubling the amount of renewable power purchased by Maryland’s utilities and required that 20% of electricity come from renewable resources by 2022. House Bill (HB) 377 increased the maximum grant from Maryland’s solar energy grant program to $10,000 for solar panels and $3,000 for solar hot water systems. Finally, SB 208 required that all new state buildings and schools be energy efficient.

In June 2008, Governor O’Malley announced that Wavebob Ltd. would establish its North American headquarters in Annapolis. The company develops ocean wave
power technology.

In July 2008, Maryland and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards were designed to help develop greater energy efficiency, conservation, and clean energy resources.

Soon after Governor O’Malley announced the NGA grant, he announced his directive to the Maryland Transit Administration (MTA) to only purchase hybrid buses in the future. Under this directive, it is expected that the MTA will have over 500 hybrid-electric powered buses by 2014.

The Maryland Climate Change Commission released its Climate Change Action Plan in August 2008. The Plan set a goal of reducing GHG emissions by 10% below 2006 levels by 2012 and then 90% below 2006 levels by 2050. It proposed to achieve these levels through 42 different measures. The Commission projected that if these measures are implemented, there will be a 50% reduction in GHG emissions by 2020, providing the state with a net economic benefit of $2 billion.

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale. Each of these allowances sold at a clearing price of $3.07, raising a total of $38,575,783. These proceeds would be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances. The second auction took place on December 17, 2008 and each of the ten states participated. All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances. The clearing price was $3.38 per allowance, raising a total of $106.5 million.

In December 2008, Governor O’Malley announced the state’s proposal to acquire 9,242 acres of forest, farm, and shore land through Program Open Space and Land

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1934 Id.
1937 Id.
1939 Id. at 1.
1940 Id.
1942 Id.
1943 Id.
Legacy grants for preservation purposes. He also announced the launch of Greenprint, an interactive mapping tool to aid local governments, conservation organizations, and local citizens in making sustainable land use decisions.

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector. Specifically, the letter expressed the states’ intent to analyze and develop a Low Carbon Fuel Standard (LCFS), which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles, for the Northeast/Mid-Atlantic region.


In early 2009, Governor O’Malley introduced his Smart, Green, and Growing legislative agenda. He introduced six bills that aimed to protect the integrity of comprehensive plans by overturning the Terrapin Run case; modernize Maryland’s Planning Visions; and develop Smart Growth Markers for local and state decision-makers. Additionally, the Task Force on the Future of Growth and Development in Maryland presented its report including 52 recommendations for furthering smart growth in the state. O’Malley also introduced a bill mandating that Maryland reduce GHG emissions 25% from 2006 levels by 2020 on January 23, 2009. Later that January, he also publicized his support for President Obama’s directive to the EPA to reconsider the California GHG waiver.

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1946 Id. at 1.
Governor O’Malley and eleven other governors signed a letter to President Obama, urging him to form a strong state/federal leader partnership in initiating a national climate change program on January 29, 2009. This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believed that their states have played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.” The letter also contained suggestions for how a national climate change program should be implemented. One of these suggestions was for the national government to recognize the private investments that have been made in current cap-and-trade programs and to preserve clean energy plans funded by the proceeds from these programs.

The next month, Governor O’Malley unveiled the MTA’s thirty new diesel electric buses. He also announced that Maryland will purchase one hundred hybrid buses for rural transit systems with American Recovery and Reinvestment Act (ARRA) money.

In March 2009, Governor O’Malley introduced legislation requiring Maryland to re-regulate its electricity market. Later that month, he introduced the state’s first Clean Energy Center. Located at the University of Maryland, the Center analyzes and disseminates information on the commercialization of clean technologies, business incubation, and training a green work force.

On March 12, 2009, the Department of Energy (DOE) announced that Maryland is eligible for $51,772,000 under the State Energy Program of the ARRA.

The third RGGI auction was held on March 18, 2009. The auction sold

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1951 Letter from Arnold Schwarzenegger, Governor of Cal., M. Jodi Rell, Governor of Conn., Charlie Crist, Governor of Fla., Kathleen Sebelius, Governor of Kan., Martin O’Malley, Governor of Md., Deval Patrick, Governor of Mass., John S. Corzine, Governor of N.J., Bill Richardson, Governor of N.M., David Paterson, Governor of N.Y., Theodore R. Kulongoski, Governor of Or., Christine O. Gregoire, Governor of Wash., Jim Doyle, Governor of Wis., to Barack Obama, President of the United States of America (Jan. 29, 2009), http://web.archive.org/web/20090214185812/http://www.wisgov.state.wi.us/docview.asp?docid=15821.
1952 Id. at 1.
1953 Id. at 2.
31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse of future market prices for RGGI allowances.\footnote{Id.}

In early April 2009, Maryland’s House and Senate both passed the \textit{Greenhouse Gas Reduction Act}.\footnote{S.B. 278, 426th Gen Assemb., Reg. Sess. (Md. 2009).} The Act requires the Department of the Environment to update and publish an inventory of the state’s GHG emissions in 2006 in order to create the baseline for the mandated emissions cuts. This mandatory GHG emissions reduction was set at 25$\%$ below 2006 levels by 2020.\footnote{Id.} In order to reach these reductions, the Department of the Environment submitted a proposed plan toward reaching this goal by December 31, 2011.\footnote{Maryland’s Plan to Reduce Greenhouse Gas Emissions, Dep’t of the Env’t. (Dec. 31, 2011), http://www.mde.state.md.us/programs/Air/ClimateChange/Documents/2011%20Draft%20Plan/2011GGRADRAFTPlan.pdf.}

Around this time the state legislature also passed Governor O’Malley’s Budget Reconciliation and Financial Act of 2009.\footnote{H.B. 101, 426th Gen Assemb., Reg. Sess. (Md. 2009).} The Act reallocates the proceeds from the RGGI auctions so that more money goes towards electricity ratepayers and less goes towards energy efficiency and conservation programs. Specifically, spending on ratepayer protections would increase from 17$\%$ of auction proceeds to 50$, and spending on energy efficiency and conservation programs would decrease from 46$\%$ of auction proceeds to 17.5$.\footnote{Id. at 52-53.} This amended allocation would remain in place until June 30, 2011.

Governor O’Malley then signed the \textit{Smart, Green and Growing} legislation into law, committing Maryland to reduce its GHG emissions 25$\%$ below 2006 levels by 2020.\footnote{Press Release, Office of Governor, Governor O’Malley Signs “Smart, Green and Growing” Legislation to Protect Maryland’s Environment and Promote Sustainable Growth (May 7, 2009), http://www.governor.maryland.gov/pressreleases/090507.asp.} He also vocalized his support of the Obama administration’s decision to adopt the California automotive fuel efficiency standards nationally.\footnote{Press Release, Office of Governor, Statement from Governor Martin O’Malley Following President Obama’s Announcement of National Auto Emissions Standards (May 19, 2009), http://www.governor.maryland.gov/pressreleases/090519b.asp.} Maryland then received $61 million in ARRA funding for its Weatherization Assistance Program.\footnote{Press Release, Office of Governor, Governor O’Malley Announces Expansion of Home Weatherization Program (June 18, 2009), http://www.governor.maryland.gov/pressreleases/090618.asp.}

In order to protect their states’ wind technology, Governor O’Malley and other Northeast and Mid-Atlantic governors wrote a letter to the U.S. Congress expressing their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\footnote{Letter from Deval Patrick, Governor of Mass., Jack Markell, Governor of Del., Martin O’Malley, Governor of Md., Jon S. Corzine, Governor of N.J., Donald L. Carcieri, Governor of R.I., John Baldacci, 218
with a coalition of governors to support federal climate change legislation. The agreement contained two principles: the support of comprehensive federal legislation and the promotion of a federal-state partnership in implementing this legislation.

The fourth RGGI auction was held on June 17, 2009 where prices fell to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage. On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

In August 2009, Maryland received $51 million through the ARRA for its State Energy Program. The next month, Governor O’Malley highlighted the Maryland Green Registry, a self-certification program designed to promote the greening efforts of various types of organizations. In October 2009, the Obama Administration also invested $304.8 million in smart grid technology grants in the state.

The fifth RGGI action was held on September 9, 2009. The auction sold 28,408,945 allowances of the 2009 vintage at a clearing price of $2.19 per allowance and 2,172,540 allowances of the 2012 vintage at a clearing price of $1.87 per allowance.

Governor Martin O’Malley, Governor Kaine of Virginia and Governor Markell of Delaware agreed on a tri-state memorandum of understanding (MOU) for the deployment
of offshore wind energy in the Mid-Atlantic coastal region in November 2009.\textsuperscript{1979} Immediate tasks under the MOU included identifying common transmission strategies for offshore wind energy deployment in the region, discussing ways to encourage sustainable market demand for this renewable resource, and working collaboratively to pursue federal energy policies. The partners will examine ways to coordinate regional supply chain facilities to secure supply, deployment, and operations and maintenance functions.\textsuperscript{1980}

American Community Properties Trust (ACPT) announced in at the end of November 2009 that St. Charles, Maryland would be its flagship 9,100 acre planned community, the most comprehensive smart green community development project in the United States at the time.\textsuperscript{1981} The project included 4,000 undeveloped acres in the planned community intended for 11,000 new homes and over five million square feet of commercial, schools, and community centers to be a smart green and growing community. Additionally, the project would retrofit more than 12,000 existing homes and four million square feet of existing commercial space in St. Charles.\textsuperscript{1982}

At that time, ACPT was also building the largest combination of clean energy infrastructure in the United States, including a 640 MW natural gas powered power plant, a 75-acre solar farm generating 10 MWs, geothermal well fields for heating and cooling buildings, and a biomass gasification technology plant potentially incorporating methane from the Charles County landfill to produce additional renewable electricity.\textsuperscript{1983} ACPT will develop its next green neighborhood, a 625 mixed-unit community called Homefield, according to Leadership in Energy and Environmental Design (LEED) standards for neighborhood design, and all homes, townhomes and apartments in the neighborhood will be built to LEED specifications as well.\textsuperscript{1984}

On December 8, 2009, Governor O’Malley, in partnership with the University of Maryland, announced the results of the Generating Clean Horizons initiative to spur large-scale, commercial renewable energy projects that will provide electricity to Maryland.\textsuperscript{1985} The Board of Regents and the Department of General Services for Maryland’s University System had recently approved the award of four renewable energy projects to produce over 20% of the institution and state agencies annual electric needs, furthering Maryland’s commitment to reducing its carbon footprint 25% by 2020.\textsuperscript{1986} The awards were made to US WindForce for a 55 MW onshore wind energy project,
Constellation for a 13 MW solar project in Central Maryland, and BlueWater Wind for up to 55 MW of wind energy as an extension to the proposed Delaware offshore wind project. A separate award under a small business provision was made to Synergics for 10 MW as part of its Roth Rock development in Western Maryland.  

The sixth RGGI auction was held on December 2, 2009. The auction sold 28,591,698 allowances of the 2009 vintage at a clearing price of $2.05 per allowance and 1,599,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

Also in December 2009, a federal district court in Maryland issued a significant decision in Animal Welfare Inst. v. Beech Ridge Energy LLC, 675 F. Supp. 2d 540 (D. Md. 2009), enjoining the construction and operation of a wind energy project in West Virginia based upon the conclusion that the project would take endangered Indiana bats in violation of Section 9 of the Endangered Species Act.

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec. North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.” North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.

2010: Climate Change Agreements, Energy Efficiency, Green Building, Green Jobs, Market-Based Solutions, Renewable Energy, and Transportation/Fuels

In January 2010, Governor O’Malley released his 2010 Energy Agenda, which focused on increasing renewable energy production and tax credits for Maryland’s families and workforce. Proposed legislation included: incentivizing the purchase of plug-in electric vehicles by creating a tax credit, acceleration of the solar RPS,
advancement of offshore wind energy, and reauthorization of the Renewable Energy Production Tax Credit.\textsuperscript{1994}

The seventh RGGI auction was held on March 10, 2010.\textsuperscript{1995} The auction sold 40,612,408 allowances of the 2010 vintage at a clearing price of $2.07 per allowance and 2,091,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{1996}

In April 2010 Governor O’Malley announced an award of $20 million through the DOE’s Energy Efficiency and Conservation Block Grant (EECBG) Program to support the Maryland Department of Housing and Community Development’s (DHCD) Investment in Main Street: Energy Efficiency for Economic Growth plan.\textsuperscript{1997} This plan was a holistic, community-based approach to target individual households, multifamily rental properties, and commercial properties for energy-efficiency retrofits. In the first three years the plan was projected to benefit around 2,000 homeowners providing energy efficiency retrofits for their homes. Additionally, twenty buildings comprising approximately 2,000 affordable rental units would benefit from energy efficiency retrofits, and a projected 900 historic commercial properties would benefit from energy audits and low-interest retrofit financing in concert with DHCD’s Neighborhood Business Works program. Moreover, a Statewide Energy Efficiency Purchasing Cooperative would be established to maximize purchasing power for retrofits, and to provide funding for affordable housing, energy retrofits, and energy efficiency.\textsuperscript{1998}

The eighth RGGI auction was held on June 9, 2010.\textsuperscript{1999} The auction sold 40,685,585 allowances of the 2010 vintage at a clearing price of $1.88 per allowance and 2,137,993 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{2000}

In June 2010, Governor O’Malley announced Maryland’s formal partnership in the newly formed Atlantic Offshore Wind Consortium (AOWC), which is comprised of states along the Atlantic coastline and the U.S. Department of the Interior (DOI).\textsuperscript{2001} The AOWC seeks to coordinate issues surrounding the development of offshore wind along the Atlantic outer continental shelf. Maryland’s partners included Maine, New

\textsuperscript{1996} Id.
\textsuperscript{1998} Id.
\textsuperscript{2000} Id.
Hampshire, Massachusetts, Rhode Island, New York, New Jersey, Delaware, Virginia, North Carolina, South Carolina, Georgia, and Florida.\textsuperscript{2002}

That same month, Baltimore City Community College in Baltimore, Maryland, was selected to receive $1 million in funding under the ARRA to expand Maryland’s weatherization training programs for local workers in energy efficiency retrofitting and weatherization services.\textsuperscript{2003}

The Transportation and Climate Initiative (TCI) was launched in June 2010 and is facilitated by the Georgetown Climate Center.\textsuperscript{2004} TCI is a regional collaboration between twelve Northeast and Mid-Atlantic states that aims to reduce GHG emissions from the transportation sector and develop the clean energy economy. A nearly $1 million Electric Vehicle Readiness Grant from the DOE was awarded to New York State Energy Research and Development Authority (NYSERDA) on behalf of the TCI in September 2010 to fund efforts to deploy electric vehicles throughout the Northeast.\textsuperscript{2005}

In July 2010, Maryland’s first Green Economy Forum convened and outlined an aggressive plan to create and retain green jobs, support clean and renewable energy, protect Maryland’s communities, and preserve the State’s natural resources.\textsuperscript{2006} The Green Jobs & Industry Task Force had assembled in March 2010 to develop recommendations to capitalize on the emerging green economy. The Task Force report focused on six key recommendations: promoting energy and resource efficiency efforts; developing and fostering clean, local energy production and industrial capacity; capitalizing upon economic opportunities to restore and protect Maryland’s natural resources; promoting sustainable development practices that create jobs, generate prosperity, and make Maryland more self-reliant; increasing access to capital for green businesses and projects; and strengthening coordination and communication across state agencies, partners, and stakeholders to provide strategic vision for advancing a green economy.\textsuperscript{2007}

Governor O’Malley signed EO 01.01.2010.16, the Long-Term Electricity Report for the State, on July 23, 2010.\textsuperscript{2008} This Order required the Department of Natural Resources (DNR) to develop a long-term electricity report by December 1, 2011 to be

\textsuperscript{2002} Id.
\textsuperscript{2003} Press Release, Office of Governor, Maryland Selected to Receive $1 Million in Recovery Funding for Weatherization Training Center (June 4, 2010), http://www.governor.maryland.gov/pressreleases/100604b.asp.
\textsuperscript{2004} Georgetown Climate Center, Transportation and Climate Initiative, GEORGETOWN CLIMATE CTR. (Mar. 9, 2012) http://www.georgetownclimate.org/state-action/transportation-and-climate-initiative
\textsuperscript{2007} Id.
\textsuperscript{2008} Md. Exec. Order No. 01.01.2010.16 (2010).
updated every five years. This was the first such report in twenty years that evaluated Maryland’s long-term electricity needs and included a comprehensive review of alternatives to meet those needs. The EO was developed by DNR in cooperation with Maryland’s Public Service Commission (PSC), the Maryland Department of the Environment, and the Maryland Energy Administration (MEA). The Report, which was prepared by DNR’s Power Plant Assessment Program, assesses future electric energy use requirements and peak electric demand requirements, and identifies sources and alternative resources to meet any gaps in these requirements through the end of calendar year 2030.

The ninth RGGI auction was held on September 8, 2010. The auction sold 34,407,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,312,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

In November 2010, Governor O’Malley and the MEA joined the federal Bureau of Ocean Energy Management, Regulation and Enforcement in announcing a significant step forward in bringing offshore wind power generation to Maryland’s coast. The federal government, which controls the Outer Continental Shelf, accepted the planning recommendations of the Maryland Offshore Wind Task Force for an offshore wind farm and issued both a Request for Interest (RFI) and a map of an offshore wind leasing area in federal waters adjacent to Maryland’s Atlantic Coast. This made Maryland only the second state in the nation to reach this point in the process.

Launched in November 2010, the Maryland Green Travel Program is a voluntary program that helps businesses find more environmentally sustainable ways of operating, provides tips and resources to reduce waste, conserve energy and water, and better manage the environment. In turn, participants in the Program share successful strategies for greening their business, and the results they have achieved. As part of this Program, Maryland also launched a section of visitmaryland.com to promote businesses that incorporate sustainability into their business practices.

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2011 Id.
2013 Id.
2015 Id.
The tenth RGGI auction was held on December 10, 2010. The auction sold 24,755,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,172,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

2011: Market-Based Solutions, Energy Efficiency, Renewable Energy, and Transportation/Fuels

The eleventh RGGI auction was held on March 9, 2011. The auction sold 41,995,813 allowances of the 2011 vintage at a clearing price of $1.89 per allowance and 2,144,710 allowances of the 2012 vintage at a clearing price of $1.89 per allowance. The twelfth RGGI auction was held on June 8, 2011. The auction sold 12,537,000 allowances of the 2011 vintage at a clearing price of $1.89 and 943,000 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.

In August 2011, the Maryland Energy Administration made an additional $850,000 available for energy efficiency upgrades, reducing the cost of these upgrades for residents by up to 50%. Later that month, using $2.1 million in proceeds from a RGGI auction, Governor O’Malley announced the start of the EmPOWER Clean Energy Communities Low-to-Moderate Income Grant Program.

That same month, in response to Governor O’Malley’s call for 20% of energy to be generated from renewable sources by 2022 and with the help of federal funds dispersed by the Maryland Energy Association, Advanced Technology and Research Corp. developed and installed a sun-tracking electric vehicle charger.

The thirteenth RGGI auction was held on September 7, 2011 and the auction sold 7,487,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.

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2018 Id.


2020 Id.


2022 Id.


In October 2011, as part of a continuing effort to obtain more energy from renewable resources, Maryland sought proposals for the purchase of electricity generated from animal waste. Maryland was one of nine states to join the Northeast Electric Vehicle Network, which is part of the TCI, in October 2011. The network helps the states to increase economic growth and reduce their GHG emissions by focusing on building infrastructure for clean vehicles and fuels as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.

The fourteenth RGGI auction was held on December 7, 2011 and the auction sold 27,293,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.

On December 22, 2011, EmPOWER Maryland entered its second phase. As part of this phase, the Maryland PSC ordered utilities to expand their energy efficiency and demand response programs.

2012: Renewable Energy, Market-Based Solutions, Energy Efficiency, Greenhouse Gas Reduction, and Climate Change Adaptation

In February 2012, the MEA announced the availability of $2 million in new grant money for public universities to fund research that will further the state’s role as a leader in offshore wind. Individual grants range from $250,000 to $1,000,000 and are awarded on a competitive basis.

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of $1.93. The auction generated $41.6 million in proceeds, which the RGGI states will

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2032 Id.
invest in consumer-oriented energy efficiency initiatives. On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances. The auction of the 20.9 million allowances generated $40.4 million in funds and represented 57% of the allowances offered for sale by all nine participating states. On September 7, 2012, RGGI announced the results of its seventeenth quarterly auction. The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represented 65% of the allowances offered for sale by all nine states.

Maryland launched a new grant program for clean burning wood stoves in September 2012. The grant makes $50,000 available to Maryland homeowners who purchase and install log or pellet wood stoves.

On November 2, 2012, Maryland awarded $1.1 million in clean energy innovation grants including projects related to biomass boilers, community wind project assessments, advanced solar thermal water heating systems, advanced energy storage in micro-grid configurations, and solar storage systems that can charge electric vehicles.

On November 19, 2012, RGGI reported that RGGI-related state investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011. RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement, and climate change adaptation programs.

In December 2012, the MEA announced over $3 million in grants for energy upgrades for 4,000 households in low to moderate-income residential communities.

2034 Id.
2036 Id.
2038 Id.
2042 Id.
The grants are awarded to local governments and non-profits that identify qualifying households. Also in December, Governor O’Malley signed an EO to help the state prepare for the effects of climate change by requiring all new and reconstructed state structures and infrastructure improvements to be constructed to avoid or minimize flood damage.

**2013: Market-Based Solutions, Renewable Energy, Transportation/Fuels, Greenhouse Gas Reduction, and Climate Change MOUs**

In January 2013, Maryland entered into a power purchase agreement with Green Planet Power Solutions. The state will purchase a minimum of 10 MW of electricity from the facility, which produces energy from agricultural waste.

On February 6, 2013, MEA announced the Maryland Smart Energy Communities Program. The Program “targets climate change through efficiency improvements, renewable energy innovation, and petroleum reduction for Maryland’s local governments.” It distributes grants and encourages local governments to adopt the same set of policies as the state.

On February 7, 2013, RGGI announced significant program improvements implemented in the Updated Model Rule after a two-year comprehensive program review. Improvements include a reduction of the 2014 regional cap by 45% from 165 million to 91 million tons, and further declining by 2.5% each year from 2015 to 2020; additional adjustments to the cap from 2014 to 2020 in order to account for privately banked allowances which will be deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances which may be accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year

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Id.


Id.

Id.

compliance period; and developing tools to track electricity imported into participating states from non-participating states in order to address those emissions.\footnote{Id.} Each RGGI state will implement these measures in their respective statutory regimes.\footnote{Id.}

On February 8, 2013 H.B. 1274, the Maryland Hydraulic Fracturing Moratorium and Right to Know Act of 2013, was introduced.\footnote{H.B. 1274, 430th Gen Assemb., Reg. Sess. (Md. 2013), http://mgaleg.maryland.gov/2013RS/bills/hb/hb1274f.pdf.} This Bill would have established a legislative moratorium on fracking, provided an 18-month period to conduct and review studies of the process, and require the adoption of regulations based on the recommendations from the studies.\footnote{The Best Defense in 2013: A Review of the Maryland Legislative Session, CLEAR WATER ACTION, http://cleanwater.org/feature/best-defense-2013 (Feb. 5, 2014).} However, the bill died in the Senate by one vote, and because of this, the House Bill was withdrawn from consideration.\footnote{Id.}

On March 13, 2013, RGGI announced the results of its nineteenth quarterly auction in which 37,835,405 allowances were sold at a clearing price of $2.80 per allowance.\footnote{Auction 19, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/auctions-1-21?id=222 (Feb. 9, 2014).}

On April 9, 2013 Governor O’Malley signed the Maryland Offshore Wind Energy Act of 2013.\footnote{H.B. 226, 430th Gen Assemb., Reg. Sess. (Md. 2013), http://mgaleg.maryland.gov/2013RS/Chapters_noln/CH_3_hb0226e.pdf.} This Bill earmarked “$1.7 billion for development of a wind farm in federal waters off Maryland’s coast, with the funding coming from up to a $1.50 monthly surcharge on consumers’ electricity bills.”\footnote{The Best Defense in 2013: A Review of the Maryland Legislative Session, CLEAR WATER ACTION, http://cleanwater.org/feature/best-defense-2013 (Feb. 5, 2014).} But, to protect consumers from excessive rate increases resulting from the higher costs of wind energy production, the bill created a “window of maximum rate impacts for both residential and nonresidential electric customers.”\footnote{Id.} The Bill also required “that, within Maryland’s renewable energy portfolio standard program, a certain percentage of electricity be supplied by offshore wind starting in 2017.”\footnote{Id.} Estimates show offshore wind production will create 850 construction jobs and 160 supply and operation and maintenance jobs in Maryland.

Also on April 9th Governor O’Malley signed SB 600, which is a vehicle law on electric vehicles.\footnote{S.B. 600, 430th Gen Assemb., Reg. Sess. (Md. 2013), http://mgaleg.maryland.gov/2013RS/Chapters_noln/CH_64_sb0600t.pdf.} This Bill defined “plug-in electric drive vehicle” in such a way as to allow these vehicles to use the high occupancy vehicle lanes regardless of the number of passengers in the vehicle and the bill became effective on June 1, 2013.
On April 16, 2013, an independent market monitor of RGGI confirmed that there continues to be no material concerns regarding the auction process or in the competitiveness of the secondary market for RGGI allowances. During 2012, the average auction clearing price was $1.93 for carbon dioxide allowances.

On May 2, 2013 Governor O’Malley approved S.B. 245, an act concerning the Design Development Documents for Solar Technology in School Buildings. This Bill required the Board of Public Works to adopt regulations requiring design development documents for the construction or major renovation of school buildings to include information relating to the use of solar technology. Moreover, this Bill required the Interagency Committee on School construction to submit a report on the use of solar technologies in specified public school construction and major renovation projects to the Governor and General Assembly.

Also on May 2, Governor O’Malley signed S.B. 787 which appointed a Thermal Renewable Energy Task Force to investigate options for including thermal energy from woody biomass systems in Maryland’s RPS.

On June 5, 2013, RGGI announced the results of its twentieth quarterly auction in which 38,782,076 allowances were sold at a clearing price of $3.21 per allowance.

On July 25, 2013 Governor O’Malley hosted scientists, business leaders, environmental advocates, and community activists at a climate change summit celebrating the release of Maryland’s GHG Reduction Act Plan and discussed how Marylanders can take action to help the State reach its goal of reducing GHG emissions 25% by 2020. The majority of the Plan’s programs are already in place and will be strengthened with new technologies and forward-thinking policies over the next seven years. These enhancements will result in a 55 million metric ton reduction in GHG emissions and approximately $1.6 billion in economic benefits. The Plan will support more than 37,000 jobs and positively impact public health. The key programs that

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2063 Id.
2065 Id.
2069 Id.
will be strengthened by the Plan are: Maryland’s RPS, EmPOWER Maryland, Zero Waste, Maryland Clean Cars Program, and RGGI.\footnote{MD. DEP’T OF THE ENV’T, MARYLAND’S GREENHOUSE GAS REDUCTION PLAN (Oct. 2013), http://climatechange.maryland.gov/site/assets/files/1392/mde_ggrp_report.pdf.}

On September 4, 2013, RGGI announced the results of its twenty-first quarterly auction in which 38,409,043 allowances were sold at a clearing price of $2.67 per allowance.\footnote{Auction 21, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/auctions-1-21?id=233 (Feb. 9, 2014).}

Governor O’Malley joined with the FERC Chairman, Standard Solar, Konterra, and Solar Grid Storage on October 15, 2013 to dedicate Maryland’s first commercial solar microgrid at a mixed-use development.\footnote{Press Release, Office of the Governor, Governor O’Malley Celebrates the Completion of the State’s First Commercial Solar Microgrid at a Mixed Use Development (Oct. 15, 2013), http://www.governor.maryland.gov/blog/?p=9336.} The 402 kilowatt solar micro grid system, which is located at the Konterra headquarters in Laurel, is a grid-interactive energy storage system co-located with a new 1,368 panel photovoltaic canopy array.\footnote{Id.} “The benefits of the system include generation of 20 percent of the annual building power for the Konterra headquarters as well as two electric vehicle charging stations, and LED parking lot lighting. The power is equivalent to the electrical usage of about 57 American homes for one year, or removing 90 passenger vehicles from the roads per year.”\footnote{Id.}


(CO₂) emissions from power plants under Clean Air Act section 111(d).” In the comment the RGGI states encouraged the EPA to view the RGGI program success as a benchmark for national action and recommended, “EPA’s new rules encourage states to develop market-based GHG emission reduction programs designed to work for their region(s).”

On December 4, 2013, RGGI announced the results of its twenty-second quarterly auction in which 38,329,378 allowances were sold at a clearing price of $3.00 per allowance.

MASSACHUSETTS

2001: Greenhouse Gas Reduction

In August 2001, under the auspices of the New England Governors and Eastern Canadian Premiers, Massachusetts agreed to a voluntary short-term goal of reducing regional greenhouse gas (GHG) emissions to 1990 levels by 2010 and to 10% below 1990 levels by 2020. Massachusetts furthered this agreement with their publication of their Climate Change Action Plan Agreement in 2004.

2002: Renewable Portfolio Standard and Climate Change Agreements

In April 2002, Massachusetts finalized regulations for its renewable portfolio standard (RPS), which requires all retail electricity providers in the state to utilize new renewable energy sources for at least 1% of their power supply in 2003 and 4% by 2009.

Founded in 2002, the Energy Bucks initiative was formed via a partnership between National Grid, NSTAR Electric & Gas, Unitil, Western Massachusetts Electric Company, Bay State Gas, and the Cape Light Compact in collaboration with the Massachusetts Association for Community Action (MASSCAP) and the Low-Income Energy Affordability Network (LEAN). It focuses on building awareness about the fuel assistance, discount rates, and energy efficiency services available to working families.

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2078 Id.
2079 Id.
2082 See infra p. 29.
2003: Greenhouse Gas Reduction

In 2003 Massachusetts had previously developed a GHG inventory detailing emissions for the 1990 base year.\textsuperscript{2084}

2004: Climate Change Adaptation and Greenhouse Gas Reduction

In 2004, the state released the Massachusetts Climate Protection Plan as a first step to implementing the 2001 New England Governors/Eastern Canadian Premiers, Climate Change Action Plan agreement.\textsuperscript{2085} The Plan contained a comprehensive set of short-term actions that can be undertaken to reduce pollution, protect the climate, and cut energy demand in the state.\textsuperscript{2086}

Massachusetts also adopted significant climate change legislation. In 2004, the Massachusetts Department of Environmental Protection (DEP) finalized a regulation that capped carbon dioxide emissions from six fossil fuel power plants at approximately 10% below 1997-1999 levels by 2006-2008.\textsuperscript{2087} In October 2006, Massachusetts promulgated new rules that put into place a GHG emissions credit trading system to help power plants comply with the regulation.\textsuperscript{2088} The state also adopted California’s GHG emission standards for motor vehicles.\textsuperscript{2089} California’s standards require that tailpipe GHG emissions from new vehicles be reduced by 22% by the 2012 model year and 30% by the 2016 model year.\textsuperscript{2090}

2006: Greenhouse Gas Reduction

In 2006, Massachusetts collaborated with Northeast States for Coordinated Air Use Management (NESCAUM) to develop a voluntary GHG emission registry.\textsuperscript{2091}

2007: Market-Based Solutions, Climate Change Agreements, and Greenhouse Gas Reduction

The state has also been an active participant in the Regional Greenhouse Gas

\textsuperscript{2085} Id. at 5.
\textsuperscript{2086} 310 MASS. CODE REGS. 7.29 (2006).
\textsuperscript{2087} Id.; 310 MASS. CODE REGS. 7.00 Appendix B (2006).
\textsuperscript{2088} Id. 310 MASS. CODE REGS. 7.40 (2006).
Initiative (RGGI). While Governor Romney declined to participate in RGGI, Governor Patrick signed the RGGI agreement on January 18, 2007. As a member of RGGI, Massachusetts agreed to cap emissions at current levels between 2009 and 2015 and to reduce current levels by 10% by 2019. In an effort to comply with RGGI, the Massachusetts Division of Energy Resources, together with the Massachusetts DEP issued draft regulations on August 10, 2007 establishing a carbon dioxide emissions cap-and-trade system and creating rules for carbon dioxide allowance auctions.

In May 2007, Massachusetts and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” The states viewed this as a “critical first step in developing robust programs to reduce greenhouse gas emissions.” Additionally, on October 29, 2007, Massachusetts joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming. ICAP provides a forum for governments to share information regarding cap-and-trade systems and will work to ensure that market programs are compatible. In addition, ICAP promotes low-carbon products and services, innovations, and cost effective reductions.

In October 2007, the state’s Executive Office of Energy and Environmental Affairs issued its Greenhouse Gas Emissions Policy and Protocol, which applied to certain projects being reviewed by the Massachusetts Environmental Policy Act (MEPA) Office. This policy called for the quantification of a project’s GHG emissions; identification of measures to avoid, minimize, and mitigate a project’s emissions; and the quantification of emission and energy savings for a project’s proposed mitigation. It also required that privately funded buildings driving 3,000 vehicles or more per day report and mitigate GHG emissions.

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2097 Id.
2098 Id.
2100 Id.
2101 Id.
2008: Green Building, Renewable Energy, Renewable Portfolio Standards,
Greenhouse Gas Reduction, Climate Change Memorandum of Understanding,
Green Jobs, Market-Based Solutions, and Transportation/Fuels

On March 12, 2008, Governor Patrick announced the formation of a task force of
industry professionals to advise the state on raising “green building” standards in order to
lead public and private construction toward a goal of Zero Net Energy buildings by
2030.\textsuperscript{2102} The task force extended the challenge to Massachusetts’ design and
construction professionals with the goal of making Zero Net Energy buildings the
construction industry standard in the state and boosting jobs in the state’s burgeoning
clean energy and green building sectors.\textsuperscript{2103}

In May 2008 Massachusetts passed the Oceans Act which requires the creation of
a comprehensive Ocean Management Plan that contains standards to guide future
development and ensure a system of stewardship for Massachusetts’s ocean waters.\textsuperscript{2104}
The Ocean Management Plan, published in December of 2009, provides potential
locations for off-shore wind turbines.\textsuperscript{2105}

Governor Patrick signed the \textit{Green Communities Act} on July 2, 2008.\textsuperscript{2106} This
comprehensive plan provided numerous strategies to increase alternative energy use and
energy efficient measures in the state. It mandated that the RPS increase by 1% per year
after 2009, that fossil fuel use in buildings be cut to 10% below 2007 levels by 2020, and
that half of state government vehicles be comprised of hybrid or alternative use vehicles
by 2018. It also required that 25% of the state’s electricity load be met by demand side
resources and that 10% of the state’s total energy consumption be reduced by 10% by
2017. Finally, the Act authorized the auction of all allowances under RGGI.\textsuperscript{2107}

Governor Patrick also signed the \textit{Clean Energy Biofuels Act} in July 2008.\textsuperscript{2108} This
Act granted gas tax exemptions for certain cellulosic biofuels that reduced lifecycle
GHG emission by 50% when compared to fossil fuels. Additionally, the Act required
these biofuels comprise at least 2% of diesel fuel and home heating oil sold in the state by
2010 with an increase to 5% by 2013.\textsuperscript{2109}

On July 31, 2008, Massachusetts bolstered the emissions reductions mandated in
the Massachusetts Climate Protection Plan by passing the Global Warming Solutions

\begin{itemize}
\item \textsuperscript{2103} \textit{Id}. \textsuperscript{2104} MASS. GEN. LAWS ch. 114, § 2 (2008), https://malegislature.gov/Laws/SessionLaws/Acts/2008/Chapter114.
\item \textsuperscript{2105} ENERGY AND ENVTL. AFFAIRS, MASS. OCEANS MGMT. PLAN (2009), http://www.env.state.ma.us/eea/mop/final-v1/v1-complete.pdf.
\item \textsuperscript{2106} S. 2768, 2008 Leg., 185th Sess. (Mass. 2008).
\item \textsuperscript{2109} \textit{Id}. \textsuperscript{2109} \textit{Id}. 
\end{itemize}
The Act’s ultimate goal is to reduce GHG emissions to 80% below 1990 levels by 2050. It also required the Secretary of Energy and Environmental Affairs to set interim goals for reductions at 10 to 25% below 1990 levels by 2020 and to establish reduction targets for the years 2030 and 2040.\(^\text{2111}\)

In August 2008, Massachusetts passed the *Green Jobs Act*, allocating over $50 million to the creation of jobs and revenue in the state’s clean energy industry.\(^\text{2112}\)

In September 2008, the U.S. Department of Energy (DOE) awarded Massachusetts a $500,000 grant to implement an energy-efficient model state code for building construction and renovation.\(^\text{2113}\)

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale.\(^\text{2114}\) Each of these allowances sold at a clearing price of $3.07, raising a total of $38,575,783.\(^\text{2115}\) These proceeds were used to fund renewable energy and energy efficient technologies and programs in the states that offered allowances.\(^\text{2116}\) The second auction took place on December 17, 2008 and each of the ten states participated.\(^\text{2117}\) All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances.\(^\text{2118}\) The clearing price was $3.38 per allowance, raising a total of $106.5 million.\(^\text{2119}\)

Further expanding Massachusetts’ clean energy economy, Governor Patrick announced on November 19, 2008 that Lilliputian, a clean technology company located in Wilmington, was expanding its factory, creating one hundred new jobs.\(^\text{2120}\) The factory manufactured mobile device power systems with ten times the battery life of traditional batteries using Silicon Power Cell™ technology.\(^\text{2121}\) The next day, Patrick

\(^{2111}\text{Id.}\)
\(^{2115}\text{Id. at 1.}\)
\(^{2116}\text{Id.}\)
\(^{2117}\text{Auction 2 State Proceeds and Analysis, RGGI Inc., http://www.rggi.org/docs/Auction_2_State_Proceeds_and_Allowances.pdf (Nov. 8, 2013).}\)
\(^{2118}\text{Auction 2, Regional Greenhouse Gas Initiative, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/116 (Nov. 8, 2013).}\)
\(^{2119}\text{Id.}\)
\(^{2121}\text{Id.}\)
announced two new green building objectives. Specifically, he announced that new malls and “big box” retail stores should be partially powered by solar energy by 2010. He also announced a new local building code option that, if adopted, would require 30% higher energy efficiency than what was currently required by the state building code.

Rounding out this week of ambitious clean energy policy announcements, Governor Patrick challenged Massachusetts businesses to reduce their GHG emissions by 10% by 2011. A number of businesses accepted this challenge. Patrick also planned to target municipalities via the Green Communities Act incentive and technological assistance programs. Later, he planned to challenge the residential sector via a formal agreement between various state organizations to reduced GHG emissions. The challenge aimed to increase the competitiveness of green energy technologies in the state.

To most effectively use the money from the federal stimulus package, Governor Patrick asked Lieutenant Governor Murray and his cabinet formed Project Delivery Task Forces in December 2008. One task force was devoted to promoting clean energy and energy efficiency. That same week, Massachusetts received $14.8 million from the December 17, 2008 RGGI auction. Patrick announced that $5 million of that money would be used to create energy efficiency jobs, which would cut costs for utility company customers.

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector.

2123 Id.
2125 Id.
2126 Id.
2129 Id.
Specifically, the letter expressed their intent to analyze and develop a Low Carbon Fuel Standard (LCFS), which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles for the Northeast/Mid-Atlantic region.\textsuperscript{2131}

The Department of Energy Resources (DOER) released regulations to implement the RPS in the Green Communities Act on December 31, 2008.\textsuperscript{2132} Specifically, the DOER issued three regulations. The first regulation provides an RPS for Retail Electricity Suppliers and for Owners and Operators of RPS Class I Renewable Generation Units, requiring that at least 4\% of their annual electricity sales come from renewable sources in 2009, increasing this percentage to 15\% by 2020, and increasing 1\% annually thereafter.\textsuperscript{2133} The second regulation applies to Retail Electricity Suppliers and the Owners or Operators of RPS Class II Generation Units and requires that at least 3.5\% of annual electricity sales comes from renewable sources with RPS Class II Renewable Generation Attributes.\textsuperscript{2134} The third regulation applies to Retail Electricity Suppliers and Owners or Operators of Alternative Portfolio Standard (APS) Alternative Generation Units, which use gasification, combined heat and power, a flywheel storage unit, paper-derived fuel, or efficient steam technology.\textsuperscript{2135} The Act required suppliers to derive at least 0.75\% of their annual electricity sales from these technologies for the year 2009, increasing to an APS of 5\% in 2020, and then increasing the APS by 0.25\% annually thereafter.\textsuperscript{2136}

2009: Renewable Energy, Cap-\&-Trade, Climate Change Agreements, Energy Efficiency, Green Technology, Market-Based Solutions, American Recovery \& Reinvestment Act (ARRA), and Transportation/Fuels

On January 13, 2009, Governor Patrick set a goal of powering 800,000 homes with wind power by 2020.\textsuperscript{2137} This was prompted by an increasing interest in wind turbines throughout local communities and by the potential for capturing wind energy off of Massachusetts’ coast. Patrick directed Ian Bowles of Energy and Environmental Affairs to meet this goal by applying the incentives and mandates created by the clean

\textsuperscript{2131} Id. at 1.
\textsuperscript{2136} Id. at 11.
energy legislation from the previous year. Specifically, the Green Communities Act required utility companies to enter into long-term contracts with renewable energy generators.

On January 29, 2009, Governor Patrick and eleven other governors signed a letter to President Obama urging him to form a strong state-federal partnership in initiating a national climate change program. This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believed that their states played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.” The letter also contained suggestions for how a national climate change program should be implemented. One of these suggestions was for the national government to recognize the private investments that had been made in cap-and-trade programs and to preserve the clean energy plans funded by the proceeds from these programs.

A study for the potential of renewable energy development of state-owned lands was published on February 20, 2009. Ultimately, the study found that planned and potential renewable energy in Massachusetts could generate “over 95 MW comprised of wind, PV, hydro, and biomass projects that could generate more than 180,000 MWh per year, or the equivalent electricity used by 16,000 households in a year.”

On March 12, 2009, the DOE announced that Massachusetts was eligible for $54,911,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).

The third RGGI auction was held on March 18, 2009. The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse of future market prices for RGGI allowances.

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2138 Id.
2139 Letter from Arnold Schwarzenegger, Governor of Cal., M. Jodi Rell, Governor of Conn., Charlie Crist, Governor of Fla., Kathleen Sebelius, Governor of Kan., Martin O’Malley, Governor of Md., Deval Patrick, Governor of Mass., John S. Corzine, Governor of N.J., Bill Richardson, Governor of N.M., David Paterson, Governor of N.Y., Theodore R. Kulongoski, Governor of Or., Christine O. Gregoire, Governor of Wash., Jim Doyle, Governor of Wis., to Barack Obama, President of the United States of America (Jan. 29, 2009), http://web.archive.org/web/20090214185812/http://www.wisgov.state.wi.us/docview.asp?docid=15821.
2140 Id. at 1.
2141 Id. at 2.
2143 Id.
2146 Id.
In another effort to bolster the clean energy economy, Governor Patrick announced that Massachusetts’ communities would receive a total of $42 million in energy grants.\(^{2147}\) Forty-two communities would receive grants from the ARRA fund, with individual grants ranging from $149,000 to $6.5 million. Patrick stated that these grants would bolster local economies through job-creation and energy savings.\(^{2148}\) That same week he announced his support for the federal cap-and-trade Waxman-Markey Bill.\(^{2149}\)

On Earth Day 2009, Governor Patrick announced the launch of the Green Communities Program.\(^{2150}\) The Program is an effort to provide information and technical assistance to local communities in order to most efficiently use ARRA funds for energy investments. It was part of Patrick’s Massachusetts Recovery Plan.\(^{2151}\)

In May 2009, seeking to protect their state’s wind technology, Governor Patrick and other governors wrote a letter to the U.S. Congress communicating their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\(^{2152}\) Wind technology in Massachusetts was being developed at the Wind Technology Testing Center, which received $25 million in ARRA funding.\(^{2153}\) Patrick then announced California’s auto emission fuel standard with President Obama and Governor Schwarzenegger of California and Governor Granholm of Michigan.\(^{2154}\) Patrick also signed an agreement with other governors to support

\(^{2148}\) Id.
\(^{2151}\) Id.
federal climate change legislation. The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.

To increase Massachusetts’ clean technology industry, Governor Patrick announced the renovation of an “old” building to create a manufacturing facility for state-of-the-art automobile batteries in June 2009. He also met with Vice President Biden, Transportation Secretary LaHood, and others to discuss bringing high-speed rail to the state.

The fourth RGGI auction was held on June 17, 2009 where prices fell at the fourth auction to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.

On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking these regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

In order to meet the Global Warming Solutions Act’s goal of reducing emissions 25% below 1990 levels by 2020, the Massachusetts Department of Environmental Protection determined the 1990 baseline to be 94 million metric tons. In an effort to achieve this goal, Governor Patrick asked the DOE for $100 million in ARRA funds to go towards clean and energy efficient technologies in August 2009.

To encourage smart growth communities, Patrick released the South Coast Rail Economic

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That same month, he also showed his support for alternative energy by attending the installation of two large wind turbines at the Massachusetts Water Resource Authority’s Deer Island wastewater treatment facility. He also visited A123 Systems in Watertown, which produced lithium ion batteries with the potential to bring energy produced from renewable sources to vehicles and buildings.

The fifth RGGI action was held on September 9, 2009. The auction sold 28,408,945 allowances of the 2009 vintage at a clearing price of $2.19 per allowance and 2,172,540 allowances of the 2012 vintage at a clearing price of $1.87 per allowance. The sixth RGGI auction was held on December 2, 2009. The auction sold 28,591,698 allowances of the 2009 vintage at a clearing price of $2.05 per allowance and 1,599,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

Governor Patrick announced in December 2009 that National Grid and Cape Wind had agreed to enter into negotiations for a long-term contract under which the utility would purchase the electricity generated by Cape Wind, which is a critical requirement for financing the proposed wind farm in Nantucket Sound. On December 3, 2009 National Grid filed a memorandum of understanding (MOU) with Cape Wind with the state Department of Public Utilities (DPU) laying out the rationale for such a contract, as well as the methods and timelines. After DPU approval, National Grid and Cape Wind engaged in negotiations to enter into a mutually agreeable long-term contract and submitted any final pact to DPU for review and approval.

By late 2009, Massachusetts had received $122 million in weatherization funds through ARRA. Over the next three years, the funds were used to improve energy

2167 Id.
efficiency in nearly 17,000 low-income homes.\textsuperscript{2172} The Department of Housing and Community Development (DHCD) allocated approximately $17 million of these funds to weatherization agencies, averaging $4,500 per home weatherized, which includes air sealing, attic and sidewall insulation, repairs, and window replacements.\textsuperscript{2173}

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050.\textsuperscript{2174} As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec.\textsuperscript{2175} North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.”\textsuperscript{2176} North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.\textsuperscript{2177}


In January 2010, as part of the Massachusetts Recovery Plan, the state set aside nearly $6 million in federal recovery funds for investment in green job training and support services for unemployed and underemployed workers throughout the Commonwealth.\textsuperscript{2178} Governor Patrick expected that the grant from the U.S. Department of Labor, funded by ARRA, would help to train an estimated 1,400 unemployed, underemployed, and incumbent workers in energy efficient building; construction and retrofit; renewable electric power; biofuels; energy efficiency assessment; sustainable manufacturing; environmental protection; and green construction.\textsuperscript{2179}

Also in January 2010, Governor Patrick revealed a series of cost-cutting energy management solutions to be included in his budget recommendation, including an innovative bulk energy purchasing system designed to consolidate fiscal management,
reduce waste, and cut the energy bills of state agencies, quasi-public authorities, state colleges and universities, and municipalities.\footnote{2180} In the first year alone, he expected the initiative to reduce executive branch energy spending by 5%, or approximately $6 million. Patrick proposed creating Commonwealth Energy Solutions (CES), a comprehensive energy procurement and management system open to all public entities, including cities and towns to manage energy related functions.\footnote{2181} The administration also planned to use $67 million of ARRA funding for energy efficiency improvements and renewable energy installations in drinking water and wastewater treatment facilities. In addition, ARRA funds would be used to deploy an advanced energy management system for state agencies, which will allow real-time monitoring of energy use and trends.\footnote{2182}

Under the federal Low Income Home Energy Assistance Program (LIHEAP) emergency fund release, the state was able to serve an estimated 200,000 low-income eligible families and increase their maximum benefit levels of $1,240 for those who heat their homes with deliverable fuel such as oil, kerosene, propane, wood, and coal. By February 2010, utility households could receive a maximum of $1,055, increased from $985.\footnote{2183}

In February 2010, contracts to install 4.1 megawatts (MW) of solar energy at twelve public water and wastewater treatment facilities were approved, enabling facilities to save about $650,000 per year by cutting conventional energy use by approximately 4.5 million kilowatt hours annually, roughly equal to the energy needed to power 600 households per year.\footnote{2184} Worth approximately $20 million in ARRA funding, the projects are expected to be completed between June 2010 and July 2011. This program furthers Governor Patrick’s Administration’s Massachusetts Solar Stimulus plan, by using ARRA funding to expand solar power capacity by up to 13 MW.\footnote{2185} Additionally, Patrick announced that the administration planned to install solar photovoltaics at a variety of public facilities including colleges, housing projects, and transportation facilities. He predicted that Massachusetts would see a nearly 20-fold increase in solar installations, bringing the state to approximately 63 MW by the end of 2010.\footnote{2186}

\footnote{2181} \textit{Id.}
\footnote{2182} \textit{Id.}
\footnote{2185} \textit{Id.}
\footnote{2186} \textit{Id.}
Governor Patrick announced an award of over $13 million in federal stimulus funds to help 111 communities across Massachusetts invest in clean energy and energy efficiency in February 2010. He said that 97 cities and towns would receive nearly $12.2 million in Energy Efficiency and Conservation Block Grants (EECBG) from the DOE, while 35 communities – including some of the 97 receiving grants – would share $825,000 in technical consulting services to provide local officials with the expertise necessary to undertake a variety of energy projects. Capped at $150,000 each, the grants would help municipalities pay for projects at municipal buildings and schools, including solar photovoltaic and solar thermal installations; thermal efficiency measures in oil or propane-heated buildings, such as new high efficiency boilers and furnaces or improved efficiency in existing ones, replacement or improvement of heat delivery systems, and increased insulation or window replacement; and reduction of the total cost of efficiency measures identified by energy performance contractors.

DOER also announced that it would use a portion of EECBG funding to make clean energy technical assistance services available to all 351 Massachusetts cities and towns, regardless of population size, including a MassEnergyInsight energy information reporting system. This provided comprehensive community-by-community energy usage and cost information, allowing municipalities to benchmark energy consumption and identify priority targets for efficiency investments and to inventory, track, and report municipal emissions reductions.

The seventh RGGI auction was held on March 10, 2010. The auction sold 40,612,408 allowances of the 2010 vintage at a clearing price of $2.07 per allowance and 2,091,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

In April 2010, under the Massachusetts Energy Solutions initiative, North Shore Community College (NSCC) started a comprehensive energy efficiency project using state-backed general obligation bonds to finance projects that pay off the debt. This would be the first zero net energy facility in the state’s building portfolio. It included a full lighting retrofit, an energy management system, new chillers, variable frequency drive motors, water conservation measures, insulation, new rooftop heating/cooling units, and conversion of heating from electric to natural gas. Worth $3.6 million, the

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2188 Id.
2189 Id.
2190 Id.
2192 Id.
2194 Id.
college expected this upgrade to cut its energy use by up to 32% and reduce annual energy costs by nearly $400,000. The Administration also announced that, in addition to the NSCC project, several other projects would be ready to begin in the coming months, including the installation of two 1.65 MW wind turbines each at the Department of Correction’s Gardner facility and at Mt. Wachusett Community College; and comprehensive energy efficiency projects at Massasoit Community College, University of Massachusetts Dartmouth, seventeen Trial Court buildings located in Bristol, Plymouth, and Suffolk Counties, and the headquarters and training academy of the Massachusetts State Police. Additionally, between 1985 and 2010, Massachusetts invested $213 million in 56 energy and water efficiency projects at state facilities, producing annual energy savings of approximately $26 million.

FloDesign Wind Turbine Corp. announced in April 2010 that it intended to assemble its first “shrouded” wind turbines in Massachusetts. To help facilitate this expansion, the Massachusetts Clean Energy Center (MassCEC) approved a $3 million financing package from ARRA, including a five-year $700,000 forgivable loan, a $600,000 convertible grant, and $1.7 million from MassCEC’s Renewable Energy Trust to defray a portion of the cost of installation at state or local public entities and non-profit organizations. The unique design, namely rotors half the size of a traditional turbine and lower tower height, allows installation at locations like airports that can be problematic for conventional wind turbines.

Also in April 2010, A123 Systems, a developer and manufacturer of advanced lithium ion batteries and battery systems for transportation, electric grid, and consumer markets, announced it planned to locate its growing grid power storage division in Massachusetts. To help facilitate this expansion, MassCEC approved a $5 million forgivable loan, funded through ARRA. Trailer-sized battery units would be manufactured and used throughout the state to store power for the electric grid, creating a more stable and efficient system and helping to integrate renewable sources of power, like wind and solar.

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2195 Id.
2196 Id.
2197 Id.
2199 Id.
2200 Id.
2202 Id.
2203 Id.
In April 2010, Governor Patrick awarded $4.49 million in federal weatherization recovery funds to seven local housing authorities throughout the state. Weatherization improvements include air sealing and weather stripping; repairs or replacement of expired heating systems; attic, wall, and floor insulation; and storm or replacement windows. Governor Patrick designated 35 cities and towns as the state’s first official “Green Communities” in March 2010, a status that makes them eligible for $8.1 million in grants for local renewable power and energy efficiency projects. DOER later accepted additional applications for Green Community designations and grants later in 2010. As the main program of Green Communities Act of 2008, the DOER’s Green Communities Grant Program uses funding from auctions of carbon emissions permits under RGGI to reward communities. In order to be designated as a Green Community, five clean energy benchmarks must be met: 1) adopting local zoning bylaw or ordinance that allows “as-of-right-siting” of renewable energy projects; 2) adopting an expedited permitting process related to the as-of-right facilities; 3) establishing a municipal energy use baseline and a program designed to reduce use by 20% within five years; 4) purchasing only fuel-efficient vehicles for municipal use, whenever such vehicles are commercially available and practicable; and 5) requiring all new residential construction over 3,000 square feet and all new commercial and industrial real estate construction to reduce lifecycle energy costs. In addition to grant eligibility, each Green Community designated in March 2010 would receive a Big Belly solar waste compactor, to be delivered in time for the summer parks and beaches season. Big Belly compactors can hold several times more trash and litter than similarly sized regular trash receptacles, thereby reducing the number of garbage truck trips required to empty them.

The Transportation and Climate Initiative (TCI) was launched in June 2010. It is a regional collaboration between twelve Northeast and Mid-Atlantic states, including Massachusetts, which aims to reduce GHG emissions from the transportation sector and develop the clean energy economy. The TCI is facilitated by the Georgetown Climate Center. A nearly $1 million Electric Vehicle Readiness Grant from the DOE was

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2205 Id.
2207 Id.
2208 Id.
2209 Id.
awarded to the New York State Energy Research and Development Authority (NYSERDA) on behalf of the TCI in September 2010 and would be used to fund the Network’s efforts to deploy electric vehicles throughout the Northeast.

The eighth RGGI auction was held on June 9, 2010.\textsuperscript{2210} The auction sold 40,685,585 allowances of the 2010 vintage at a clearing price of $1.88 per allowance and 2,137,993 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{2211}

As part of the Massachusetts Recovery Plan, Governor Patrick announced in August 2010 that global wind blade manufacturer TPI Composites, Inc. (TPI) would open a Wind Blade Innovation Center in Fall River.\textsuperscript{2212} Massachusetts awarded TPI with a $250,000 grant. By the end of 2010, the state expected to have installed or contracted over 60 MW of solar power.\textsuperscript{2213} Moreover, in August, $1.5 million in federal weatherization recovery funds was awarded to another thirteen public housing authorities.\textsuperscript{2214}

The ninth RGGI auction was held on September 8, 2010.\textsuperscript{2215} The auction sold 34,407,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,312,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{2216}

In September 2010, $980,959 in federal weatherization recovery funds was awarded to ten public housing authorities.\textsuperscript{2217} In October 2010, fifteen public housing authorities were awarded $2,513,973.\textsuperscript{2218}

In October 2010, Massachusetts announced that a multi-purpose marine commerce terminal would be built in the port of New Bedford to support the delivery,
assembly, and installation of offshore wind turbines. Cape Wind Associates planned to use the New Bedford Marine Commerce Terminal for its first-in-the-nation offshore wind farm in Nantucket Sound. The Terminal will consist of a 1,200 linear foot bulkhead with deep water access and roughly 21 acres of surface space, which will accommodate the docking of vessels that deliver wind turbine parts as well as barges to transport components from port to the installation area, in addition to lay down space. Construction for the Terminal is supposed to start in 2013 and be completed by 2014.

In November 2010, the DPU approved an offshore wind power purchase agreement between National Grid and Cape Wind Associates. The 15-year agreement was approved under the Green Communities Act, which facilitates the development of renewable energy generation.

The tenth RGGI auction was held on December 10, 2010. The auction sold 24,755,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,172,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

In December 2010, the federal Bureau of Ocean Energy Management, Regulation and Enforcement initiated a leasing process for offshore wind farms in federal waters off the coast of Massachusetts. Massachusetts expected the leasing to lead to the production of 4,000 MWs of energy, which is enough to power 1.7 million households. In addition, Governor Patrick announced that the MassCEC would partner with Massachusetts research institutions and wind energy centers to apply for and receive granting for DOE funding for offshore wind farms in order to help achieve the DOE’s goal of reducing offshore wind energy costs by 40% by 2020 and 60% by 2030.

Ian Bowles, Massachusetts Secretary of Energy and Environmental Affairs, announced in December 2010 that Massachusetts set a goal of reducing its GHG

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2220 Id.


2224 Id.


2226 Id.
emissions by 25% below 1990 levels by 2020. Secretary Bowles also announced the release of the Clean Energy and Climate Plan to help Massachusetts meet this goal. In 2010, the Commonwealth was already two-thirds of the way to reducing its GHG emissions to the desired target. The Plan laid out a framework to accelerate that progress.


In February and March 2011, the Patrick Administration celebrated the numerous stimulus-funded clean energy projects that the Commonwealth has completed throughout the state, including: 98 projects in Boston and Northeastern Massachusetts; 45 projects in Central Massachusetts; 70 projects in the Western part of the Commonwealth; and 78 projects in Southeast Massachusetts.

The Massachusetts Department of Energy Resources (DER) launched a federally funded pilot project in March 2011 to measure the energy efficiency of homes in Western Massachusetts. The $2.6 million, 3-year grant will allow the DER to use thermal imaging and analysis to measure the energy efficiency of homes in Western Massachusetts communities. The grant is part of a $28.5 million investment awarded by the DOE’s State Energy Program to help twelve states and territories increase the energy efficiency of homes and businesses.

2228 Id.
2234 Id.
In March 2011, the Patrick Administration awarded $3.6 million in grants to the Commonwealth’s newest eighteen “Green Communities.” Thirty-five cities and towns had already received the designation of “Green Communities,” making them eligible for the grants, which run through the DER and fund energy efficiency and renewable energy projects.2235

The eleventh RGGI auction was held on March 9, 2011.2236 The auction sold 41,995,813 allowances of the 2011 vintage at a clearing price of $1.89 per allowance and 2,144,710 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.2237

In an effort by both municipal and non-profit power entities, the first utility scale onshore wind farm in the state opened in May 2011.2238 This project, named the Berkshire Wind Farm, added 15MW capacity, nearly doubling the state’s total wind power capacity.2239

The twelfth RGGI auction was held on June 8, 2011.2240 The auction sold 12,537,000 allowances of the 2011 vintage at a clearing price of $1.89 and 943,000 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.2241

In July 2011, the Massachusetts Energy Efficiency Advisory Council announced that the energy efficiency plans developed under the Green Communities Act of 2008 had led to a savings that year equivalent to the annual electricity usage of 85,000 households, natural gas usage of 14,000 homes, and the GHG emissions from over 74,000 cars.2242 Later that same month, the Patrick Administration launched an energy efficient appliance rebate program allowing residents to obtain up to a $50 or $150 rebate when they upgraded to an energy efficient air conditioner or refrigerator, respectively.2243

2237 Id.
2239 Id.
2241 Id.

The thirteenth RGGI auction was held on September 7, 2011 and the auction sold 7,487,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\footnote{2245}{Auction 13, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/201 (Oct. 14, 2013).}

Massachusetts was one of nine states to join the Northeast Electric Vehicle Network in October 2011. The Network will help the states to increase economic growth and reduce their GHG emissions, and focuses on building infrastructure for clean vehicles and fuels, as well as attracting public and private investment to support infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.\footnote{2246}{Northeast States Form Regional Electric Vehicle Network, GEORGETOWN CLIMATE CTR. (Oct. 19, 2011) http://www.georgetownclimate.org/northeast-states-form-regional-electric-vehicle-network.} The Network is part of the TCI launched in June 2010.\footnote{2247}{Transportation and Climate Initiative, GEORGETOWN CLIMATE CTR., http://www.georgetownclimate.org/state-action/transportation-and-climate-initiative (Nov. 8, 2013).} A nearly $1 million Electric Vehicle Readiness Grant from the DOE was awarded to NYSERDA on behalf of the TCI in September 2010 to fund the Network’s efforts to deploy electric vehicles throughout the Northeast.\footnote{2248}{Auction 14, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/204 (Oct. 14, 2013).}

The fourteenth RGGI auction was held on December 7, 2011 and the auction sold 27,293,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\footnote{2249}{Press Release, Mass.gov, Patrick-Murray Administration Announces Grants to Fund Four Municipal Power Efficiency Projects in Chicopee, Ipswich, Reading and Westfield (Feb. 3, 2012), http://www.mass.gov/eea/pr-2012/grants-fund-four-municipal-energy-efficiency-projects.html.}


On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of
The auction generated $41.6 million in proceeds, which the RGGI states will invest in consumer-oriented energy efficiency initiatives. On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances. The auction of the 20.9 million allowances generated $40.4 million in funds, and represents 57% of the allowances offered for sale by all nine participating states.

On August 3, 2012, Governor Patrick signed S. 2395 into law, raising the net metering cap, extending contracts with renewable energy companies, and expanding the list of alternative energy technologies for which net metering is available.

On September 7, 2012, the RGGI states announced the results of its seventeenth quarterly auction for carbon dioxide allowances. The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represents 65% of the allowances offered for sale by all nine states.

In October, the American Council for an Energy-Efficient Economy ranked Massachusetts as the number one state for energy efficiency policies and programs for the second year in a row. As a result of these energy efficiency efforts, the state announced a savings the previous year of 1.5 million tons of GHG emissions.

Also in October, three community colleges received $713,814 for clean energy projects as the first ever awards in the Leading by Example Program. An additional $325,000 was awarded in 27 grants to farmers to implement renewable energy systems and improve efficiency as part of the Agricultural Energy Grant Program.

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2252 Id.
2254 Id.
2257 Id.
As part of the capital expenditures plan for the state for 2013, Governor Patrick announced $267 million would be dedicated to energy and environment projects and programs.\footnote{Press Release, Mass.gov, Governor Patrick Announces $267 Million Investment in Energy and Environment as Part of 2013 Capital Plan (Oct. 10, 2012), \url{http://www.mass.gov/eea/pr-2012/121010-capital-investment.html}.


2013: Renewable Energy, Energy Efficiency, Transportation/Fuels, Green Jobs, Climate Change Memorandum of Understanding, and Market-Based Solutions


On February 1, 2013, the Massachusetts Energy and Environmental Affairs announced the final approval of three-year plans that will commit the state’s utilities to further improve efficiency, representing a 55% increase compared to the energy savings in the previous three-year plans (2010-2012).\footnote{Press Release, Mass.gov, Patrick-Murray Administration Announces Comprehensive, Nation-Leading Energy Audits for Massachusetts Military Bases (Jan. 17, 2013), \url{http://www.mass.gov/governor/pressoffice/pressreleases/2013/0117-military-base-energy-audits.html}.} The new plans are predicted to save 25.6 million tons in GHGs over the full three years.\footnote{Press Release, Energy and Envtl. Affairs, Patrick-Murray Administration Announces Final Approval of New, Nation-Leading Energy Efficiency Plans (Feb. 1, 2013), \url{http://www.mass.gov/eea/pr-2013/new-energy-plans.html}.}
On February 7, 2013, RGGI announced significant program improvements implemented in the Updated Model Rule after a two-year comprehensive program review.\textsuperscript{2270} Improvements include a reduction of the 2014 regional cap by 45% from 165 million to 91 million tons, and a cap further declining by 2.5% each year from 2015 to 2020; additional adjustments to the cap from 2014 to 2020 in order to account for privately banked allowances, which will be deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances which may be accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program, including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year compliance period; and developing tools to track electricity imported into participating states from non-participating states in order to address those emissions.\textsuperscript{2271} Each RGGI state will implement these measures in their respective statutory regimes.\textsuperscript{2272}

On April 16, 2013, an independent market monitor of RGGI confirmed that there continue to be no material concerns regarding the auction process or in the competitiveness of the secondary market for RGGI allowances.\textsuperscript{2273} During 2012, the average auction clearing price was $1.93 for carbon dioxide allowances.\textsuperscript{2274}

In celebration of Earth Day 2013, the Patrick-Murray Administration launched the Massachusetts Electric Vehicle Incentive Program (Mass EVIP) Phase II, “which will provide funding to municipalities across the Commonwealth to help purchase electric or plug-in hybrid passenger vehicles. The Program will also provide funding to communities for the installation of dual electric charging stations.”\textsuperscript{2275}

On May 1, 2013 Governor Patrick celebrated reaching the Patrick-Murray Administration’s goal of reaching 250 MWs of solar energy installed four years ahead of

\textsuperscript{2271} Id.
\textsuperscript{2272} Id.
\textsuperscript{2274} Id.
Because the state had reached their goal early, the Administration announced a new goal of 1,600 MWs of solar energy by 2020.

Governor Patrick attended the New England Governors and Eastern Canadian Premiers’ Annual Conference (NEG-ECP) in Quebec, Canada on September 8-9, 2013. Patrick approved six resolutions that were signed at this conference “that will put Massachusetts on a path to increased access to affordable, cleaner and reliable energy sources and energy-efficient modes of transportation, more efficient disaster planning and increased infrastructure safety.”

On September 17, 2013 Governor Patrick commented on the Massachusetts Clean Energy Industry Report and reported that clean energy jobs in the state grew by 11.8% between June 2012 and June 2013. The Report found, “over the past two years, clean energy jobs have grown by 24.4 percent with 5,557 clean energy companies now employing 79,994 workers across the Commonwealth.”

On October 24, 2013 Governor Patrick signed a MOU with seven other states “to put 3.3 million zero-emission vehicles on the roads in their states within a dozen years.” In signing the MOU, the governors agreed, among other things, to “harmonize building codes to make it easier to construct new electric car charging stations, lead by example by including zero emission vehicles in their public fleet, evaluate and establish, where appropriate, financial and other incentives to promote zero

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2278 Id. Resolutions 37-1 through 37-6 were the six resolutions that were passed at this conference. See 37th Conference of New England Governors and Eastern Canadian Premiers, La Malbaie, Quebec, September 9, 2013, THE COUNCIL OF ATLANTIC PREMIERS, http://www.cap-cpma.ca/default.asp?mn=1.98.3.26.212 (Feb. 9, 2014).


emission vehicle…and develop common standards for roadway signs and charging networks.”

On November 6, 2013 Governor Patrick announced, “for the third year in a row, the American Council for an Energy-Efficient Economy (ACEEE) has ranked Massachusetts as the number one state for energy efficiency policies and programs.”

To further Massachusetts’s alternative fuel investment and infrastructure, Governor Patrick announced on December 12, 2013 the awarding of “$550,000 in grants for 20 communities, $15.5 million in new funding for cleaner vehicles, electric school buses and electric vehicle infrastructure.”

**MICHIGAN**

**2000: Renewable Energy**

The Customer Choice and Electric Reliability Act of 2000 requires the state’s electric utilities to inform their customers and Michigan’s Public Service Commission (PSC) biannually of the following: (1) the contents of their fuel mixes; (2) the average number of pounds per megawatt-hour of carbon dioxide, sulfur dioxide, and nitrogen oxide emissions from their facilities; and (3) the amount of high-level nuclear waste produced by their electric generators.

In an effort to promote renewable energy use, the Customer Choice and Electric Reliability Act established the Michigan Renewables Energy Program (MREP), which is implemented by the Michigan PSC. The Program is charged with educating the public about renewable energy, encouraging the development of renewable energy facilities, recommending new renewable energy policies, and annually reporting the amount of renewable energy generated and used in Michigan.

**2003: Renewable Energy**

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2286 Id. § 460.10r.
2287 Id.
Established in 2003, Michigan’s Next Energy Program promotes the research, production, and sale of alternative power generators. Next Energy offered participating businesses tax credits for qualified business activities. Companies in the alternative energy industry also received tax credits for their qualified payrolls. In addition, participating businesses are exempt from paying personal property taxes on alternative energy technologies. The Next Energy Program was set to expire in 2023.

2005: Market-Based Solutions

In March 2005, the Michigan PSC approved the implementation of a voluntary statewide net metering program for a minimum of five years. This program allowed customers producing electricity through renewable resources to receive power credits for excess power that they supplied to the system.


In May 2007, Michigan and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

On November 14, 2007, Governor Granholm issued Executive Directive 2007-22, which extended earlier Executive Directives reducing state energy consumption and managing state operations in a more sustainable manner. Under the Directive, Michigan would, whenever feasible, increase use of alternative fuels in its vehicle fleet; develop a materials management plan to ensure environmentally sound purchasing; use, reuse, and recycle materials by state departments; and ensure that new state owned or leased buildings meet Leadership in Energy & Environmental Design (LEED) standards. The state also aimed to reduce its electrical energy purchases by 20% by 2015 from the 2002 base year.

Also on November 14, 2007, Governor Granholm issued Executive Order (EO) 2007-42, establishing the Michigan Climate Action Council (MCAC). MCAC was

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2289 Id. § 208.39e (repealed 2007).
2290 Id.
2291 Id. § 211.9i.
2292 Id. § 208.39e (repealed 2007).
2295 Id.
2296 Id.
comprised of members representing academia, industry, utilities, state and local government, and environmental interest groups. MCAC acted in an advisory capacity to produce an inventory and forecast of greenhouse gas (GHG) sources; consider potential state and multi-state actions to mitigate and adapt to climate change; develop a comprehensive climate action plan for businesses, government, and the general public; and advise state and local governments on measures to address climate change.

On November 15, 2007, Governor Granholm joined the governors of Illinois, Iowa, Kansas, Minnesota, and Wisconsin, as well as the Premier of the Canadian Province of Manitoba in signing and establishing the Midwestern Greenhouse Gas Reduction Accord (MGGRA) in order to reduce GHG emissions and achieve energy security. Signed at the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, the Accord aimed to establish GHG emission targets, including a 60 to 80% reduction in emissions, created a market-based, multi-sector cap-and-trade system, and created a tracking and crediting system. The MGGRA’s final model rule was released in April 2010; however, although the MGGRA has not been formally suspended, participating states are no longer formally pursuing it.

Also at the Summit, Michigan, Illinois, Iowa, Kansas, Minnesota, Wisconsin, Nebraska, and North Dakota adopted an Energy Security and Climate Stewardship Platform. The Platform’s goals for the Midwest include promoting energy efficiency, advances in biobased products, electricity production from renewables, and advances in coal and carbon capture and storage. Platform members also signed cooperative regional initiatives in an attempt to work towards creating a Carbon Management Infrastructure Partnership, a bioproduct procurement program, electricity transmission adequacy for new wind energy, renewable fuels corridors, advanced bioenergy permitting, and low-carbon energy transmission infrastructure.

2008: Renewable Energy, Renewable Portfolio Standard, and Green Technology

2298 Id.
2301 Id.
2304 Id.
2305 Id.
In July 2008, Michigan and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards were designed to help develop greater energy efficiency, conservation, and clean energy resources.

During Governor Granholm’s September 2008 investment mission to Japan, she announced that the companies she met with were interested in investing in alternative energy projects located in Michigan.

A bill establishing a renewable portfolio standard (RPS) and an energy efficiency program for Michigan was passed by the legislature on September 18, 2008. The RPS for electricity providers was set at 4% per year for the years 2012–2014, increasing to 10% by 2015. The energy efficiency program required electric utilities to decrease energy use by 0.3% between 2008 and 2009, decrease by 0.5% in 2010, decrease by 0.75% in 2011, and decrease by 1% in 2012 and every year thereafter. Governor Granholm signed the bill on October 6, 2008.

Governor Granholm met with executives from Millennium Energy Industries, a solar solutions company, on November 19, 2008 to spur their investment in Michigan. Furthering Granholm’s goal to increase alternative energy investment in the state, the Michigan Strategic Fund announced on November 25, 2009 that it had approved three alternative energy partnerships in the state. These partnerships, located in Ann Arbor, East Lansing/Webberville, and Alpena were designated as Centers of Energy Excellence.

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Press Release, Nat’l Governors Ass’n, NGA Awards Clean Energy Grants to 12 States (June 29, 2008), http://web.archive.org/web/20110110214522/http://www.nga.org/portal/site/nga/menuitem.6c9a8a9ebc6ae07e32a9501010a0/?vgnextoid=fec49b33ad110VgnVCM1000001a01010aRCRD.


COEE’s were part of the governor’s program to bring businesses, universities, and the government together to research and develop alternative energy technologies.\textsuperscript{2315} Alternative energy technology production would be expanded under the eleven bills incorporating recommendations from the Renewable Fuels Commission that were signed into law on December 23, 2008.\textsuperscript{2316} Public Act 329 required the Commission to create at least five (but not more than 15) more Renaissance Zones (tax exempt areas to encourage economic development), for cellulosic biofuels production.\textsuperscript{2317} Public Acts 314, 332, and 334 provided tax incentives to use machinery that could harvest grain and biomass.\textsuperscript{2318} Public Act 313 required the director of the Michigan Department of Agriculture to develop purity and quality standards for biodiesel.\textsuperscript{2319} On January 14, Governor Granholm signed legislation providing tax credits for the development and manufacture of advanced batteries.\textsuperscript{2320}


On January 14, 2009, Governor Granholm announced that she had signed legislation to spur the development of a rapid transit system.\textsuperscript{2321} House Bill (H.B.) 6542

\begin{itemize}
\item \textsuperscript{2315} Id.
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provided authority to create nonprofit street railway companies.\textsuperscript{2322} H.B. 1589 authorized municipalities in which a street railway system is located to create a transit operations finance zone for the system.\textsuperscript{2323} Senate Bill (S.B.) 1590 authorized the distribution of a portion of the comprehensive transportation fund to nonprofit street railway companies.\textsuperscript{2324} H.B. 1592 declared as a public purpose the preservation of abandoned railroad right of ways for future rail use.\textsuperscript{2325}

In a statement showing Governor Granholm’s support for reducing emissions from the transportation sector, she vocalized support for President Obama’s mandate to the EPA to review whether to issue the California waiver for vehicle emissions under the Clean Air Act.\textsuperscript{2326}

In January 2009, the Advisory Group to the MGGRA released its draft final recommendations.\textsuperscript{2327} The Group recommended that carbon dioxide, nitrous oxide, hydro-fluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions be reduced 15 to 25\% below 2005 levels by 2020 and 60 to 80\% below 2005 levels by 2050. It also recommended that power plants, industrial facilities, industrial combustion sources, industrial process sources, and transportation fuels be subject to these reductions.\textsuperscript{2328} It recommended that an offset component be incorporated in the program and that allowance value be used only for climate-related purposes by participating states.\textsuperscript{2329} The recommendations also included exemptions for biofuels, authorization of offset projects, and free allocation of allowances. However, the Group refused to comment on whether allowances should be auctioned or allocated, maintaining that this decision must be made by each state.\textsuperscript{2330} The governors of the member states were required to approve these recommendations before they could be implemented, which they did.\textsuperscript{2331}

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\textsuperscript{2329} Id. at 3.
\textsuperscript{2330} Id.
\end{flushright}
In her February 2009 State of the State Address, Governor Granholm recognized that the Advisory Group’s recommendations would aid Michigan in reaching its GHG goals by reducing electricity generated from fossil fuels in the state by 45% by 2020. In order to achieve this goal, she declared that the state would take the $2 billion that it currently spends on importing oil and natural gas and use this money to promote Michigan-generated renewable sources instead. She also encouraged the state legislature to pass a law allowing residential and business units with solar and wind systems to sell excess energy produced by these systems to utility companies. Further, she also requested that the PSC decouple utility company revenue from quantity of electricity consumed, instead of creating a pricing system that encourages utility companies to invest in renewable energy and energy efficiency programs.

In February 2009, in order to produce more renewable energy, Governor Granholm issued EO 2009-1, creating the Great Lakes Wind Council. The Council provides a forum for recommendations on the best places to site wind development in the Great Lakes. Additionally, the Council was tasked with developing criteria to be used in the review of wind project applications. The Council was comprised of leaders from industry and academia. Granholm issued Executive Directive 2009-2 on February 3, 2009, requiring the Department of Environmental Quality to consider alternatives before issuing permits for the construction of coal-fired power plants.

Governor Granholm signed a memorandum of understanding (MOU) with Denmark’s Minister of Climate and Energy on March 5, 2009. The MOU created working groups between Michigan and Denmark to further development in alternative energy.

The MCAC released its final plan on March 10, 2009. MCAC identified the following as the key elements and recommendations of the final plan: that the state reduce its GHG emissions 20% below 2005 levels by 2020 and 80% below 2005 levels by 2050; that the state should prioritize the 54 policy recommendations found in the plan; that these recommendations are estimated to generate a net cumulative savings of $10 billion between 2009 and 2025; that periodic review of the state’s progress with respect

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2333 Id.
2334 Id.
2336 Id.
to climate change policies be performed and that the final plan be amended when necessary; that further analysis of the state’s adaptation needs be addressed; and that the state position itself as a leader in the national and regional dialogue concerning climate change policies.\textsuperscript{2340} The recommendations were geared towards energy supply policy, market-based policies, transportation and land-use policy, residential, commercial and industrial policy, agriculture, forestry and waste management policy, and cross-cutting issues policy.\textsuperscript{2341}

On March 12, 2009, the Department of Energy (DOE) announced that Michigan was eligible for $82,035,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\textsuperscript{2342}

On March 19, 2009, Governor Granholm publicly supported President Obama’s plan to put $2.4 billion from ARRA towards funding hybrid vehicles and advanced battery technologies.\textsuperscript{2343} With the most aggressive battery incentives in the country, Michigan hoped to play an important role in this development.

Governor Granholm signed H.B. 4515 on April 6, 2009.\textsuperscript{2344} This Bill increased tax incentives for companies that develop and manufacture advanced batteries. The Bill made tax credits available for the manufacture of plug-in traction battery packs, for the engineering of vehicles that support advanced batteries, and for the construction of integrative cell manufacturing facilities.\textsuperscript{2345} These credits would take effect in 2010 for battery manufacturers and 2012 for vehicle engineers and those constructing cell manufacturing facilities. These credits put Michigan in a prime position to receive ARRA funding for advanced battery development.\textsuperscript{2346}

After signing H.B. 4515, Governor Granholm announced that she believed that her state would become the advanced-battery capital of the world.\textsuperscript{2347} Michigan’s

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\textsuperscript{2340} \textit{Id.} at ExS-2 – 3.
\textsuperscript{2341} \textit{Id.} at 1-4.
\textsuperscript{2342} U.S. DEP’T OF ENERGY, NAT’L ENERGY TECH. LAB., STATE ENERGY PROGRAM FORMULA GRANTS, at 44 (Apr. 24, 2009), \url{http://www1.eere.energy.gov/wip/pdfs/sep_arra_foa.pdf}.
\textsuperscript{2343} Press Release, Office of the Governor, Governor’s Statement on President Obama’s Announcement of Support for Hybrid Vehicles and Advanced Battery Technologies (Mar. 19, 2009), \url{http://web.archive.org/web/20100831032751/http://www.michigan.gov/gov/0,1607,7-168-23442_21974-211087--,00.html}.
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invigorated advanced-battery industry was expected to create 6,600 new jobs for Michiganders. Granholm also commended the state’s wind-technology manufacturing, announcing a partnership between a Nevada-based company and a Michigan-based company to produce a new wind technology, Windspire – a 30-foot tall vertical wind-power appliance without propellers that can provide 25% of the average home’s electricity needs. The manufacturing took place in an underused, retrofitted auto plant. Granholm also advertised Michigan to the wind industry at the American Wind Energy Association conference in Chicago in May 2009.

During that same month, Ford chose to manufacture its first battery-powered vehicle as well as other fuel-efficient cars in Michigan. Other businesses also converted to energy efficiency, resulting in a 30% increase in the renewable energy sector in the state at that time. On May 11, 2009, Governor Granholm announced her plans to increase this sector through the Green Jobs Initiative, a $6 million investment of ARRA money to increase the number of green industries and businesses in the state. According to Granholm, the three key areas in Michigan’s alternative energy economy were wind manufacturing, solar manufacturing, and advanced batteries.

Governor Granholm also signed legislation that authorized a tax credit for LG-Chem Compact Power Inc., a manufacturer of lithium-ion batteries. She then joined

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2350 Id.


2356 Press Release, Office of the Governor, Granholm Signs Legislation Authorizing Tax Credit to Support Advanced Battery Project (May 12, 2009),
eleven other governors in encouraging the U.S. Congress to pass legislation encouraging car owners to recycle older vehicles and replace them with fuel-efficient vehicles. Michigan’s Lieutenant Governor announced that the state would apply for $13 million for rural transit projects in ARRA funding.

At the end of May, Governor Granholm also signed an agreement to support federal climate change legislation with a coalition of other governors. The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.

In June 2009, Governor Granholm signed an agreement with twelve federally recognized Indian tribes located in the state to declare their commitment to combating global warming by decreasing GHG emissions. General Electric then announced that it had chosen Michigan as the site for its new advanced technology and training center, where it would develop its next generation of renewable energy technologies and products.

On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the Western Climate Initiative (WCI), and MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program. Governor Granholm also joined seven other Midwest states in signing a
MOU to coordinate ARRA applications and advocacy for high-speed rail.\textsuperscript{2364} While in Europe, she announced that the German company Fortu PowerCell announced that it would locate a battery pack manufacturing facility in Michigan.\textsuperscript{2365}

In July 2009, Governor Granholm issued an Executive Directive requiring the state to cut emissions 20\% below 2005 levels by 2020 and 80\% below 2005 levels by 2050.\textsuperscript{2366} She also required the Department of Environmental Quality to report to the governor and the legislature on the state’s progress towards reaching this goal on an annual basis. Granholm also described nine actions that the Climate Action Council must take in creating the state’s Climate Action Plan. The objective behind these actions was to address the adverse impacts of climate change on Michigan’s economy. These actions included a macro-economic analysis of the Council’s recommendations, including a recommendation for the Department of Energy, Labor, and Economic Growth (DELEG) to accelerate its plans to update building codes by including energy efficiency measures, and a recommendation that the Department of Transportation create programs to address traffic congestion.

Twelve Michigan projects were awarded $1.35 billion in advanced battery grants from ARRA in August 2009.\textsuperscript{2367} GM, which received some of this money, then announced that it would invest $43 million in producing lithium-ion battery packs for the Chevrolet Volt in Brownstown Township.\textsuperscript{2368} Kettering University also received $500,000 of this federal money.\textsuperscript{2369} The Eaton Corporation received $45.4 million of this money.\textsuperscript{2370} Michigan then applied to the federal government for $800 million in order to


develop a high-speed rail line between Pontiac, Detroit, and Chicago.\(^{2371}\)

In September 2009, the MGGRA governors decided to halt pursuit of a regional cap-and-trade program. Instead, the Midwestern Governors’ Association released the Midwestern Energy Infrastructure Accord.\(^{2372}\) The Accord focused on developing smart grid, carbon capture and sequestration, and biofuels in the Midwest. Also during this month, Governor Granholm announced that the former Ford Wixom Assembly plant would be transformed into a renewable energy park.\(^{2373}\) Companies located in this park received major economic incentives, including a photovoltaic tax credit valued at over $25 million over two years and an advanced battery tax credit valued at $100 million over four years.\(^{2374}\) In October, a new solar manufacturing facility owned by Suniva, Inc. opened in Saginaw County.\(^{2375}\)

Also in October, in an effort to streamline the state government, Governor Granholm issued an EO abolishing the Department of Natural Resources and the Department of Environmental Quality and created the Department of Natural Resources and Environment in their place.\(^{2376}\)

Governor Granholm announced that five small manufacturing firms in Michigan had been awarded $15.5 million in ARRA funds to help them diversify into advanced manufacturing of renewable-energy systems and components.\(^{2377}\) The companies were chosen from nearly eighty that submitted applications requesting close to $198 million to the DELEG. Astraeus Wind Energy, Inc. received $7 million to manufacture large scale,

advanced-composite wind turbine blades and hub-related components; Energetx Composites, LLC received $3.5 million to manufacture large scale, advanced-composite wind turbine blades; Loc Performance Products, Inc. received $1.5 million to manufacture planetary gears and gearboxes for utility scale wind turbines; LUMA Resources, LLC received $.5 million to manufacture products for the residential photovoltaic solar market; Merrill Technologies Group received $3 million to manufacture large-scale, advanced-composite wind turbine blades and system components.  

As of December 2009, Michigan had committed more than $1 billion to help alternative-energy and advanced-battery companies, including $700 million in advanced-energy battery credits, $43 million in the innovative Centers of Energy Excellence program, and $370 million in tax incentives to attract and grow renewable-energy companies. In addition, ARRA funding had been awarded to a number of Michigan companies, including twelve projects which shared more than $1.35 billion to support advanced-battery and electric-vehicle manufacturing and development; two projects focused on carbon capture and sequestration; three awards to expand smart-grid technology in Michigan; an alternative fuels vehicle pilot project; research in geothermal technologies; two grants to expand research of alternative fuels; and an $18 million award to Alpena-based American Process, Inc. to accelerate production of the next generation of biofuels.

Also in December 2009, GM announced that it would invest $336 million in its Detroit Hamtramck Assembly plant to begin producing the Chevrolet Volt, its new electric vehicle, in 2010. The Volt was designed to go up to 40 miles on electricity without using gasoline or producing tailpipe emissions. When the Volt’s lithium-ion battery was depleted of energy, a small gasoline engine and generator operated to extend the total driving range to about 300 miles. At that time, GM had invested $700 million in eight facilities in Michigan that are involved in Volt production.

Michigan’s Weatherization Assistance Program (WAP) helps to reduce energy costs and improve energy efficiency in the homes of low-income families throughout the state. WAP works to permanently reduce energy costs for low-income families through the installation of household energy-efficiency measures. By late 2009, weatherization practices had reduced heating bills by 25% and overall energy expenditures by $350 to $400 per year on average. Also by that time, 273,620 Michigan homes had been

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2378 Id.
2379 Id.
2380 Id.
An estimated $243 million in ARRA funding would finance weatherization projects in more than 30,000 homes by 2012.\textsuperscript{2383}


In early January 2010, President Obama announced that twelve Michigan companies would receive Advanced Energy Manufacturing Tax Credits totaling approximately $242 million through ARRA.\textsuperscript{2384} The companies were Dow Chemical, Dow Corning, Energetx Composites, Great Lakes Industry, Guardian Industries, Hemlock Semiconductor, Ilumisys, Inc., Merrill Technologies Group, Rogers Foam Automotive, Stirling Energy Systems, United Solar Ovonic, and VenTower Industries. The companies were involved in various forms of clean energy manufacturing, such as making components for solar panels, wind turbines, and advanced batteries.\textsuperscript{2385} Michigan companies received more than 10% of the total tax credits awarded nationally at that time.\textsuperscript{2386}

On January 11, 2010, Governor Granholm announced that Ford planned to invest an additional $450 million in electrification initiatives in Michigan, including moving future battery pack assembly for hybrid vehicles from Mexico to Michigan.\textsuperscript{2387} The $450 million brought Ford’s total investment for electrification and new vehicle production in Michigan to approximately $1 billion. The second phase of the project would include assembling the next-generation hybrid electric vehicle and plug-in hybrid with lithium-ion batteries at the Michigan assembly facility, producing the hybrid drive transmission for the company’s global products, and manufacturing battery packs and engineering for Ford’s hybrid vehicles.\textsuperscript{2388} The Phase II incremental job retention credits were approved, valued at $110 million and battery pack tax credits valued at $78 million, for a total incentive package valued at $188 million, to help attract Ford’s investment over competing countries, China, Europe, and Mexico.\textsuperscript{2389}

Also in January 2010, the DOE announced that five Michigan companies would receive more than $56.6 million in ARRA funding to develop and demonstrate new technologies to boost automotive fuel efficiency. The goal is to develop engine technologies and to improve the fuel economy of passenger vehicles by 25 to 40% by

\begin{itemize}
  \item Id.
  \item Id.
  \item Id.
  \item Id.
  \item Id.
  \item Id.
2015. Chrysler Group LLC, received $14,458,572 to develop a flexible combustion system for their minivan platform based on a downsized, turbocharged engine that uses direct gasoline injection, recirculation of exhaust gases, and flexible intake air control to reduce emissions. Delphi Automotive Systems LLC received $7,480,572 to develop a novel low-temperature combustion system, coupled with technologies such as continuously variable valve control and engine downspeeding, to improve fuel economy by at least 25%. Ford Motor Company received $15,000,000 to achieve a 25% fuel economy improvement with a gasoline engine in a 2010 mid to large-size sedan using technologies including engine downsizing, turbo-charging, direct injection, and a novel exhaust after-treatment system. General Motors Co. received $7,705,862 to develop an engine that uses lean combustion and active heat management, as well as a novel emissions control system, to improve the fuel economy of a 2010 Malibu demonstration vehicle by 25%. Robert Bosch received $11,953,786 to develop a high compression, turbo-charged engine based on homogenous charge compression ignition technology, which is a combustion technology that allows for lower emissions.

Also in early 2010, Governor Granholm announced that Michigan received a $5,819,999 federal grant to train more than 1,000 Michigan citizens and place them into jobs. DELEG in partnership with the State of Michigan Council for Labor and Economic Growth (CLEG) was awarded a State Energy Sector Partnership (SESP) and Training grant by the U.S. Department of Labor through ARRA. Regional Project Teams were organized around three industry sectors: Advanced Energy Storage, Solar Energy, and Energy Efficient Construction.

The U.S. Department of Transportation (DOT) awarded Michigan $40 million in ARRA funded high-speed rail grants. The DOT awarded a total of $244 million in high-speed rail grants to states comprising the Pontiac-Detroit-Chicago corridor. Michigan’s portion would fund construction of a new building and platform at the Dearborn Amtrak Station, construction of a new platform and passenger service facilities at the Troy Amtrak Station, and renovation of the building and passenger service facilities at the Battle Creek Amtrak Station.

In February 2010, the DOE gave the Flint Center of Energy Excellence a $951,500 grant to advance the production of biogas and biomethane. The project was a collaborative effort between Swedish Biogas International, the city of Flint, Kettering

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2391 Id.
University, and the Michigan Economic Development Corporation on a waste-to-energy/biomethane center at the city of Flint’s wastewater treatment facility. The grant’s purpose was to fund applied research and development activities conducted by Kettering University to improve the availability and quality of biogas at the wastewater treatment facility and to explore opportunities for using biogas in transportation and power generation applications in Michigan.

Dow Chemical Company clean-energy expansions costing more than $1 billion in wind, solar, advanced-battery manufacturing, and other projects were also announced in February 2010. The company planned to invest $952 million in future projects and leveraged an additional $161 million from the DOE. The Michigan Strategic Fund (MSF) board approved a Centers of Energy Excellence designation and $5 million grant for Dow to establish operations focused on cost-effective carbon-fiber materials for application in the wind-energy and transportation sectors. The Oak Ridge National Laboratory (ORNL), a global leader in the development of new materials and processes for the manufacture of carbon fibers, planned to collaborate with Dow. With ORNL’s participation, the DOE promised to provide a $5 million match, and Dow agreed to contribute up to $10 million of in-kind resources.

That same month, the Michigan Economic Growth Authority (MEGA) board approved, subject to finalizing local, state, and federal funding, a new job-creation state tax credit valued at $61.3 million over fifteen years for Dow projects, which included a full-scale production facility in Midland for the company’s DOW™ POWERHOUSE™ Solar Shingle. The MEGA board also approved an advanced-battery tax credit valued at $42 million to support Dow Kokam’s advanced-battery manufacturing operations. The advanced-battery credit would support phase II of the project involving the manufacture of lithium ion packs. The company invested $342 million in this phase of the project.

In March 2010, Ventower Industries invested $22 million in a new 115,000 square foot wind tower manufacturing plant that would yield about 250 wind turbines a year starting in 2011. Ventower used a federal advanced energy manufacturing tax

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2395 Id.
2397 Id.
2398 Id.
2399 Id.
2400 Id.
credit worth $2.5 million funded by ARRA to help purchase equipment needed for tower manufacturing. The Michigan Economic Development Corporation (MEDC) supported a state employment credit worth up to $3.7 million over ten years and a brownfield redevelopment credit worth up to $5.8 million for the plant. Ventower planned to provide high-quality wind towers to its customers by using readily accessible water, rail, and truck modes of transportation in the Great Lakes region.

In April 2010, Governor Granholm announced that Michigan would receive a $30 million ARRA grant to increase energy efficiency retrofits on Michigan homes, businesses, and public buildings for the Michigan Retrofit Ramp-Up Initiative (MRR). Program goals included identifying ways to increase demand for energy efficient buildings and technologies; building a skilled energy-efficiency workforce to meet the demand for these technologies; and assisting lenders in making investments in energy efficient retrofits for Michigan’s residential, commercial, industrial, and public buildings.

Governor Granholm also announced in April 2010 that her administration would make an additional $20 million available to small Michigan manufacturers looking to diversify, retool, and create jobs in clean energy. Michigan companies would compete for $15 million in grants and $5 million in loans through the Clean Energy Advanced Manufacturing (CEAM) initiative funded by ARRA.

In April 2010, the Michigan Strategic Fund Board approved $3.5 million in funding for Energetx Composites, which will collaborate with ORNL and the Dow Chemical Company to manufacture wind turbine blades with advanced materials. The project will receive $3.5 million in matching funds from the DOE. CENER, the national renewable energy center located in the Navarra region, will work with Energetx to test wind turbine blades at a laboratory in Sanguesa, Spain.

In May 2010, Michigan formed a partnership by signing a MOU with the government of Navarra, Spain, to work collaboratively with leading industry experts, including the Michigan-based wind turbine manufacturer Energetx Composites, to develop green technology. The MOU included joint activities – such as policy

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2402 Id.
2404 Id.
2405 Id.
2407 Id.
2408 Id.
2409 Press Release, Office of the Governor, Governor Granholm Announces Renewable Energy Partnership with Government of Navarra, Spain (May 26, 2010),
sharing, technology transfer, value-chain mapping and trade missions – in the targeted sectors of wind technology, biomass, solar energy, smart-grid technology, and bioclimactic research.\textsuperscript{2409}

In June 2010, Governor Granholm announced that Michigan achieved a 22\% reduction in energy use at state facilities during the Fiscal Year (FY) 2010 compared to FY 2002, which decreased the state’s utility costs by $30 million.\textsuperscript{2410} She also noted that the state government reduced its carbon footprint by the equivalent of 136,000 metric tons of carbon dioxide in 2009. This equates to the removal of 25,000 automobiles from the roads for one year, or powering and heating over 12,500 households. The Department of Technology, Management and Budget projects that cut energy usage included: turning lights and computers off when not in use; reducing lighting, heating, and cooling hours; replacing high-energy CRT computer monitors with energy-efficient LCD monitors in many offices; using more environmentally-friendly cleaning products and paints; performing steam trap audits and repairs to help prevent the loss of energy; eliminating space and leases through building consolidations; installing software that integrates building heating, ventilation, and air conditioning systems, lighting control, elevator monitoring, energy management, and metering to a common control platform; promoting environmentally-sound purchasing, use, reuse, and recycling of materials among state vendors; installing occupancy sensors in most facilities to turn off lights when no one is present; retrofitting and replacing fluorescent lighting to more energy efficient T8 (20\% more efficient) and T5 (30\% more efficient) lamps where applicable; upgrading elevators to be smart elevators, which go to sleep when not in use and operate using minimal energy; replacing multiple air handling systems with fewer, larger, more efficient systems to reduce horsepower requirements for electric motors; installing LED lighting technology in various buildings; and utilizing solar voltaic technology as an electric power source.\textsuperscript{2411}

In late June 2010, nine small Michigan manufacturers shared $20 million in clean energy advanced manufacturing grants and loans from ARRA in the field of clean energy to further reduce the state’s reliance on fossil fuels.\textsuperscript{2412}

In July 2010, Governor Granholm again highlighted Michigan’s long-term advanced automotive battery strategy including two incentive programs. The first was the Centers of Energy Excellence Program, which granted money to for-profit businesses in conjunction with at least one institution of higher learning and a national lab to

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\textsuperscript{2409} \textit{Id.}

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\textsuperscript{2410} Press Release, Dep’t of Licensing and Regulatory Affairs, Governor Granholm Says State Government Energy Savings Almost $90 Million Since 2002 (June 16, 2010), http://michigan.gov/lara/0,4601,7-154-10401-238811--,00.html.
\end{flushright}
\textsuperscript{2411} \textit{Id.}

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develop, accelerate and sustain new energy sectors of the Michigan economy. The second was the Advanced Battery Credits Program, which gave tax credits for advanced battery research and development and engineering, pack manufacturing, and cell manufacturing.

In September 2010, Ford Transit Connect Electric Van completed production of the first vans at Azure Dynamics’ Oak Park facility. The Ford Transit Connect is powered by Azure’s Force Drive electric powertrain, which uses an advanced lithium-ion battery. The Ford Transit Connect can achieve a range of up to 80 miles on a single charge and has a top speed of 75 miles per hour. The battery is rechargeable using either a 240-volt or standard 120-volt outlet.

On December 7, 2010, Governor Granholm announced a power-purchase agreement for wind energy, which would also include the first large-scale production of wind turbines fully produced in Michigan. The agreement was aimed to help Michigan meet its goal of obtaining 10% of its energy from renewable sources by 2015.

2011: Renewable Energy and Energy Efficiency

The DELEG Bureau of Energy Systems offered low-interest loans of up to $15,000 to farmers in order to help them implement energy efficiency and renewable energy projects recommended by the Michigan Farm Energy Audit Program. Loan applications were accepted from February through April 2011. Selected participants were required to first conduct a Farm Energy Audit, after which the owners were able to choose from a range of recommendations to implement.

In addition to the farm grants, DELEG also offered up to $2 million in low-interest loans to small businesses with 500 employees or less, in order to help them diversify into high-growth clean energy sectors, including sectors such as smart grid.

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2414 Id.
2416 Id.
2417 Press Release, Dep’t of Licensing and Regulatory Affairs, Governor Announces First Large-Scale Michigan Wind Turbine Manufacturing (Dec. 7, 2010), http://www.michigan.gov/lara/0,4601,7-154--248100--.00.html.
systems and water heating and pumping systems. The applications were also accepted from February through April 2011.\textsuperscript{2419}

In February 2011, DELEG announced that energy efficiency improvements would be undertaken at three Michigan correctional facilities, which would save the state $1.7 million per year over the next ten years.\textsuperscript{2420}

**2012: Renewable Energy**

In March 2012, Michigan signed a MOU with several other Great Lakes States and federal agencies regarding offshore wind energy.\textsuperscript{2421} The MOU required regulatory agencies to disclose and share their current regulatory regimes for offshore wind projects to facilitate coordination.\textsuperscript{2422} Governor Snyder highlighted the agreement as supporting the work of researchers at Michigan’s universities.\textsuperscript{2423}

Governor Snyder described his vision for the state’s energy policy in a speech at the W. K. Kellogg Biological Station.\textsuperscript{2424} He highlighted the need for reliability, affordability, and environmental protection.

**2013: Renewable Energy**

On July 1, 2013 Governor Snyder signed SB 284, which is designed to create a fund for low-income energy assistance in the state, into law.\textsuperscript{2425} This Bill created the Low Income Energy Assistance Fund (LIEAF) and authorized the “Public Service Commission to raise up to $50 million for low income energy assistance in Michigan.”\textsuperscript{2426} An additional $10 million from federal funds for heating assistance was placed into LIEAF to ensure the program could reach Michiganders statewide. LIEAF replaces the Vulnerable Household Warmth Fund, which expired in 2012.

**MINNESOTA**

**1992: Renewable Energy**


\textsuperscript{2422} Id.

\textsuperscript{2423} Id.


\textsuperscript{2425} Press Release, Michigan.gov, Snyder Signs Low Income Energy Assistance Legislation (July 1, 2013), http://www.michigan.gov/snyder/0,4668,7-277--307261--RSS,00.html.

\textsuperscript{2426} S.B. 284, 97th Leg., Reg. Sess. (Mich. 2013).
For over a decade, Minnesota has offered tax exemptions designed to promote alternative power sources. For example, in 1992, Minnesota began offering a property tax exemption for value increases attributed to the addition of a solar-electric generator.\(^{2427}\)

**1994: Renewable Energy and Market-Based Solutions**

The Value-Added Stock Loan Participation Program has, since 1994, offered Minnesota’s low-interest loans to buy wind or anaerobic-digestion power generators.\(^{2428}\) Minnesota’s Rural Finance Authority offers a low 4% interest rate for 45% of each loan provided by participating Minnesotan financial institutions.\(^{2429}\)

**1998: Renewable Energy**

Since 1998, wind power generators have also been exempt from Minnesota’s sales tax.\(^{2430}\)

**2001: Renewable Energy**

In 2001, Minnesota passed legislation requiring the state’s electric utilities provide their customers an option to buy power created by renewable energy generators.\(^{2431}\) The law also provided a non-binding deadline of 2015 for utilities to obtain 10% of their power from renewable energy generators.\(^{2432}\) It required that, by 2005, 1% of energy produced by utilities should be from a renewable power source; for each subsequent year until 2015, the law mandates utilities to increase their reliance on renewable energy by 1%.\(^{2433}\)

**2002: Renewable Energy and Market-Based Solutions**

By order of Minnesota’s Public Utilities Commission in 2002, all utilities regulated in Minnesota must biannually disclose data on fuel mix and emissions to their customers.\(^{2434}\) The data must be available to customers by phone, internet, and brochure with: (1) a pie chart of the fuel sources; (2) a bar chart of air pollutant emissions; and (3) a chart comparing the costs of different power generation systems.\(^{2435}\)

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\(^{2428}\) Id. § 41B.046.
\(^{2429}\) Id.
\(^{2430}\) Id. § 297A.68.
\(^{2431}\) Id. § 216B.169.
\(^{2432}\) Id.
\(^{2433}\) Id. § 216B.1691.
\(^{2435}\) Id.
Since 2002 wind-energy systems have been subject only to a production tax varying by locality, but not Minnesota’s property tax.\footnote{2436}

2003: Climate Change Adaptation

The Minnesota Pollution Control Agency developed a climate change action plan for the state in February 2003.\footnote{2437}

2004: Renewable Energy

Since 2004, Minnesota’s Department of Commerce has offered all Minnesotans rebates of $2,000 per kilowatt (KW) for the up-front costs of grid-connected solar-electric generators.\footnote{2438} The rebates were available until 2008 or when the funds for the program expired.\footnote{2439} As for wind power, until 2017, Minnesota will pay energy providers 1.5¢ for every kilowatt-hour of energy produced, from a minimum of two megawatts (MW) to a maximum of 200 MWs.\footnote{2440}

2005: Market-Based Solutions

Since August 2005, solar energy systems in Minnesota have been exempt from the sales tax.\footnote{2441}

2006: Renewable Energy and Transportation/Fuels

In 2006, Minnesota required that any plans for the construction or large renovation of any state-owned buildings must incorporate alternative energy power sources.\footnote{2442} The state also adopted a mandate requiring that all diesel fuel contain two percent biodiesel.\footnote{2443}

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\item \footnote{2436}{Id. § 272.028.}
\item \footnote{2437}{MINN. POLLUTION CONTROL AGENCY, MINN. CLIMATE CHANGE ACTION PLAN: A FRAMEWORK FOR CLIMATE CHANGE ACTION (2003), http://web.archive.org/web/20060114004616/http://www.pca.state.mn.us/publications/reports/mnclimate-action-plan.pdf.}
\item \footnote{2439}{Id.}
\item \footnote{2440}{MINN. STAT. ANN. § 216C.41 (West 2006).}
\item \footnote{2441}{Id. § 297A.67.}
\item \footnote{2442}{MINN. STAT. ANN. § 16B.32 (West 2006).}
\item \footnote{2443}{Id. §§ 239.77, 239.771.}
\end{itemize}
In December 2006, Governor Pawlenty introduced his Next Generation Energy Initiative, a collection of climate change policies to expand the state’s renewable energy requirements, increase energy conservation, and decrease carbon emissions.  


Subsequently in February 2007, Governor Pawlenty signed a bill requiring 25% of the state’s power to come from renewable energy sources by 2025. The state’s largest energy supplier, Xcel Energy, must generate 30% of its power from renewables by 2020.

In April 2007, Governor Pawlenty established the Minnesota Climate Change Advisory Group (MCCAG), a component of his Energy Initiative. Composed of representatives from business, utility, environmental, academic, and religious organizations, as well as private citizens, farmers, local government, and tribal leaders, the MCCAG was tasked with constructing a plan to decrease Minnesota’s greenhouse gas (GHG) emissions.

In May 2007, Governor Pawlenty signed into law the Next Generation Energy Act of 2007 to “increase energy efficiency, expand community based energy development, and establish a statewide goal to reduce greenhouse gas emissions.” In particular, the Act set a goal of 1,000 commercial Energy Star Buildings in Minnesota by 2010 and provided adequate funding to achieve the goal, established statewide GHG reduction goals of 15% by 2015, 30% by 2025, and 80% by 2050, and endorsed the Governor’s MCCAG as the entity to develop a comprehensive GHG emission reduction plan to meet those goals.

Also in May 2007, Minnesota and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” It was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

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2445 S. File 4, 85th Leg., Reg. Sess. (Minn. 2007).
2446 Id.
2447 Id.
2448 Id.
2450 Id.
2450 S. File 145, 85th Leg., Reg. Sess. (Minn. 2007).

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On November 15, 2007, Governor Pawlenty joined the governors of Illinois, Iowa, Kansas, Michigan, and Wisconsin, as well as the Premier of the Canadian Province of Manitoba in signing and establishing the Midwestern Regional Greenhouse Gas Reduction Accord (MGGRA) in order to reduce GHG emissions and achieve energy security. Signed at the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, MGGRA aimed to establish GHG emission targets, including a 60 to 80% reduction in emissions, create a market-based, multi-sector cap-and-trade system, and create a tracking and crediting system. The MGGRA’s final model rule was released in April 2010; however, although the MGGRA has not been formally suspended, participating states are no longer formally pursuing it.

Also at the Summit, Minnesota, Illinois, Iowa, Kansas, Michigan, Wisconsin, Nebraska, and North Dakota adopted an Energy Security and Climate Stewardship Platform. The Platform’s goals for the Midwest include promoting energy efficiency, advances in biobased products, electricity production from renewables, and advanced coal and carbon capture and storage. Platform members also signed cooperative regional initiatives to create a Carbon Management Infrastructure Partnership, a bioproduct procurement program, electricity transmission adequacy for new wind energy, renewable fuels corridors, advanced bioenergy permitting, and low-carbon energy transmission infrastructure.

2008: Renewable Energy

On January 17, 2008, Governor Pawlenty signed an Executive Order (EO) creating the Minnesota Office of Energy Security within the Minnesota Department of Commerce. The Office of Energy Security aims to give the public better access to energy information and technical assistance, and the director is tasked with coordinating energy and climate issues throughout the administration. On the same day, Pawlenty

2453 Id.
2454 Id.
2456 Id.
2457 Id.
2459 Id.
created the Clean Energy Technology Collaborative (CETC) by an EO. This group of fifteen appointed members was tasked with developing a Clean Energy Technology Roadmap to guide research and development and set goals. Among those goals are the “25 x 25” renewable energy standard that requires 25% of the state’s energy to come from renewable sources by 2025. CETC members include scientists from industry and academia.

On November 6, 2008, Governor Pawlenty announced Michigan’s Next Generation Energy Board would issue close to $3 million in grant funding to a total of eight projects, including proposals involving “cellulosic ethanol production, an anaerobic digester technology for hog manure, and using turfgrass to produce electricity.”


In January 2009, the Advisory Group to the MGGRA released preliminary trade design recommendations. The group recommended that carbon dioxide, nitrous oxide, hydro-fluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions be reduced 15 to 25% below 2005 levels by 2020 and 60 to 80% below 2005 levels by 2050. It also recommended that the following sources be subject to these reductions: power plants, industrial facilities, industrial combustion sources, industrial process sources, and transportation fuels. It further recommended that an offset component be incorporated in the program and that allowance value be used only for climate-related purposes by participating states. However, the Group refused to comment on whether allowances should be auctioned or allocated, maintaining that this decision must be made by each state.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Minnesota was eligible for $54,172,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).

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2461 Id.
2462 Id.
2463 Id.
2464 Press Release, Minn. Officer of the Governor, Governor Pawlenty Announces Next Generation Energy Grants to Accelerate Biofuel Development (Nov. 6, 2008), http://www.leg.state.mn.us/docs/2010/other/101582/.
2467 Id. at 3.
2468 Id.
According to the Pew Charitable Trust’s June 2009 Clean Energy Economy Fact Sheet for Minnesota, Minnesota’s clean energy economy grew by 19,994 jobs and 1,206 businesses from 1998 to 2007.2470 Between 2006 and 2009, Minnesota attracted nearly $50 million in capital investment in clean energy.2471

In June 2009, the MGGRA’s Advisory Group released its final recommendations for a regional cap-and-trade program to the participating governors.2472 The committee advised that a federal program was preferable to a regional one but that MGGRA should continue developing a program until federal legislation passed. The Advisory Group recommended targets of 18 to 20% below 2005 emissions levels by 2020 and 80% below by 2050.2473 On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the Western Climate Initiative (WCI), and MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.2474

In October 2009, the Midwestern Governors Association, in which Minnesota participates, issued the Midwestern Energy Infrastructure Accord, which included agreements by Midwestern governors to expand transmission capacity, adopt smart grid technologies, build new pipelines for biofuels and for the capture and storage of carbon dioxide, and deploy a refueling system for biofuels and other low-carbon transportation fuels.2475 The report set renewable energy goals at 10% by 2015 and 30% by 2030.2476

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050.2477 As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec.2478 North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create

2471 Id.
2473 Id.
2476 Id.
economic opportunities." North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.

**2010: Energy Efficiency and Renewable Energy**

In August 2010, the Minnesota Department of Commerce’s Office of Energy Security received an additional $6 million through ARRA in order to continue its weatherization program. The funds would be distributed to seven weatherization companies, in a continued effort to make buildings more energy efficient through measures such as installing solar heating systems.

Minnesota had a record number of solar electric installations in 2010, with a 55% increase in installations from the beginning of the year in large part due to rebates and incentives provided through ARRA grants.

**2011: Energy Efficiency and Greenhouse Gas Reduction**

On April 8, 2011, Governor Dayton signed three executive orders, EO 11-12, EO 11-13, and EO 11-14, which collectively created a comprehensive energy conservation and sustainability action plan for state government. EO 11-12 set a goal of reducing Minnesota’s energy consumption by 20% and directed state agencies to implement energy and cost-saving improvements to state facilities. EO 11-13 directed state agencies to implement practices and policies that reduce the environmental impact of their operations and save money. EO 11-14 renamed the Office of

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2480 See id.
2482 Id.
Energy Security the Department of Energy Resources, thus reflecting its broader scope.\textsuperscript{2490}

In June 2011, the Minnesota Department of Commerce Division of Energy Resources released a report showing that in 2008-2009, conservation investments by electric and natural gas utilities resulted in energy savings that translated into 1.3 million tons of annual avoided carbon dioxide emissions.\textsuperscript{2491} These emissions were equivalent to the emissions of about 260,000 automobiles over the course of a year.\textsuperscript{2492}

Minnesota’s ARRA-funded Weatherization Assistance Program exceeded its goal of weatherizing 16,858 homes by March 2012, announcing in August 2011 that 17,153 homes had been weatherized to date with funds remaining for another 2,000-2,500 homes.\textsuperscript{2493}


In March 2012, Minnesota signed a memorandum of understanding (MOU) with several other Great Lakes States and federal agencies regarding offshore wind energy.\textsuperscript{2494} The MOU requires regulatory agencies to disclose and share their current regulatory regimes for offshore wind projects to facilitate coordination.\textsuperscript{2495}

As part of efforts to strengthen rural economies and improve energy efficiency, Minnesota trained thirteen farm energy auditors between November 2011 and March 2012.\textsuperscript{2496}

On August 3, 2012, Minnesota announced the launch of a new effort to identify ways to streamline the permitting process for solar energy installations.\textsuperscript{2497} The initiative will be led by a partnership known as the Minnesota Solar Challenge.

2013: Renewable Energy and Renewable Portfolio Standard

\textsuperscript{2492} Id.
\textsuperscript{2493} Press Release, Minn. Dep’t of Commerce, Minnesota Weatherization Assistance Program Weatherizes More Than 17,000 Homes (Aug. 24, 2011), \url{http://mn.gov/commerce/energy/media/newsdetail.jsp?id=207-30988}.
\textsuperscript{2494} Id.
\textsuperscript{2495} Press Release, Minn. Dep’t of Commerce, Minnesota Joins Regional Effort to Capture Wind Power in Great Lakes (Mar. 30, 2012), \url{http://mn.gov/commerce/energy/media/newsdetail.jsp?id=207-38036}.
\textsuperscript{2496} Id.
\textsuperscript{2497} Press Release, Minn. Dep’t of Commerce, Energy Auditor Training Primes Minnesota Farms for Energy Efficiency (May 2, 2012), \url{http://mn.gov/commerce/energy/media/newsdetail.jsp?id=207-40710}.
In January 2013 the Minnesota Department of Commerce, Energy Resources Division announced that new solar electric installations tripled in capacity in Minnesota in 2012 as compared to 2011. In 2012 “299 solar electric, or solar photovoltaic (PV), systems with a capacity of 4,844 kilowatts (kW) were installed in businesses, residences and nonprofit organizations. The 299 systems greatly exceed the 164 installations and 1,771 kW in 2011.”

On May 23, 2013 Governor Dayton signed H.F. 729 entitled, Made in Minnesota Solar Energy Production Incentive, into law. Beginning in January 2014 the Department of Commerce will administer a productive incentive requiring that “systems must be less than 40 kW-DC and be certified as ‘Made in Minnesota...The incentive rate must be set by the Commissioner of Commerce, and will be recalculated annually for new contracts.” Additionally, each contract is for a ten-year term and the Renewable Energy Credits (RECs) are transferred to the utility.

On May 24, 2013 Governor Dayton passed the omnibus energy bill, which requires all utilities in the state to procure 1.5% of their electricity from solar generation by 2020 and increased Minnesota’s Renewable Portfolio Standard (RPS) to 26.5% by 2025.

2014: Renewable Energy

On January 30, 2014 the Minnesota Department of Commerce announced that the state will receive an additional $15,814,434 in federal Low-Income Home Energy Assistance Program (LIHEAP) funds for their Energy Assistance Program. The LIHEAP program helps “low-income homeowners and renters pay heating bills through grant money paid directly to utility companies and heating fuel vendors on behalf of customers.”

On February 3, 2014 Minnesota announced that due to their Made in Minnesota Solar Incentive Program, the cost to install a solar energy system will be much more

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2499 Id.
affordable. The Program allows “customers of investor-owned utilities (Xcel Energy, Alliant Energy, Minnesota Power, and Otter Tail Power) who install solar modules or collectors certified as manufactured in Minnesota are eligible for the program.” Applications for Solar Electric Production Incentives and Solar Thermal Rebates will be accepted each year for 10 years from January 1 to February 28.

**MISSISSIPPI**

2006: Renewable Energy

Mississippi offers low-interest loans for renewable energy and energy efficiency projects through its Energy Development Fund. Eligible renewable energy technologies include solar, cogeneration projects, energy recovering systems, and wind power generators. All projects must demonstrate that they will reduce a facility’s energy costs. The interest rate is 2% below the prime rate, with a maximum loan term of ten years and loans are awarded in amounts not to exceed $500,000 per business. This program is supported by a revolving loan fund of $7 million, established through federal oil overcharge funds.

Mississippi’s Commissioner of Agriculture and Commerce is authorized to make cash payments to producers of ethanol and bio-diesel in the amount of 1.5¢ for each kilowatt-hour of electricity generated using biomass in a cogeneration facility at an ethanol plant located in the state.

2009: American Recovery & Reinvestment Act (ARRA), Cap-&-Trade, and Market-Based Solutions

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Mississippi was eligible for $40,418,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA). In response to this funding, Governor Barbour sought proposals for project ideas for increasing energy efficiency and conservation. The Mississippi Development Authority would then administer the chosen projects.

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2505 Id.


2507 Id.

2508 Id.


2510 Id.


In June 2009, Governor Barbour publicly announced his criticisms of the Obama’s Administration’s support of a federal cap-and-trade program, stating that cap-and-trade would result in unacceptable costs for families and businesses. He then testified before Congress, voicing these concerns.

As part of the ARRA-funded state energy plan, SmartSynch, a smart-grid infrastructure company, received a $3.75 million grant in August 2009.

2010: Green Technology

In April 2010, Twin Creeks Technologies, a solar technology company specializing in crystalline silicon photovoltaic technology, announced the location of a solar panel manufacturing facility in Senatobia, Mississippi. The state provided loan assistance totaling $50 million through the Mississippi Major Economic Impact Authority and, along with the City of Senatobia, promised to provide $4 million for infrastructure improvements at the site.

On December 15, 2010, Governor Barbour commended Soladigm for receiving the GE “Ecomagination Challenge” award, which provided the company with funding to build energy-efficient dynamic insulated glass that changes from tinted to clear on demand. Soladigm’s insulated glass reduces energy consumption, and the company announced that it would build its first large-scale manufacturing facility in Mississippi.

2011: Green Jobs

Governor Barbour announced in January 2011 that Stion, a solar-panel manufacturing company, would construct its $500 million manufacturing facility in Mississippi and would thus create 1,000 new jobs by 2017.

2013: Renewable Energy

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2514 Governor Barbour Calls for Abundant, Affordable Energy, PROJECT VOTE SMART (June 8, 2009), http://votesmart.org/public-statement/429477/ (original press release not found).
2518 Id.
2519 Id.
On July 27, 2013 Green Circle Bio Energy announced that the company would locate an energy wood pellet manufacturing facility in George County Industrial Park. This project represented “a company investment of $115 million and create[d] 126 jobs with the potential of up to 141.”

MISSOURI

1989: Renewable Energy and Energy Efficiency

Since 1989, the Energy Center of the Missouri Department of Natural Resources (DNR) has offered loans for renewable energy and energy efficiency projects for public and government-owned buildings.

1997: Market-Based Solutions

Since 1997, Missouri has offered income tax credits of $5 per ton for those who process wood for fuel.

2003: Market-Based Solutions

Since 2003, Missouri has required utilities to offer net metering for photovoltaic, wind, fuel cell, and biomass generators up to 100 kilowatts.

2007: Climate Change Agreements

In May 2007, Missouri and thirty other states founded The Climate Registry, to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

2008: Fuels; Climate Change Adaptation; and Renewable Energy

On January 1, 2008, Missouri became the third state, after Minnesota and Hawai’i, to mandate that ethanol be mixed with gasoline. Under the Missouri Renewable Fuel Standard Act, all gasoline offered for sale in the state must contain 10%

2522 Id.
2523 MO. ANN. STAT. §§ 640.651-.686 (West 2006).
2524 Id. §§ 135.300-.311.
2525 Id. § 386.890.
ethanol. Missouri also developed a climate change action plan, which discussed action options to reduce greenhouse gas (GHG) emissions from electric generation, residential and commercial buildings, transportation, agriculture, and solid waste management.

On November 4, 2008, a majority of the state’s voters supported the Missouri Clean Energy Initiative, containing the state’s renewable portfolio standard (RPS). The initiative proposed an amendment to Chapter 393 of the Revised Statutes of the State of Missouri. The amendment required the Public Service Commission (PSC) to promulgate a rule requiring that the following percentages of electric utility sales be generated from renewable resources: at least 2% for the years 2011 through 2013; 5% for the years 2014 through 2017; 10% for the years 2018 through 2020; and 15% annually starting in 2021. Further, the amendment mandated that at least 2% of each RPS requirement be derived from solar energy. Beginning December 31, 2009, each regulated entity would be required to send a biannual report to the commission in order to explain its plans for and progress toward achieving the RPS.

2009: Energy Efficiency, American Recovery & Reinvestment Act (ARRA), Green Building, Green Jobs, Renewable Energy, and Climate Change Agreements

On April 23, 2009, during an appearance at the Missouri Energy Summit, Governor Nixon signed Executive Order (EO) 09-18, which directed all state agencies to reduce buildings energy consumption by 2% per year through 2019. Additionally, Nixon directed the Division of Facilities Management, Design and Construction to adopt clear standards for energy efficiency and consumption in state buildings.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Missouri was eligible for $57,393,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA). Governor Nixon joined seven other Midwest states in signing a memorandum of understanding (MOU) to coordinate ARRA applications and advocacy for high-speed rail.

2528 Id.
2532 Id.
2533 Id.
2535 Id.
2537 Memorandum of Understanding between Pat Quinn, Governor of State of Ill., Mitch Daniels, Governor of State of Ind., Chet Culver, Governor of State of Iowa, Jennifer Granholm, Governor of State of Mich., Jay Nixon, Governor of State of Mo., Tim Pawlenty, Governor of State of Minn., Ted Strickland, Governor of State of Ohio, Jim Doyle, Governor State of Wis., and Richard M. Daley, Mayor City of Chi. (July 27,

On September 2, 2009, Governor Nixon applauded the U.S. Department of Agriculture’s selection of Show Me Energy Cooperative as a recipient of federal matching payments under the Biomass Crop Assistance Program (BCAP). Show Me’s biomass conversion facility would be the first in the nation to make federal matching payments to its suppliers in an effort to incentivize biomass energy conversion.

In October 2009, the Midwestern Governors Association, in which Missouri participates, issued the Midwestern Energy Infrastructure Accord, which included “agreements by Midwestern governors to expand transmission capacity, adopt smart grid technologies, build new pipelines for biofuels and for the capture and storage of carbon dioxide, and deploy a refueling system for biofuels and other low-carbon transportation fuels.” The report set renewable energy goals at 10% by 2015 and 30% by 2030.

On October 19, 2009, Governor Nixon celebrated the opening of a new waste heat and renewable energy utilization project. The project captures gases generated naturally at a landfill, which are then used to create energy for Columbia, Missouri utilities. Additionally, the waste heat that is generated is used to provide steam and hot water to two state correctional facilities.
In November 2009, Governor Nixon announced a plan to increase home ownership and energy efficiency.\textsuperscript{2547} The proposal would pay the new homeowners’ property taxes and give an additional $500 to those that purchase energy efficient household items, such as ENERGY STAR\textsuperscript{®} appliances.\textsuperscript{2548}

2010: Renewable Energy, Green Jobs, and Energy Efficiency

On a March 2010 visit to State Fair Community College, Governor Nixon announced that the college would receive a grant of over $700,000 to develop an alternative energy training program.\textsuperscript{2549} Nixon also promoted energy efficiency in March with a grant of $175,000 to Taney County to retrofit buildings with energy efficient lighting;\textsuperscript{2550} a $437,000 grant to the city of Fulton for the purchase of generator equipment that will convert methane into electricity to power the city’s buildings;\textsuperscript{2551} and a $1 million grant to the city of Independence for efficiency upgrades at its waste water treatment facility.\textsuperscript{2552}

Following the receipt of ARRA funds, the Missouri DNR initiated the Energize Missouri program, which distributes more than $204 million for energy efficiency and renewable energy projects.\textsuperscript{2553} The program provides grants for a wide range of energy-saving projects throughout the state, including appliance rebates, renewable energy grants, and energy efficiency in homes, communities, agriculture, and industries.\textsuperscript{2554}

In April 2010, the Energize Missouri Renewable Energy Biogas Grants awarded nearly $2 million to businesses, non-profit organizations, local governments, and individuals and the biogas projects are expected to collectively produce more than 30 million kilowatt hours of electricity per year.\textsuperscript{2555}

The Midwest Energy Efficiency Alliance (MEEA), of which several Missouri state agencies are members, released a report in June 2010, stating that Missouri could save $3.4 billion if the state’s PSC would adopt energy-efficiency targets similar to those

\textsuperscript{2548} Id.
\textsuperscript{2551} Id.
\textsuperscript{2552} Id.
\textsuperscript{2554} Id.
adopted by other states, such as Ohio, Indiana, and Illinois. MEEA was selected by the DOE to assist communities that received ARRA funding in implementing their energy efficiency projects.

Additionally, in August 2010, the Missouri DNR selected more than 1,600 farmers to receive funding under the Energize Missouri Agriculture Cost-Share program. The program would distribute a total of $6.1 million to the selected farmers, allowing them to offset 75% of the cost of installing energy-saving equipment and systems.

Similarly, Energize Missouri Industry awarded more than $3 million to energy efficiency companies, expecting to save up to 75 million kilowatt hours of energy through projects funded. Energize Missouri Industry also offered an additional $11 million for its Industrial Energy Efficiency Program, through which qualified businesses could receive funding to implement energy saving measures.

In December 2010, Governor Nixon announced that wind turbine technology manufacturer Nordic Windpower U.S.A. would relocate to Missouri, creating more than 200 jobs. Missouri provided a $5.6 million incentive package, and the company planned to invest an additional $16 million.

2011: Energy Efficiency, Transportation/Fuels, and Market-Based Solutions

In January 2011, Governor Nixon announced the launch of a new $5 million grant program, the Missouri Agricultural Energy Savings Team – a Revolutionary Opportunity (MAESTRO), to provide farmers with low-interest loans and rebates to perform farm audits and implement best practices for energy efficiency on their farms.


The Missouri DNR partnered with local retailers in Joplin, Missouri to offer a $500 rebate to purchase ENERGY STAR® appliances beginning in November 2011. The offer was available exclusively to residents eligible for disaster assistance from the Federal Emergency Management Agency following the disastrous May 2011 tornado that hit the area.\footnote{Press Release, Mo. Dep’t of Nat. Res., Joplin Residents Affected by the May Tornado are Eligible to Receive $500 in Rebates to Purchase ENERGY STAR Appliances (Nov. 10, 2011), http://www.dnr.mo.gov/newsrel/data-2011.asp?param=375.}

2012: Fuels

On July 5, 2012 Governor Nixon signed H.B. 1462, Qualified Biodiesel Producer Incentive Fund, into law.\footnote{H.B. 1462, 96th General Assemb., Second Reg. Sess. (Mo. 2012), http://house.mo.gov/billtracking/bills121/billtxt/truly/HB1462T.htm.} This Bill changed the eligibility for producers receiving payments for the Missouri Qualified Producer Incentive Fund and removed the 24-month limitation and allowed a producer’s eligibility to continue until payment in full amount occurs.

2013: Energy Efficiency and Renewable Energy

On March 8, 2013 the Missouri Department of Natural Resources announced that it was making “$5 million in low-interest loans available to schools, governments and not-for-profit hospitals to complete energy-efficiency and renewable energy projects.”\footnote{Press Release, Mo. Dep’t of Nat. Res., Loans Available for Energy Improvements (Mar. 8, 2013), http://dnr.mo.gov/newsrel/data-2013.asp?param=019.} These loans were administered by the Department of Natural Resource’s Division of Energy and are part of the Energy Revolving Loan Fund.
On Earth Day 2013 Governor Nixon announced that in accordance with EO 09-18, which Nixon issued in 2009, Missouri state agencies had reduced their energy usage by more than 21%.\textsuperscript{2569}

On July 3, 2013 Governor Nixon signed H.B. 142, which modified the solar rebate requirement for electric utilities capping solar rebates at 1% of the average retail rate increase ignoring a utility’s own investment in solar related projects.\textsuperscript{2570} Solar rebates were set at $2 per watt for systems that are operational on or before June 20, 2014, and this rate decreases annually until the rebates are phased out after June 30, 2020.

**MONTANA**

**2005: Greenhouse Gas Reduction**

In December of 2005, Governor Schweitzer directed the State Department of Environmental Quality (DEQ) to create a Climate Change Advisory Committee to recommend strategies to reduce and sequester greenhouse gas (GHG) emissions and to promote economic growth through energy efficiency and renewable energy investments. The group was also charged with developing a Climate Action Plan.\textsuperscript{2571} In November 2007, the Committee issued its final report, evaluating GHG reduction opportunities available at the state level.\textsuperscript{2572}

**2007: Climate Change Agreements, Market-Based Solutions, Renewable Energy, and Energy Efficiency**

In May 2007, Governor Schweitzer signed House Bill (H.B.) 25, a law limiting pre-approval of coal-fueled electric generating units built after January 1, 2007 to those that capture and sequester 50% of their carbon emissions.\textsuperscript{2573} In November 2007, Schweitzer announced an initiative to reduce state agency energy consumption 20% by 2010, directed state agencies to apply a Montana corporate average fuel economy (CAFE) standard, and requested that state vehicle fleets achieve an average of 30 mpg or better.\textsuperscript{2574}


\textsuperscript{2573} H.B. 25, 60th Leg., Reg. Sess. (Mont. 2007).

Also in May, Montana and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

In November 2007, Governor Schweitzer signed H.B. 3, Montana’s “Clean and Green” Energy Bill, creating property tax incentives for renewable and alternative energy development, manufacturing, and production facilities. H.B. 3 reduced taxes by 50% for eligible facilities, which included biodiesel, biogas, biomass, biomass gasification, ethanol, geothermal, and renewable energy production facilities.

In November 2007, Montana joined the Western Climate Initiative (WCI), a multi-state effort to reduce GHG emissions. Established in February 2007 by the governors of Arizona, California, New Mexico, Oregon, and Washington and later joined by Utah, and four Canadian provinces, WCI set a goal to reduce regional GHG emissions to 15% below 2005 levels by 2020. WCI announced draft essential requirements for the reporting of GHG emissions in July 2008. It also released its Design Recommendations for the WCI Regional Cap-and-Trade Program on September 23, 2008.

2008: Climate Change Adaptation, Cap-&-Trade, Market-Based Solutions, Renewable Energy; and Transportation/Fuels

WCI’s September 2008 Design Recommendations recommended that carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions should all fall under a cap-and-trade scheme. Regulated sources would include electricity generation; combustion at industrial and commercial facilities; industrial process; fuel combustion from industrial, residential and commercial sources that are below the threshold for direct regulation; and transportation combustion of gasoline/diesel (excluding biofuels). WCI would require each of these sources to emit at least 25,000 metric tons of carbon dioxide equivalent annually in order to participate in trade. The first compliance period was set to begin in 2012 and would include half of the economy-wide regulated emissions from WCI’s member jurisdiction.

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2576 H.B. 3, 60th Leg., 1st Spec. Sess. (Mont. 2007).
2577 Id.
2578 Id.
2579 Id.
2582 Id. at 8.
2583 Id. at 8-9.
2584 Id. at 10.
for the electricity generation, industrial combustion and industrial process sectors. The second compliance period was set to begin in 2015, adding the other regulated sectors and includes 90% of the economy-wide regulated emissions.

Montana’s Electric Utilities Restructuring Act established graduated renewable energy standards to take effect in 2008. It required providers of electric energy to procure 5% of retail sales from renewables for 2008 through 2009; 10% for 2010 through 2014; and 15% for 2015 and successive compliance years. Requirements could be met through the purchase of energy credits or electricity output from community renewable energy projects of at least 50-megawatt (MW) capacity (75 MW, beginning 2015). The Act also subjected providers who failed to meet the target for any compliance year to fines of $10 for each MW hour of renewable energy credits they fail to procure. It exempted cooperative utilities from renewable standards, although cooperatives with more than 5,000 customers were asked to implement renewable source guidelines.

The Electric Utilities Restructuring Act also authorized the creation of pilot programs providing customer choice to small customers. It also mandated net metering systems for distribution services providers. Customer-generators pay the same monthly fee as similarly situated customers of the utility in the same rate class. Moreover, at the end of each 12-month billing cycle, any remaining kilowatt-hour credits revert to the utility company without compensation to the customer-generator. The Act required Montana’s major, deregulated energy providers to market “green energy” – biomass, wind, solar, or geothermal – to interested consumers. A separate provision empowered Montana’s Public Service Commission (PSC) to set the prices by which energy distributors would purchase from small, alternative energy producers and co-generation facilities. An older provision allowed utilities to gain up to 2% additions in the permitted rate of return on common equity in exchange for qualifying conservation purchases or investments.

Montana provides a host of tax and other financial incentives meant to stimulate the market in renewables. Tax incentives include: property tax exemptions for renewable generating facilities (structured differently for small and large providers);
corporate tax exemptions for new or expanded providers of energy from renewables;\textsuperscript{2601} personal income tax credits for individuals installing residential geothermal systems\textsuperscript{2602} or non-fossil forms of energy generation;\textsuperscript{2603} tax credits for individual or corporate income generated by net metering on alternative energy sources;\textsuperscript{2604} exemptions from the wholesale energy transaction tax for energy generated by wind on state or reservation lands;\textsuperscript{2605} and tax credits for certified Montana venture capital companies that invest in renewables.\textsuperscript{2606}

Loans provide the other major financial incentive. These include loans to micro-businesses (including alternative energy producers),\textsuperscript{2607} to ranches and farms that introduce alternative energy production systems,\textsuperscript{2608} and to building owners who install alternative energy systems for their own use and/or net metering.\textsuperscript{2609}

Montana has also enacted a number of provisions meant to spur ethanol use. State government entities, including state post-secondary educational institutions, are required to take “all reasonable steps” to ensure that they are using ethanol-blended fuel, if available, for any mechanically suitable vehicles under their ownership/operation.\textsuperscript{2610} Ethanol production facilities receive special tax exemptions,\textsuperscript{2611} as do facilities producing ethanol from Montana agricultural products.\textsuperscript{2612} And fuel blends containing 10% or more alcohol are taxed at 85% of the rate for gasoline.\textsuperscript{2613}

In July 2008, the National Governors Association (NGA) awarded Montana and eleven other states grants to help advance clean energy projects.\textsuperscript{2614} The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards were designed to help develop greater energy efficiency, conservation, and clean energy resources.\textsuperscript{2615}

Relating to its cap-and-trade program, the WCI released the third draft of the Background Document and Progress Report for Essential Requirements of Mandatory Reporting for the Western Climate Initiative on January 6, 2009 for public comment. It set the reporting threshold at 10,000 metric tons of carbon dioxide in a year, well below the 25,000 metric ton threshold for participation in the cap-and-trade program. It also recommended that stationary combustion sources be subject to the reporting requirement as well as the sources listed in Table 1 of the document. These listed sources must report combustion and non-combustion emissions. Due to strong stakeholder support, the Report also recommended that reporting begin in 2011 for facilities that began operation before 2010 in preparation for commencement of a cap-and-trade program in 2012.

In March 2009, Montana’s Department of Commerce awarded a Workforce Initiative in Regional Economic Development (WIRED) grant of over $990,000 to Montana State University Northern to fund the expansion of training programs at the school’s Bio-Energy Innovation and Testing Center.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Montana was eligible for $25,855,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).

On May 11, 2009, during a meeting of Western Governors Association bioenergy workshop, Governor Schweitzer announced the results of a University of Montana biomass study. The study, funded by the Montana Department of Natural Resources and Conservation (DNRC), found that at a rate of 2-3 million tons of biomass use annually, Montana is only using a fraction of its available biomass, which is used for “manufacturing pellets, particle board, fiberboard, linerboard and for generating heat and electricity.” The study estimated that Montana has 850 million tons of dry biomass, with 40 million tons of that “physically accessible and suitable for utilization.” DNRC Director Mary Sexton stated that the “report reinforces that there is adequate supply to support both fiber and energy needs . . . and additional supply for future renewable energy or biofuels production. Much of it is within the wildland urban

2617 Id. at 10.
2618 Id. at 11.
2619 Id. at 16.
2623 Id.
2624 Id.
interface, where fuel reduction is needed to help protect Montana communities from wildfire.  

On May 22, 2009, Governor Schweitzer acknowledged that Montana was one of 53 DOE grant recipients selected to receive $100,000 for wind energy projects. Discussing the grant award, he reaffirmed Montana’s commitment to the production of renewable energy, stating that “[Montana] intends to continue leading the way for this clean, green resource to help meet the goal of 20% wind energy by 2030.”

Governor Schweitzer also signed an agreement to support federal climate change legislation in May 2009. The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.


On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the WCI, and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

In July 2009, the WCI issued an Offsets Whitepaper for comments to its stakeholders. The paper was the initial phase in development of the definition of an offset and one of its major focuses was additionality. WCI’s Cap Setting and Allowance Distribution Committee released its Draft Statement of Principles on Competitiveness and the Review of Proposed Options for Addressing Industrial

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2625 Id.
2627 Id.
2633 Id.
Competitiveness Impacts in August 2009. The purpose of the draft was to “guide the process by which WCI will evaluate competitiveness effects of a regional cap-and-trade program,” and it also reviewed how other cap-and-trade programs address this issue.

In August 2009, Governor Schweitzer announced that the Montana Veterans Nursing Home in Columbia Falls would be the first recipient of federal ARRA energy efficiency funds. The funding would cover over 30% of the $1.3 million project that includes the installation of “modern digital controls, new high-efficiency boilers, heat recovery system, variable air volume equipment, and groundwater cooling system,” as well as the removal of outdated heating and air conditioning fan coil units.

During a September 2009 trip to Germany and Spain, Governor Schweitzer secured $800 million in investment backing for wind energy development. Spain’s Grupo NaturEner project was projected to bring that company’s “production capacity in Montana to more than 500 MW’s of clean energy.”

In late October 2009, Governor Schweitzer dedicated the second phase of Glacier Wind Farm, the state’s largest wind project. The addition of phase two’s 103.5 MW brought Glacier Wind Farm’s total capacity to 210 MW.

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America 2050. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec. North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.”

2635 Id.
2637 Id.
2639 Id.
2641 Id.
Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.2645

2010: Climate Change MOUs and Transportation/Fuels

In February 2010, Montana formed a new partnership with the Province of British Columbia, agreeing to “sustain environmental values in the Flathead River Basin” and to work together on climate change action and the development of low carbon, renewable energy.2646 The memorandum of understanding (MOU) committed Montana and British Columbia to working together with the federal government, Native American tribes, and local governments to protect the environment and combat climate change.2647

In order to reduce the number of vehicles that the state owned, Governor Schweitzer announced in June 2010 the sale of 225 state vehicles. As he noted, the state had already reduced travel by 35%, created a car pool program for state employees, and set a 32-mpg corporate average fuel economy (CAFÉ) standard. The reduction in fleet size likewise reduced the state’s GHG emissions. The auctioned cars also reduced aggregate emissions from the auto industry by decreasing demand for new cars and the associated lifecycle emissions from manufacturing.2648

2011: Renewable Energy and Climate Change Agreements

By March 2011, Montana produced over 386 MWs of wind energy, up from just 1 MW in 2004. The state hosted seminars to help manufacturers of windmill parts and components establish factories.2649

On April 8, 2011 Governor Schweitzer signed H.B. 594, requiring state contracts and highway construction to include recycled content. The Bill aimed to reduce the state’s consumption of virgin natural resources.2650

In November 2011, the Montana DNRC made Biomass Fuel Purchase Grants available in order to promote the purchase of woody biomass generated from forest management and habitat restoration projects in the state.2651 The grant project would provide several benefits, including the increased usage of otherwise low-value woody biomass, as well as improved forest conditions. Eligible applicants included public

2645 See id.
2647 Id.
schools and institutions, non-profit organizations, and tribal facilities. Applications were accepted on a rolling basis and decisions were made in two cycles on December 2, 2011, and May 4, 2012. 2652

In November 2011, Montana left WCI in order to join North America 2050, an organization which promotes carbon dioxide capture and sequestration techniques, offset projects for emissions trading programs and focuses on sustainable biomass in order to achieve meaningful emissions reductions. 2653

2012: Renewable Energy

In addition to the Biomass Fuel Purchase Grants, the Montana DNRC made Woody Biomass Energy Preliminary Feasibility Assessment Grants available, through which public and non-profit facilities could receive financial support for the purpose of hiring a qualified firm to conduct a preliminary feasibility assessment of integrating a woody biomass energy system. The grants were also accepted on a rolling admission, with the first deadline on February 7, 2012, and the second deadline on June 7, 2012. 2654

Finally, as a complement to Montana’s woody biomass energy grants, the state offered a carbon offsets program to facilities that installed woody biomass energy systems. The open application period ended on May 1, 2012. 2655

Montana also offers an Alternative Energy Revolving Loan Program through the DEQ. 2656 Homeowners, small businesses, non-profits, and government entities are eligible to receive financing, partly funded by ARRA, to install alternative energy systems. Applications are accepted on a rolling basis. Additional information on other Montana renewable energy grants is available at http://deq.mt.gov/Energy/CombinedHeatPower/default.mcpx. 2657

In November 2012, the Montana DNRC announced the Wood Product and Biomass Utilization Grant program, which would award eligible recipients up to

2652 Id.
2657 Id.
The program was designed to award innovative development and utilization of biomass in Montana, and to reduce air emissions from open slash-pile burning.

Also in November 2012, the Montana DEQ updated its Montana Energy Assurance Plan to reflect recent changes to possible emergency triggers and necessary responses to such energy emergencies. Among the events identified as likely to cause an energy emergency are those weather events that are exacerbated by climate change, such as wildfires, extreme temperatures, prolonged droughts, and large-scale hurricanes such as Katrina.

2013: Market-Based Solutions

In February 2013, the Montana DEQ published a report summarizing all current state and federal tax incentives and low-interest loans available to Montana residents and business owners. The incentives identified relate to coal, oil, natural gas, renewable energy, and energy conservation.

2014: Market-Based Solutions

In February 2014 the Department of Environmental Quality announced that Montana’s Alternative Energy Revolving Loan Program would set a 3.25% interest rate for the remainder of 2014. Loans through this program can be made up to a maximum of $40,000 and may be repaid in up to 10 years, depending on the loan amount.

NEBRASKA

1990: Energy Efficiency

Nebraska offers Dollar and Energy Savings Loans – low interest loans first introduced in 1990 – for energy efficiency improvements on residential and commercial properties. To receive the loan, the borrower must first obtain approval from a financial institution, which in turn must obtain approval from Nebraska’s State Energy

2660 Id. at 16-17.
2661 Id. at 2.
2662 Id. at 2.
Office. If it is approved, the State Energy Office buys, without interest, half the loan, leaving the borrower to pay interest that is only half the market rate.

2000: Greenhouse Gas Reduction

On April 10, 2000, Nebraska enacted L.B. 957, creating the first-of-its-kind Carbon Sequestration Advisory Committee (CSAC) to explore sequestering carbon through new agricultural policy. Members of the CSAC, funded by the Nebraska Environmental Trust Fund, among other sources, included government officials and representatives from the state’s agriculture and energy sectors.

2007: Climate Change Agreements/MOUs

At the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, in November 2007, Nebraska, Illinois, Iowa, Kansas, Michigan, Minnesota, Wisconsin, and North Dakota adopted an Energy Security and Climate Stewardship Platform. The platform’s goals for the Midwest region include: promoting energy efficiency; advances in biobased products; electricity production from renewables; and advanced coal and carbon capture and storage. Platform members also signed cooperative regional initiatives to create a Carbon Management Infrastructure Partnership, a bioproduct procurement program, electricity transmission adequacy for new wind energy, renewable fuels corridors, advanced bioenergy permitting, and Low-carbon energy transmission infrastructure.

2008: Renewable Energy

In September 2008, Nebraska won a $303,065 grant from the U.S. Department of Energy to implement an energy-efficient model state code for building construction and renovation.

2009: American Recovery & Reinvestment Act (ARRA) and Green Jobs

On March 12, 2009, the U.S. Department of Energy announced that Nebraska was eligible for $30,910,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).

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2666 Id.
2668 Id.

On August 7, 2009, Governor Dave Heineman approved a $100,000 grant to the International Brotherhood of Electrical Workers (IBEW) to provide wind tower rescue training.\footnote{Press Release, Office of Gov. Dave Heineman, Gov. Heineman Approves Grant for Wind Tower Training Project (Aug. 7, 2009), http://www.governor.nebraska.gov/news/2009/2009_08/07_wind_tower_training.html.} He stated, “[t]his project will position our state to have a skilled workforce ready to support to this growing area of clean energy production and economic development in Nebraska.”\footnote{Id.} The funding would support construction of a training tower in Omaha to simulate the working conditions of wind tower.\footnote{Id.}

2010: Political Action and Renewable Energy

In March 2010, Governor Heineman joined a group of twenty other governors in signing a letter to Congress urging them to stop the U.S. EPA’s proposed regulation of greenhouse gases.\footnote{Press Release, Official Neb. Government Website, Gov. Heineman Calls on Congress to Stop EPA Regulation of Greenhouse Gases (Mar. 11, 2010), http://www.governor.nebraska.gov/news/2010/03/11_greenhouse_gases.html.} The letter expressed their concerns that elected state and federal representatives – not a single federal agency – would best develop these policies.\footnote{Id.}

Governor Heineman signed L.B. 1048 – a bill designed to promote wind energy development – into law on April 12, 2010.\footnote{Press Release, Official Neb. Government Website, Gov. Heineman Signs Bill Promoting Wind Energy (Apr. 12, 2010), http://www.governor.nebraska.gov/news/2010/04/12_wind_energy.html.} The legislation “preserves the benefits Nebraskans receive as a result of the state’s unique public power system by allowing the Nebraska Power Review Board to approve wind energy operations designed to export energy.”\footnote{Id.}

2011: Green Building, Energy Efficiency, and Green Technology

In November 2011, the Nebraska Energy Office was awarded a $276,417 grant by the Pacific Northwest Laboratory for the U.S. Department of Energy.\footnote{Press Release, Nebraska Energy Office Awarded $276,417 Grant for Building Energy Code Information, Training and Compliance (Nov. 29, 2010), http://www.neo.ne.gov/news/PR/grantforbuilding.pdf.} The grant would fund energy audits for one hundred new homes to determine if they comply with
existing codes. In addition, the Energy Office planned to evaluate the knowledge of existing energy codes among key groups, as well as what the economic value might be of updating Nebraska’s energy codes. In the long term, the grant aimed to help homeowners save money and to reduce the need for new power plants.  

On March 9, 2011, the Nebraska Energy Office announced that it would grant a $2.2 million loan, in partnership with First National Bank of Omaha, to the Metropolitan Utilities District for the construction of two new natural gas fueling stations. The loan came from the Dollar and Energy Saving and Loans program, which was launched in 1990 to assist Nebraskans in making energy efficiency improvements to their homes, businesses and schools.

In April 2011, Nebraska schools were offered free energy use assessments by the Nebraska Energy Office as part of the first phase of the Nebraska Public School Energy Efficiency Project. The program was funded through ARRA.  

In September 2011, the U.S. Department of Energy awarded the Nebraska Energy Office $186,195 to establish a partnership with the University of Nebraska-Lincoln Extension in order to develop several pilot projects and accelerate the use of energy efficiency and emerging technologies for homes, businesses, farms and ranches. Pilot projects included developing an energy efficiency ranking system for irrigation systems similar to the ENERGY STAR® system.

Six Nebraska community colleges began offering courses in renewable energy technologies in November 2011. The colleges received a total of $1.9 million in grants from the Nebraska Energy Office, through ARRA, to develop the course work and purchase training equipment for classes in wind, solar, hydropower, geothermal and biofuels energy technology. The occupational training programs aimed to teach students to install, maintain and operate the renewable energy systems.

2012: Climate Change Adaptation, Renewable Energy, and Energy Efficiency

\[\text{Id.}\]
\[\text{Press Release, MUD To Build Two Natural Gas Stations (Mar. 9, 2011),}\]
\[\text{Id.}\]
\[\text{Press Release, Nebraska Schools to Get Free Energy Use Assessments (Aug. 22, 2011),}\]
\[\text{http://www.neo.ne.gov/news/PR/NEO%20PR%20%20SchoolAudit%20%208%2022%202011.pdf}\]
\[\text{Id.}\]
\[\text{http://www.neo.ne.gov/news/PR/NEO%20PR%20%20Grant%20UNL%202011.pdf}\]
\[\text{Id.}\]
\[\text{http://www.neo.ne.gov/news/PR/NEO%20PR%20%20Grant%20UNL%202011.pdf}\]
\[\text{Id.}\]
\[\text{Press Release, Nebraska Community Colleges Launch Renewable Energy Courses (Nov. 10, 2011),}\]
\[\text{Id.}\]
In March 2012, Nebraska was awarded $413,000 in WaterSMART Basin Study Program funds from the U.S. Bureau of Reclamation for the Republican River basin. The intention of the study was to identify mitigation and adaptation techniques in response to the effects of climate change on river basins.

Governor Heineman declared March 19-23, 2012 to be Nebraska Severe Weather Awareness Week. He emphasized that readiness could mitigate the impacts of severe weather events such as flooding, thunderstorms, tornados, droughts, lightning and wildfires, all of which are more severe during the spring and summer months.

Also in March 2012, the Nebraska Legislature enacted L.B. 828, amending Neb. Rev. Stat. § 66-901 et seq., which governed the use of wind and solar energy devices. The amendment clarified that wind and solar energy agreements run with the land and are not leases or easements, and that such agreements cannot cause any energy interest to become severed from the surface estate. It also added a new requirement for decommissioning planning.

By April 2012, Nebraska Department of Environmental Quality’s Supplemental Environmental Program (SEP) had provided grant funds to many Nebraska public schools participating in the Nebraska Wind for Schools project. The SEP program provided an alternative to paying fines for environmental noncompliance. As of February 2013, twenty-four Nebraska schools were participating in the Wind for Schools project.

In October 2012, the reEnergize collaborative program between Omaha and Lincoln, Nebraska announced that additional U.S. Department of Energy funds were still available, including new incentives for residents, business-owners, and public facilities. The new incentives included rebates on gas bills for consumers who install more efficient furnaces and water heaters. Many of the changes to the program were

2692 Id.
2696 Id.
2698 Id.
2701 Id.
put in place to streamline participation hurdles and to increase the number of homes, businesses and facilities participating in the program.2702

NEVADA

Nevada has taken an energy and market-based approach to carbon emissions. Nevada has not created any explicit action to regulate carbon for the purpose of mitigating climate change. However, the state has created a robust set of rules and regulations aimed at propagating renewable energy, energy efficiency and alternative fuel vehicles.

1979-2011: Renewable Energy Incentives

Residential, commercial, and industrial property owners are eligible for a permanent, 100% tax exemption for value added to buildings through the installation of a renewable energy system (solar, wind, geothermal, solid waste, or hydroelectric).2703 The state also offers tax abatements to commercial owners of real or personal property used to generate energy from renewable sources – 50% over ten years.2704

In 1979, Nevada passed a solar-access law that prohibits local zoning provisions that would “unreasonably restrict” the implementation of solar or wind energy systems.2705 Legislation also makes void any covenants or deed restrictions that would impair solar or wind power efforts.2706 Conversely, certain provisions make it easier for private parties to enter voluntarily legally binding solar-easement contracts.2707 The state ensures common interest communities may not “unreasonably, restrict, prohibit or withhold approval” of wind energy systems when the owner obtains the consent of adjacent property owners.2708 These legal protections for solar-access were current through the end of the 2013 77th Regular Session and the 27th Special Session of the Nevada Legislature.

Nevada requires solar system installer licensing. The mandatory licensing went into effect in 2007.2709 Licensing requires application, examination and a fee to the Division of the State Contractors Board. Owners installing on their own property are not required to obtain a license.

2703 Id. § 361.079.
2704 Id. § 361.0687.
2705 Id. § 278.0208.
2706 Id. § 111.239.
2707 Id. §§ 111.370-.380.
2708 Id. §§ 116.2111. The specifics of the law ensure that written consent from the owners of all properties within 300 feet of the system ensures the locality may not interfere with approval of the wind system.
On April 10, 2007, Governor Jim Gibbons created Nevada’s Climate Change Advisory Committee. In July 2008, the committee presented its final report outlining key recommendations. These recommendations included developing a state climate action plan, creating siting restrictions for electric utilities, and amending the current state RPS.

Beginning in May of 2009, Nevada implemented Property-Assessed Clean Energy financing for special districts. This program allows local governments to create special financing districts where property owners may borrow money to pay for energy improvements. The amount borrowed is then repaid via a special assessment on the property over a period of years.

In July of 2009, Nevada implemented a Renewable Energy Sales and Use Tax Abatement, reducing the sales and use taxes of renewable energy systems to 2.25%. Abatement is only available for systems with generating capacity of at least 10 MW.

On November 6, 2009, Governor Gibbons announced his plan to sponsor an initiative to overhaul the state’s landfills. He said, “We can conserve natural resources, create clean energy and create jobs by looking at landfills not as places where we bury our trash, but as places where recycling and energy recovery begin.” He also supported a mandate requiring waste recovery for the creation of renewable energy.

In August 2010, Nevada issued its first renewable energy tax abatement in the sum of $10.4 million. It also planned future abatement awards as it attempted to increase its renewable energy portfolio. The state received an additional $7 million in stimulus funding to expand Nevada Housing Division’s successful Weatherization Assistance Program.

In January 2011, the National Association of State Energy Officials ranked Nevada as the number one U.S. state for the percentage of Energy Efficiency and Conservation Block Grants (EECBG) expenditures. The data, released by the U.S. Executive Order, April 10 (Nev. 2007).


Id.

2009 NEV. REV. STAT. § 271.0.10 et seq.; see also DSIRE, Local Option- Special Improvement Districts, http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=NV23F&re=0&ee=0.

NEV. REV. STAT. 701A.360, et seq.


Id.

Id.


Department of Energy, showed that Nevada has spent 91% of its EECBG funds for various energy efficiency projects, such as installing energy-efficient LED lighting, street signs and traffic signs in a number of counties.\textsuperscript{2721}

1990: Climate Change

Nevada does not have any law containing the phrase “climate change.” However, Nevada has a Weather Modification Research Law, which it passed in 1961. The Weather Modification Law was amended in 1990, to limit liability for any weather modification and control activities.

1997-2014: Renewable Portfolio Standard (RPS)

In 1997, Nevada established its first renewable portfolio standard (RPS).\textsuperscript{2722} The state increased the minimum requirements in 2001, to include a 3% increase of the RPS every year.\textsuperscript{2723} In 2009, Nevada revised the solar requirement with the RPS to meet 6% of the portfolio requirement.\textsuperscript{2724} In 2014, the state required its two major investor-owned utilities to supply 18% of retail sales through renewables.\textsuperscript{2725} This target will periodically increase, stabilizing at 25% in 2025.\textsuperscript{2726} Solar energy must comprise at least 5% of a utility’s Renewable Portfolio.\textsuperscript{2727}

The state amended its RPS in 2005, to allow 25% of the total portfolio standard to be met by energy efficiency.\textsuperscript{2728} Eligible efficiency measures must be (1) implemented after January 1, 2005; (2) sited or implemented at a retail customer’s location; and (3) partially or fully subsidized by the electric utility.\textsuperscript{2729} In 2013, Nevada established a schedule for energy efficiency compliance through SB 252.\textsuperscript{2730} The schedule established a standard of no more than 25% of the total RPS requirement could be met through energy efficiency in 201 to 2014, reduced to 20% for 2015 to 2019, then further reduced to 10% for 2020 to 2024. Finally, energy efficiency eligibility will be phased out in 2025.\textsuperscript{2731}

In 2003, the Public Utilities Commission of Nevada (PUCN) established an energy credit system to allow providers to meet their energy portfolio requirements.\textsuperscript{2732}

\begin{footnotesize}
\begin{itemize}
  \item[2721] \textit{Id.}
  \item[2722] \textit{NEV. REV. STAT.} 704.7801 (1997).
  \item[2723] \textit{NEV. REV. STAT.} 704.8831 (2002).
  \item[2726] \textit{Id.} § 704.7821.
  \item[2727] \textit{Id.}
  \item[2728] 2005 \textit{NEV. REV. STAT.} § 704.78213 (2013).
  \item[2731] \textit{Id.}
\end{itemize}
\end{footnotesize}
The credit system began with a two-tier system, where one portfolio energy credit (PEC) represents one kilowatt-hour, while one kilowatt-hour is 2.4 PECs. In 2013, Nevada repealed the credit multiplier system for systems installed after December 31, 2015. Customer-sited solar distributed generation is eligible for an additional 0.05 PEC multiplier. Electricity saved during peak periods as a result of efficiency measures has a credit multiplier of 2.0 PECs.

Nevada Assembly Bill 388 (2013) clarified that PECs do not include electricity generated by a system that is not delivered to the grid. These amendments apply to systems placed in service after January 1, 2016, with grandfathering for projects coming into service after this date, but had contracts in place prior to December 31, 2012.

2001: Utility Requirements

In 2001, Nevada required its utilities to send their customers regular reports disclosing their average emissions and average mix of fuel sources. Utilities must also offer net metering and accept up to 1% of their cumulative peak capacity from net-metered sources.

In 2003, the Public Utilities Commission adopted interconnection standards for customers with on-site generation of up to 20 megawatts.

SB 123 (2013) requires Nevada Energy to retire 800 megawatts of coal-fired electric generating plants before 2020. To compensate for this decrease in generating capacity, the interconnection standards also updated the state’s net-metering policy. The net-metering standards require systems to meet Institute of Electrical Electronic Engineers (IEEE), the National Electrical Code (NEC), and Underwriters Laboratories (UL) standards.

One of the utilities, Nevada Energy, offers discount electricity rates to residential customers for charging electric or hybrid-electric vehicles during off-peak hours.

2001-2012: Gubernatorial Executive Actions

In 2001, Governor Brian Sandoval signed Assembly Bill 127, requiring the State Senate and Assembly to publish documents electronically. The bill was introduced as a

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2733 Id.
2734 § 701B.200, supra note 2730.
2735 Id.
2736 Id.
2737 Id. § 704.763.
2738 Id.
2740 NEV. REV. STAT. § 704.774 (1997).
way to save paper and cut costs. Sandoval signed the bill noting the environmental benefits it would provide.²⁷⁴²

The Nevada State Office of Energy announced on June 27, 2011, that the NSOE’s Revolving Loan Program had provided funds for the construction of two hydropower plants in the state, with a third project under construction. Both plants use existing water delivery infrastructure, thereby reducing water consumption.²⁷⁴³

On September 29, 2011, the NSOE announced the launch of the second phase of its Revolving Loan Program for financing renewable energy manufacturing projects. In the initial phase of the program, the NSOE provided $11 million in low-cost loans to help develop a number of renewable energy projects, including photovoltaic (PV) systems, wind turbines, anaerobic digesters, and hydropower plants. In the second phase of the program, applicants are eligible to receive from $100,000 to $1,000,000.²⁷⁴⁴ As of March 2014, the loan program is still accepting applications and issuing loans.

On November 22, 2011, Governor Sandoval issued Executive Order 2011-18 to provide further direction to the previously established New Energy Industry Task Force.²⁷⁴⁵ In emphasizing the importance of renewable energy sources to Nevada, the order charged the task force with promoting, coordinating and facilitating the permitting, construction and electrical interconnection of these resources into the grid.²⁷⁴⁶ A Technical Advisory Committee would also be formed to assist the task force.²⁷⁴⁷

Nevada Assembly Bill 178, which was adopted by the legislature in June of 2007, became effective on January 1, 2012.²⁷⁴⁸ The bill requires that general-purpose lights sold in Nevada produce at least 25 lumens per watt (lm/W) of electricity consumed.²⁷⁴⁹ General-purpose lights include “lamps, bulbs, tubes or other devices that provide functional illumination for indoor and outdoor use.”²⁷⁵⁰ For the period after January 1, 2016, the Director of the State Office of Energy must adopt regulations for general purpose lights sold in the state that exceed 25 lumens of electricity.²⁷⁵¹

2007-2012: Green Building and Energy Efficiency

²⁷⁴⁶Id.
²⁷⁴⁷Id.
²⁷⁴⁹Id. at § 701.260(1). The efficacy of a typical incandescent light bulb ranges between 12 lm/W and 18 lm/W. The efficacy of a typical compact fluorescent bulb is between 45 lm/W and 60 lm/W.
²⁷⁵⁰Id. at § 701.260(4).
²⁷⁵¹Id. at § 701.260(3)(a).
In addition to these energy sector measures, the state put incentives and mandates in place to stimulate green building markets. Municipalities are required to permit straw and other renewable sources for building construction, as well as code-compliant solar or wind energy systems for powering buildings.\textsuperscript{2752} Any state agency or unit that is planning to construct or renovate a public building larger than 20,000 square feet is required, first, to obtain an analysis of the building’s life cycle costs.\textsuperscript{2753} The analysis should include maintenance as well as construction costs, factoring in potential water and energy conservation measures, as well as potential renewable sources for energy supply.\textsuperscript{2754}

In 2007, Nevada implemented property tax abatement for new non-residential and multifamily residential green buildings and existing buildings or structures, which are renovated for use by a manufacturer to meet certain green building standards.\textsuperscript{2755} Tax abatement is available for new buildings that earn at least 3 points under the LEED Energy Conservation. Earning additional credits or higher certification increases the abatement percentage and duration.\textsuperscript{2756}

Nevada enacted Assembly Bill 178 in 2007 to establish energy efficiency standards for general-purpose lights sold in the state. The bill will be in effect from January 2012 through the end of 2015. The legislation then directs the Office of Energy to establish a new minimum in 2016.\textsuperscript{2757}

In 2009, Nevada implemented the EnergyFit rebate program for home energy retrofit projects.\textsuperscript{2758} Through EnergyFit, homeowners may be eligible for up to $1,000 in matching funds if their home achieves a 20% savings from total baseline energy consumption. This program was also funded through the ARRA, and the DOE Better Buildings Program.

The 2009 Nevada Building Code includes a statewide energy code for commercial and residential buildings. The State Office of Energy is required to adopt the most recent IECC every three years.\textsuperscript{2759}

In addition to residential and commercial building energy code, Nevada enacted a comprehensive energy standard for public buildings, requiring a 20% reduction in grid-
based energy purchases by 2015, and buildings greater than 20,000 square feet must comply with ASHRAE 90.1-2007 and Energy Star.2760

In June 2011, the Nevada State Office of Energy (NSOE) launched the Home Energy Fitness Campaign, an energy efficiency rebate program funded through the U.S. Department of Energy Better Buildings program.2761 The $5 million program aims to increase energy efficiency by a minimum of 20% in at least 5% of all single-family Nevada residences by 2021. As part of the program, HomeFree Nevada will assist homeowners in contacting energy assessment professionals and contractors in order to make recommended home energy efficiency upgrades.2762 Once the upgrades have been made, homeowners will receive a second assessment to ensure that energy efficiency upgrades of 20% or more have been achieved, and will receive a 20% rebate on their initial investment, up to $1,000. The program hopes to target 50,000 Nevada residences by 2021.2763


In a letter to President Obama dated February 4, 2009, Governor Gibbons requested that changes to the Internal Revenue Code be incorporated into the economic stimulus package.2764 The plan would facilitate funding for the construction of electric transmission lines.2765 Gibbons highlighted Nevada’s ideal position to harness renewable energy given its “solar, wind, and geothermal energy production potential.”2766

Nevada Assembly Bill 552 (2009) established a fund for renewable energy, energy efficiency and energy conservation loans.2767 The bill specified that all interest and repayment on loans must be added back into the fund and redistributed as additional loans (a “revolving” loan program). The initial phase of the program provided ~$8 million to renewable energy systems, energy conservation projects, expansion of energy efficiency projects, and manufacturing components for renewable energy systems.2768

Through the American Reinvestment and Recovery Act (ARRA) funding and the Energy Efficiency and Community Block Grant (EECBG), the Nevada State Office of Energy provided grants to cities and counties statewide for the installment of light

2762 Id.
2763 Id.
2765 Id.
2766 Id.
2767 AB 552 (2009).
2768 DSIRE, Nevada Incentives/Policies for Renewables & Efficiency, Revolving Loan Program (2009), http://www.dsireusa.org/incentives/incentive.cfm?Incentive_Code=NV39F&re=0&ce=0.
emitting diode (LED) lights in traffic signals and street lights. Nevada cities and counties are expected to save over a total of $300,000 in annual energy costs.2769

By September 2011, 58 Nevada schools had installed photovoltaic systems through a $9.5 million program, which was funded by ARRA and utility rebates and administered by the Nevada State Office of Energy.2770

Governor Sandoval announced in September 2011 that the U.S. Department of Energy awarded Nevada a competitive grant to help commercial buildings develop energy efficiency retrofits. The federal grant of $750,000 was matched by a $256,000 grant from NV Energy.2771

In December 2011, the Nevada State Office of Energy and partners were awarded part of the Sunshot Initiative grant in the amount of $765,000 from the U.S. Department of Energy in order to fund the first year of the Nevada Rooftop Solar Initiative (NRSI).2772 NRSI aims to cover 5% of Nevada’s residential and commercial rooftops with solar installations by 2020.2773 The first phase of the program will focus on zoning and permitting standardizations to facilitate reaching the 2020 goal.2774 After the first year of implementation, Nevada will be eligible to apply for the second phase of the Sunshot Initiative grant, which will focus on marketing, training and financing solar installations.2775

In December 2011, the U.S. Department of Energy awarded the Nevada State Office of Energy a research grant to help improve Nevada’s regulatory and policy environment for the retrofitting of commercial establishments in a way that will help boost participation numbers within the state.2776 In February 2012, a sub-grant was awarded to the Business Environmental Program at the University of Nevada, Reno to perform portions of the necessary research.2777

2773 Id.
2774 Id.
2775 Id.
2776 Commercial Retrofit Grant, NEVADA STATE OFFICE OF ENERGY (Mar. 2, 2013), http://energy.nv.gov/Programs/Commercial_Retrofit_Grant/.
2777 Commercial Retrofit Grant, NEVADA STATE OFFICE OF ENERGY (Mar. 2, 2013), http://energy.nv.gov/Programs/Commercial_Retrofit_Grant/.
Nevada was awarded $1 million in ARRA funding to help implement the 2009 International Energy Conservation Code (IECC). The implementing regulation, which adopts the IECC as the minimum state energy code standard, went into effect on July 1, 2012. The Nevada State Office of Energy must adopt the latest IECC every third year. The Office of Energy provided municipalities across the state with trainings on implementing the IECC.

On June 27, 2012, the U.S. Department of Energy announced that Nevada, in collaboration with the Nevada State Public Works Division, the Rocky Mountain Institute and the Washington State Department of Enterprise Services, won $715,000 in grants for improving public facility retrofitting projects. The funds will allow accelerated use of Energy Savings Performance Contracts to help implement best energy efficiency practices within the Public Works Division. On July 9, 2012, the Nevada State Office of Energy announced that it would use the grant money to help the state meet its goal of achieving a 20% reduction in energy use in state-owned buildings by 2015, particularly within the Office of Energy itself. The program will follow the best practices identified by the U.S. Department of Energy. Celtic Energy and the Rocky Mountain Institute will provide state staff with training on retrofitting.

2009-2012: Transportation/Fuels

In 2009, Nevada implemented a law allowing Hybrid Electric (HEV) taxicabs to operate 24 months beyond the existing limits for conventional taxicabs. In 2012, Nevada extended further benefits to HEVs, by setting standards for local authorities to exempt alternative fuel vehicles (AFV) from parking fees. In addition to exemption

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2785 Id.
2786 Id.
from parking fees, Nevada also exempts AFV and HEV from the state’s emissions testing requirements.\textsuperscript{2789}

Nevada requires all biofuel meets registration requirements and Federal standards.\textsuperscript{2790} The state also requires biofuel producers meet federal requirements, as well as obtain a special license from the Nevada Department of Motor Vehicles.\textsuperscript{2791} Nevada sets penalties assessed for violation of air pollution control laws aside for deposits in the county school system.\textsuperscript{2792} Funds acquired through this channel are limited to education programs on topics “relating to air quality and projects to improve air quality.”\textsuperscript{2793}

Nevada Revised Statute § 486A.200 enables the Nevada Department of Conservation and Natural Resources may develop a program to incentivize alternative fuel use.\textsuperscript{2794} Nevada applies a reduced tax rate to biofuels, and liquefied petroleum gas.\textsuperscript{2795} The state also directs agencies and other public divisions to purchase AVFs in obtaining new vehicles.\textsuperscript{2796} The statute requires covered fleets to purchase 90% AFVs for new vehicles obtained.\textsuperscript{2797}

Nevada Revised Statute § 484A.463 grants the Nevada Department of Transportation the ability to create a program allowing certain clean emissions to use High Occupancy Vehicle highway lanes. Nevada implemented a prohibition on idling diesel trucks and buses for more than 15 minutes.\textsuperscript{2798} The state has other limits to vehicles, such as a prohibition on low-speed vehicles operating on major roadways.\textsuperscript{2799} The statute also requires a fee to register low-speed vehicles.\textsuperscript{2800}

**NEW HAMPSHIRE**

**1998: Energy Efficiency**

In 1998, New Hampshire established a law requiring utilities to offer net metering to customers with alternative energy power sources.\textsuperscript{2801} This section was a part of the Limited Electrical Energy Producers Act and became effective in 2010. Section 362, which refers specifically to net metering, has been subsequently amended and adopted into PUC 902.12.

\textsuperscript{2790} 42 CFR § 7345 & NEV. REV. STAT. § 590.070 (effective 2014).
\textsuperscript{2791} 40 CFR § 79, & NEV. REV. STAT. § 366 (2010).
\textsuperscript{2792} NEV. REV. STAT. § 445B.500 (2013).
\textsuperscript{2794} NEV. REV. STAT. § 486A.200 (2009).
\textsuperscript{2795} NEV. REV. STAT. 366.190, 366.197 (2014).
\textsuperscript{2797} NEV. REV. STAT. § 486.01-486A. 180 (2009).
\textsuperscript{2798} NEV. REV. STAT. § 445B.576 (2001).
\textsuperscript{2799} NEV. REV. STAT. § 482.480 (eff. June 10, 2013 to Sep. 30, 2015).
\textsuperscript{2800} NEV. REV. STAT. § 484B.637 (2001).
1999: Greenhouse Gas Reduction

In 1999, New Hampshire enacted legislation establishing the existence of the Eastern Climate Registry (“ECR”).2802 The ECR was developed to help encourage the voluntary reduction of greenhouse gases (GHGs) and to help protect the state’s economy under a future federal regulatory scheme relating to GHG emissions. The legislation requires New Hampshire to encourage sources to register their inventory of GHG emissions and work with other states to expand upon the ECR and develop a multistate registry for GHG emissions.

In July 1999, Governor Shaheen signed into law the New Hampshire Greenhouse Gas Reduction Registry.2803 The purpose of the database was to quantify GHG emission reduction actions for safekeeping against some future federal requirements. Businesses, however, were reluctant to make voluntary GHG reductions out of fear that it would be harder to comply with percentage reductions required by future federal regulation.2804 To encourage and protect businesses and avoid this possible “catch-22” the NH Registry “was developed to ensure to the greatest extent possible appropriate recognition of voluntary actions taken by New Hampshire businesses, industries, and individuals to reduce GHG emissions.”2805

2001: Greenhouse Gas Reduction

In 2001, the state proposed The Multiple Pollutant Reduction Program (MPRP), which set annual upper limits or caps on emissions of sulfur dioxide, carbon dioxide, and oxides of nitrogen by existing fossil fuel burning steam electric power plants.2806 Under this program regulated power plants could bank and trade emission reduction to achieve compliance with the caps.2807 Compliance, however, was not required of plants that installed qualifying repowering technology or an eligible replacement unit. The MPRP was approved in May 2002 and become effective in July of 2002. 2808

New Hampshire participated in the development and adoption of The New England Governors and Eastern Canadian Premiers (NEG-ECP) Climate Change Action Plan 2001.2809 The plan was adopted on August 28, 2001 and called for a reduction in GHG emissions to 1990 levels by 2010, at least 10% below 1990 levels by 2020, and 75-85% reduction of 2001 levels as a long term goal. The NEG-ECP is still currently

2802 Id. § 125-L:2.
2804 Id.
2805 Id.
2806 N.H. Rev. Stat. § 125-O.
2807 Id. at § 125-O:1.
2808 Id.
implementing the regional plan and continues to vigorously address the challenges raised by a changing climate.\textsuperscript{2810}

In 2001, New Hampshire agreed, under the auspices of the New England Governors and Eastern Canadian Premiers, to a voluntary short-term goal of reducing regional GHG emissions to 1990 levels by 2010 and by 10\% below 1990 levels by 2020.\textsuperscript{2811} New Hampshire would later become a participant in the Regional Greenhouse Gas Initiative (RGGI), thereby committing to capping carbon dioxide emissions from its power sector and reducing them by 10\% by 2018.\textsuperscript{2812}


In May 2007, Governor John Lynch signed into law the Renewable Energy Act, H.B. 873, which created a renewable energy portfolio requiring renewable sources to comprise 25\% of New Hampshire’s electricity by 2025.\textsuperscript{2813}

On June 25, 2007, Governor Lynch signed H.B. 768, An Act Relative to Voluntary Registration with the Eastern Climate Registry.\textsuperscript{2814} This act mandated that the New Hampshire Department of Environmental Services (DES) encourage the source community to participate in the Eastern Climate Registry, work with other states to broaden the Eastern Climate Registry, and report annually to the general court regarding New Hampshire’s role in the Eastern Climate Registry, which would become part of The Climate Registry.\textsuperscript{2815}

In November 2007, Governor Lynch issued Executive Order 2007-3, which established a Climate Change Policy Task Force and charged it with developing a Climate Change Action Plan for the state.\textsuperscript{2816} The Executive Order directed the task force to submit the action plan to the Governor by September 1, 2008. Due to the extensive detail and comprehensive nature of the recommendations in the CAP, the final plan was not released until March 25, 2009. For a complete copy of the plan, click here.

In May 2007, New Hampshire and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” They viewed this as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{2817}

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{2811} H.B. 873, 160\textsuperscript{th} Gen. Ct, Reg. Sess. (N.H. 2007).
\item \textsuperscript{2812} H.B. 768, 160\textsuperscript{th} Gen. Ct., Reg. Sess. (N.H. 2007).
\item \textsuperscript{2813} Id.
\item \textsuperscript{2814} N.H. Exec. Order No. 03 (2007).
\item \textsuperscript{2815} Id.
\item \textsuperscript{2816} Id.
\end{itemize}
\end{footnotesize}
2008: Greenhouse Gas Reduction

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale.\(^{2818}\) Each of these allowances sold at a clearing price of $3.07, raising a total of $38,575,783.\(^{2819}\) These proceeds would be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances.\(^{2820}\) The second auction took place on December 17, 2008 and each of the ten states participated.\(^{2821}\) All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances.\(^{2822}\) The clearing price was $3.38 per allowance, raising a total of $106.5 million.\(^{2823}\)

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector.\(^{2824}\) Specifically, these states expressed their intent to incorporate a Low Carbon Fuel Standard (LCFS) into the RGGI agreement, which would require reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.\(^{2825}\)

2009: Green Jobs, American Recovery & Reinvestment Act (ARRA), Greenhouse Gas Reduction, and Cap-&-Trade

In Governor Lynch’s 2009 Inaugural Address, he announced his Green Jobs Initiative.\(^{2826}\) The initiative included expanding the homes weatherization program, upgrading the efficiency of government buildings, encouraging green jobs training programs, and creating a low-interest revolving loan fund to assist business in becoming more energy efficiency and in implementing renewable energy technologies. Lynch also applauded New Hampshire’s first wind plant, which had recently opened in Lempster.\(^{2827}\)

On March 12, 2009, the U.S. Department of Energy announced that New Hampshire was eligible for $25,827,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\(^ {2828}\) In addition, $9,593,500 would be allocated directly local municipalities and counties through the Energy Efficiency and

\(^{2819}\) Id. at 1.
\(^{2820}\) Id.
\(^{2821}\) Regional Greenhouse Gas Initiative, CO\(_2\) Auctions, Auction Results, Auction Reports, http://rggi.org/co2-auctions/results/auction_1_reports.
\(^{2823}\) Id.
\(^{2825}\) Id at 1.
\(^{2827}\) Id.
Conservation Block Grant Program (EECBG) and $23,218,594 to Federal Low-Income Weatherization Program. The NH Office of Energy and planning as well as small municipalities would receive this money through various program over the next several years. For a flow chart of the depicting this allocation of ARRA money, click here.

RGGI held a third auction on March 18, 2009. The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse at future market prices for RGGI allowances. Prices fell at the fourth auction to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.

Governor Lynch submitted a green jobs proposal to the New Hampshire Public Utilities Commission (PUC), in response to the PUC’s request for proposals for how the RGGI funds should be utilized. Lynch suggested that 20% of the RGGI funds go towards weatherizing homes and also urged the PUC to approve several applications that supported his Green Jobs Initiative, including green worker training and energy efficiency programs.

New Hampshire’s Climate Change Policy Task Force (Task Force) released its Climate Action Plan on March 25, 2009. The Task Force recommended the ultimate goal of reducing GHG emissions 80% below 1990 levels by 2050 with an interim goal of 20% below 1990 levels by 2025. The Task Force also issued 67 recommended actions which fall under ten strategies: (1) maximize energy efficiency in buildings; (2) increase renewable and low CO\textsubscript{2} – emitting resources in a long-term sustainable manner; (3) support regional and national actions to reduce GHG emissions; (4) reduce vehicle emissions through state actions; (5) encourage appropriate land use patterns that reduce vehicle miles traveled; (6) reduce vehicle-miles traveled through an integrated multi-modal transportation system; (7) protect natural resources to maintain the amount of carbon fixed and sequestered; (8) lead by example in government operations; (9) plan for

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2832 Id.
2835 Id.
how to address existing and potential climate change impacts; and (10) develop an integrated education, outreach and workforce training program.\textsuperscript{2838}

On April 1, 2009, Governor Lynch announced the details of the $23,218,594 in ARRA funds that would go towards the expansion of Federal Low-Income Weatherization Program.\textsuperscript{2839} To protect their states' wind technology, Lynch and other governors wrote a letter to Congress expressing their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\textsuperscript{2840} The next month, Lynch also signed an agreement with a coalition of state governors to support federal climate change legislation.\textsuperscript{2841} The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\textsuperscript{2842}

On June 23, 2009, representatives from RGGI, WCI, and MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.\textsuperscript{2843} New Hampshire then announced its own goal of acquiring 25% of its electricity from renewable sources by 2025.\textsuperscript{2844} Governor Lynch then joined other New England governors in pursuing the development of high-speed rail in the region.\textsuperscript{2845} Lynch and his Executive Council also encouraged green jobs by approving $5.3 million in funding for nine projects including loans for performing energy retrofits, funding for energy audits, and scholarships for those seeking to become energy efficiency auditors.\textsuperscript{2846} More projects received $9 million in funding as part of the Green Jobs Initiative a month later.\textsuperscript{2847}

\subsection*{2010: American Reinvestment & Recovery Act (ARRA) and Green Technology}

\textsuperscript{2838}Id.
\textsuperscript{2840}Letter from Donald L. Carcieri, Governor (R.I.), Deval Patrick, Governor (Mass.), Jack Markell, Governor (Del.), John Baldacci, Governor (Me.), Martin O’Malley, Governor (Md.), John H. Lynch, Governor (N.H.), Jon S. Corzine, Governor (N.J.), David A. Paterson, Governor (N.Y.), James H. Douglas, Governor (Vt.), and Timothy M. Kaine, Governor (Va.) to Harry Reid, Majority Leader (U.S. Senate), Mitch McConnell, Minority Leader (U.S. Senate), Nancy Pelosi, Leader (U.S. House of Representatives), and John Boehner, Minority Leader (U.S. House of Representatives) (May 4, 2009), http://www.gov.ri.gov/documents/East_Coast_Govs_Transmission_Ltr.pdf.
Also in January 2010, Governor Lynch approved an agreement to use $750,000 in federal ARRA funds to create the Green Launching Pad.\textsuperscript{2848} The partnership between the state and the University of New Hampshire aimed to help New Hampshire companies bring clean energy products to market. Companies would be able to apply to UNH to participate in the Green Launching Pad and those chosen would be connected to the business, science and engineering faculty to develop finance and marketing plans.\textsuperscript{2849} In November 2010, Governor Lynch approved an additional $750,000 in federal energy stimulus funds for the state’s Green Launching Pad project.\textsuperscript{2850}

In April 2010, New Hampshire began two new rebate programs funded by the American Reinvestment and Recovery Act (ARRA) for residents who purchase clean, energy efficient heating systems.\textsuperscript{2851} The program offers rebates for ENERGY STAR® heating systems, including furnaces, boilers and hot water heaters, ranging from $100 to $1,000. The Public Utilities Commission began administering an additional rebate program for residential solar hot water systems, funded both by the ARRA and the State’s Renewable Energy Fund.\textsuperscript{2852} The program includes rebates up to $750 per heating system for those replacing existing hot water heaters.

2011: Greenhouse Gas Reduction, Transportation/ Fuels, Green Technology, and Energy Efficiency

On February 10, 2011, Governor Lynch released a statement opposing H.B. 519-FN, which would withdraw the state from RGGI. State legislators, in an effort to address the state economy, introduced the bill to reclaim the New Hampshire’s independence in electricity production. Lynch, as well as the Department of Environmental Services, opposed the bill, claiming that the state was better off economically under RGGI because of the research funding it received via the agreement.\textsuperscript{2853}

In April 2011, Governor Lynch issued Executive Order 2011-1, requiring a 25% reduction in fossil fuel use by the state government. The EO also called on state agencies to increase the fuel efficiency of the state’s fleet vehicles, use fuel-efficient vehicles when possible, invest in state facilities to reduce costs and energy usage, and use the most cost-effective and energy-efficient designs when renovating or constructing new state buildings. The EO superseded a previous one signed by Lynch in 2005, which called for

\textsuperscript{2848} Press Release, Governor and Council Approve Funding for Green Launching Pad (Jan. 27, 2010),
\textsuperscript{2849} Id.
\textsuperscript{2852} Id.
\textsuperscript{2853} Press Release, Office of the governor. Governor Lynch Opposes RGGI Repeal (Feb. 10, 2011),
a 10% reduction in fossil fuel use and resulted in a 16% reduction of energy use per square foot in state-owned buildings and $3 million in savings.\footnote{2854}

On April 18, 2011, Governor Lynch announced that six new businesses had been selected to participate in the second round of the state’s Green Launching Pad program, through which they would receive support from the University of New Hampshire (UNH) in developing clean energy products for the market.\footnote{2855}

On July 6, 2011, Governor Lynch vetoed S.B. 154, which would have repealed New Hampshire’s participation in RGGI, noting that an independent assessment of RGGI conducted by the University of New Hampshire found that the program had resulted in a net benefit of $16 million in allowance revenue to the state through the end of 2010.\footnote{2856} Lynch also noted that if New Hampshire were to withdraw from RGGI, the state would nevertheless continue to pay for part of the program, because New Hampshire is part of a regional electricity system. As such, it would effectively subsidize energy-savings efforts in other states without receiving any benefits.\footnote{2857}

New Hampshire was one of nine states to join the Northeast Electric Vehicle Network in October 2011.\footnote{2858} The network focuses on building infrastructure for clean vehicles and fuels, as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island and Vermont.\footnote{2859} The network is part of the Transportation and Climate Initiative (TCI), a regional collaboration between twelve Northeast and Mid-Atlantic states that seeks to reduce GHG emissions from the transportation sector and develop the clean energy economy.\footnote{2860} The TCI was launched in June 2010 and is facilitated by the Georgetown Climate Center.\footnote{2861} A nearly $1 million Electric Vehicle Readiness Grant from the U.S. Department of Energy was awarded to New York State Energy Research and Development Authority (NYSERDA) on behalf of the TCI in September 2010, and will be used to fund the network’s efforts to deploy electric vehicles throughout the Northeast.\footnote{2862}

\footnote{2854}Id.
\footnote{2857}Id.
\footnote{2859}Id.
\footnote{2860}Georgetown Climate Center, Transportation and Climate Initiative http://www.georgetownclimate.org/state-action/transportation-and-climate-initiative (Feb. 25, 2011).
\footnote{2861}Id.

In March 2012, New Hampshire enacted S.B. 258 (2011) to amend RSA 362-A:1-a, II-b and authorize customer-generator group net-metering for electricity production. The bill was to take effect July 1, 2012, but the legislature transferred the same amendments to S.B. 98 to hold another public hearing on March 6, 2013. The amended language of S.B. 98 took effect July 1, 2013.

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of $1.93. The auction generated $41.6 million in proceeds, which the RGGI participating states will invest in consumer-oriented energy efficiency initiatives.

In April 2012, the town of Seabrook, New Hampshire was awarded a rebate of $25,674 from the New Hampshire Public Utilities Commission due to solar power use at the town’s wastewater treatment facility. In 2009, Seabrook had been awarded $5 million in loans funded through ARRA’s Drinking Water State Revolving Fund program to put toward the construction of solar panels atop the wastewater treatment facility.

In May 2012, the New Hampshire legislature struck a deal regarding previous attempts to remove New Hampshire from RGGI, which did not survive a veto by Governor Lynch. While not allowing outright repeal, the bill allows New Hampshire to remove itself from RGGI if two or more states exit the program or if one state with 10% of the energy load in New England exits the program. The bill became effective January 1, 2013. The bill also allows emissions auctions proceeds to be allocated as additional funding for electricity distributors to create or maintain core energy efficiency programs.

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2866 Id.
2867 Id.
2868 Id.
2872 Id. at 125-O:23 (III).
On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances. The auction of the 20.9 million allowances generated $40.4 million in funds, and represented 57% of the allowances offered for sale by all nine participating states.

Effective June 19, 2012, S.B. 218 was enacted to amend the state’s electric Renewable Portfolio Standard. The bill includes “useful thermal energy” as an energy source in addition to electricity. This bill amended the previous definition of Class IV sources, Existing Small Hydroelectric sources, to include facilities with one MW or less that are in compliance with Federal Electric Regulatory Commission fish passage restoration requirements, and are connected with an electrical distribution network in New Hampshire, among other changes. The amendments effectively waive the requirement for a hydroelectric facility to install upstream and downstream diadromous fish passages.

Also in June 2012, the New Hampshire Energy and Climate Collaborative released a benchmark report on the 2009 New Hampshire Climate Action Plan. The results indicated that 67% of indicators showed positive trends toward achieving climate goals, 25% of indicators showed no change, and 8% showed negative trends. The positive trends were gains in emissions per unit of economic activity, clean economy jobs, renewable power and land preservation. The areas of no change were household energy expenditures, energy consumption and GHG emissions from transportation. The negative trends were in the areas of energy expenditures and per capita energy expenditures for transportation. The report highlighted that the national recession and the increased global demand for energy were the challenges that contributed to some of the negative or no-change trends.

In July 2012, a RGGI loan was awarded to Warwick Mills, a New Ipswich textile and materials engineering company, to install a biomass plant to replace an oil-fired steam system. The $550,000 loan was matched by a Community Block Grant and

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2874 Id.
2875 N.H. REV. STAT. ANN. Ch. 362-F (2013).
2876 Id. at §§ 362-F:2 (XV-a), 362-F:4 (IV) (a).
2879 Id. at 2.
2880 Id. at 6-7.
2881 Id.
2882 Id. at 2.
company funds. The Public Utilities Commission estimated that the new biomass system would save Warwick Mills $177,000 a year in heating expenses and allow it to hire additional employees in coming years.

On September 7, 2012, RGGI announced the results of its seventeenth quarterly auction for carbon dioxide allowances. The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represented 65% of the allowances offered for sale by all nine states.

On October 3, 2012 the University of New Hampshire was awarded a National Science Foundation grant to study the effects of climate change on road and bridge infrastructure and possible adaptations. The $750,000 award will enable the creation of the Infrastructure and Climate Network (ICNet) to research sustainable transportation networks primarily in the Northeast. ICNet will incorporate the research of both climate science and engineering.

On October 19, 2012, the National Oceanic and Atmospheric Administration announced that the University of New Hampshire had been awarded $683,472 to formulate a climate change adaptation plan for the Great Bay Estuary and $589,838 to create natural landscaping on the coast to prevent flooding and pollution caused by rising sea levels. The funds were made available by NOAA’s National Estuarine Research Reserve System (NERRS) Science Collaborative, administered through the Coastal Zone Management Act in collaboration with coastal states and territories. The community of Exeter, part of the Great Bay watershed, is one municipality taking advantage of the funds to create a climate change adaptation plan. Other communities such as Portsmouth, Hampton and Seabrook are interested in the process and have participated in climate change planning discussions.

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2884 Id.
2885 Id.
2887 Id.
2888 Id.
2890 Id.
2891 Id.
2892 Id.
2894 Id.
2895 Aaron Sanborn, Exeter developing climate change action plan, SEACOASTONLINE (Feb. 10, 2013, 2:00 AM), http://www.seacoastonline.com/articles/20130210-NEWS-302100336.
On November 19, 2012, RGGI reported that related state investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011. RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement and climate change adaptation programs. By the end of 2012, New Hampshire’s Renewable Energy Fund had awarded a total of $747,750 in grants to Cartographic Associates, Inc., the Claremont Fire Department, Colby Solar LLC, Northeast BioEnergy Systems LLC, Sullivan County, the University of New Hampshire and Walker Wellington LLC for energy retrofitting projects. The projects included installation of high-efficiency wood pellet or wood chip boilers, solar electric panels, a solar hot air system and an outfall pipe turbine generator, all to be placed in public facilities.

2013: Greenhouse Gas Reduction

On February 7, 2013, RGGI announced significant program improvements implemented in the Updated Model Rule after a two-year comprehensive program review. Improvements include a reduction of the 2014 regional cap by 45% from 165 million to 91 million tons, and a cap further declining by 2.5% each year from 2015 to 2020; additional adjustments to the cap from 2014 to 2020 to account for privately banked allowances which will be deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances which may be accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program, including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year compliance period; and developing tools to track electricity imported into participating states from non-participating states to address those emissions. Each RGGI state will implement these measures in their respective statutory regimes.

On April 16, 2013, an independent market monitor of RGGI confirmed that there continue to be no material concerns regarding the auction process or in the

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2896 Id.


2898 Sanders, supra.


2900 Id.

2901 Id.
competitiveness of the secondary market for RGGI allowances.  

During 2012, the average auction-clearing price was $1.93 for carbon dioxide allowances.

On June 5th, 2013 RGGI held its twentieth auction of carbon dioxide allowances. At the auction, 38,782,076 CO2 allowances were sold, at a clearing price of $3.21. The auction generated $124.4 million for reinvestment by the RGGI states. This money will be allocated to a variety of consumer benefit initiatives, including energy efficiency, renewable energy, direct bill assistance, greenhouse gas abatement, and climate change adaptation programs. Bids for the CO2 allowances ranged from $1.98 to $5.55 per allowance.

On July 15, 2013, Governor Maggie Hassan signed into law HB 306. The bill aims at ensuring that the state continues to “maximize the benefits of the program for the people and businesses of New Hampshire.” The bill seeks to achieve this goal by reducing the carbon dioxide emissions cap from 165 million tons down to 91 million tons, which represent the 2012 levels.

On July 24, 2013, NH SB 191 became effective in its entirety. SB 191 mandates that the Office of Energy & Planning, in coordination with the Energy Advisory Council, to develop an energy strategy for New Hampshire. The bill will be effective until September of 2014. The bill stems directly from the recently released report by the Energy Efficiency and Sustainable Energy (EESE) Board. The final report released by the EESE, “called for a comprehensive energy policy for the state that highlights the critical role of energy efficiency and local renewable resources in the state’s future.” The bill requires that the Office of Energy and Planning review the strategy and consider any necessary updates in consultation with the senate energy and

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2903 Id.
2908 Id.
2909 Id.
2910 Id.
natural resources committee and the house science, technology and energy committee, after opportunity for public comment, at least every 3 years starting in 2017.2912

On July 24, 2013, SB 123 became effective.2913 This bill allocates proceeds from the RGGI program to municipalities and local governments for use in energy efficiency projects.2914 In addition, the bill permits return of unused allowance sale proceeds to business and municipal customers who fund the system benefits charge.2915

On September 4, 2013, RGGI held its 21st auction of carbon dioxide allowances. At the auction, 38,409,043 CO2 allowances were sold, at a clearing price of $2.67. The auction generated $102.5 million for reinvestment by the RGGI states. This money will be allocated to consumer benefit initiatives, including energy efficiency, renewable energy, direct bill assistance, and greenhouse gas abatement programs. Bids for the CO2 allowances ranged from $1.98 to $12.85 per allowance. As of the time of the 21st auction the cumulative proceeds from all RGGI CO2 allowance auctions currently total $1.4 billion dollars.2916

On September 9, 2013, the New England Governors’ and Eastern Canadian Premiers (“NEG-ECP”) reached a new agreement to work cooperatively to support increased use of alternative fuel vehicles and networks within the region.2917 The resolutions directs that both groups “work with organizations to compile an inventory of regional initiatives regarding electric and natural gas-powered vehicles, propose actions aimed at facilitating the interoperability of electric vehicle charging and alternative fueling stations, and identify corridors where alternative fuel infrastructure could be established.”2918 NEG-ECP and its partners also passed a related transportation resolutions to work collaborative “towards achieving a regional five percent market share among vehicle fleets for alternative fuel vehicles by 2020 and to facilitate the availability of refueling stations to support those vehicles.”2919 Both of these resolutions were a part of a series of resolutions adopted by the NEG-ECP in which they “pledge to work together on clean energy approaches such as hydropower, mitigating climate change, and transportation proposals.”2920

2914 Id.
2915 Id.
2918 Id.
2919 Id.
2920 Id.
On December 2, 2013, RGGI announced that the nine RGGI states, have submitted comments to the United States Environmental Protection Agency (EPA) for consideration as EPA develops guidelines for state programs to reduce carbon dioxide (CO2) emissions from power plants under Clean Air Act section 111(d). The RGGI states encourage EPA to view the RGGI success story as a benchmark for national action. Since 2005, the RGGI states have cut their carbon dioxide emissions by approximately 40 percent. The RGGI states are also recommending that EPA’s new rules “empower states to develop market-based GHG emission reduction programs designed to work for their region(s).”

On December 4, 2013, RGGI held its 22nd auction of carbon dioxide allowances. At the auction, 38, 329, 378 carbon dioxide allowances were sold at a clearing price of $3.00. The action generated $114.9 million for reinvestment by the RGGI states. This money will be allocated to consumer benefit initiatives, including energy efficiency, renewable energy, direct bill assistance, and GHG abatement programs. Bids for the carbon dioxide allowances ranged from $1.98 to $12.00 per allowance. At the time of the 22nd auction the cumulative proceeds from all RGGI carbon dioxide allowances auctions totaled $1.5 billion.

On December 16, 2013, state environment and energy leaders from 15 states, including NH, submitted a letter to the EPA urging them to allow states to use their broad clean energy and climate approaches to meet upcoming carbon pollution reduction requirements. The states also encouraged the EPA to develop “equitable and measureable standards that will hold states accountable for their progress.” The states use their own success stories, which total more than 20% in carbon dioxide reductions to demonstrate the type of reductions that are possible. Specifically the letter urges the EPA to set federal standards based on what can be achieved by taking a “comprehensive approach to improving the power system as a whole rather than by regulating carbon pollution at each individual power plant.

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2922 Id.
2923 Id.
2925 Id.
2926 Id.
2927 Id.
2014: Greenhouse Gas Reduction

On January 13, 2014, RGGI announced that the 2014 RGGI cap is 91 million tons. This represents a 45 percent reduction to the RGGI CO2 cap.\textsuperscript{2932} This amount will be reduced by 2.5 percent each year from 2015 to 2020.\textsuperscript{2933} RGGI estimates that by 2020 the power plant carbon dioxide levels will be half of the 2005 levels.\textsuperscript{2934}

On March 5, 2014, RGGI held its 23rd auction for carbon dioxide allowances.\textsuperscript{2935} At the auction 23,491,350 carbon dioxide allowances were sold at a clearing price of $4.00.\textsuperscript{2936} Allowances sold include the 18,491,350 allowances offered for sale by the nine states and all of the 5,000,000 cost containment reserve (CCR) allowances for allocation year 2014.\textsuperscript{2937} Bids for the carbon dioxide allowances ranged from $2.00 to $11.85 per allowance.\textsuperscript{2938} The CCR is a fixed additional supply of allowances that are only available for sale if carbon dioxide allowance prices exceed certain price levels ($4 in 2014, $6 in 2015, $8 in 2016, and $10 in 2017, rising by 2.5 percent, to account for inflation, each year thereafter).\textsuperscript{2939} To date there are no more CCR allowances available for sale in 2014.\textsuperscript{2940}

NEW JERSEY

1997: Greenhouse Gas Reduction

On June 16, 1997, New Jersey Department of Environmental Protection (NJDEP) Commissioner Robert C. Shinn Jr. formed the New Jersey Global Change Workgroup to assist in the development of a greenhouse gas (GHG) action plan for the state.\textsuperscript{2941} The next year, Shinn issued Administrative Order 1998-09, which established a goal of achieving a 3½ % reduction in New Jersey’s GHG emissions below 1990 levels by 2005.\textsuperscript{2942} Following this order, the NJDEP developed a GHG Action Plan, which enumerated strategies for meeting this goal.\textsuperscript{2943} In addition, the Plan identified the major sources of GHGs by sector and estimated the 1990 GHG emissions.\textsuperscript{2944}

\begin{itemize}
\item \textsuperscript{2933} Id.
\item \textsuperscript{2934} Id.
\item \textsuperscript{2936} Id.
\item \textsuperscript{2937} Id.
\item \textsuperscript{2938} Id.
\item \textsuperscript{2939} Id.
\item \textsuperscript{2940} Id.
\item \textsuperscript{2941} N.J. DEP’T OF ENVTL. PROT., N.J. SUSTAINABILITY GREENHOUSE GAS ACTION PLAN E3 (1999), http://infohouse.p2ric.org/ref/14/13318.pdf.
\item \textsuperscript{2942} Id. at A9-A11.
\item \textsuperscript{2943} Id. at E3.
\item \textsuperscript{2944} Id. at E4-E5.
\end{itemize}
1998: Climate Change Adaptation

Recognizing the importance of international climate efforts, on June 15, 1998, the NJDEP signed a letter of intent with the Netherlands Environmental Ministry that outlined a number of areas where the NJDEP and the Ministry planned to work together to address issues related to climate change.2945

2005: Climate Change Agreements, Greenhouse Gas Reduction, and Energy Efficiency

In October 2005, Governor Cody furthered state efforts to address climate change by classifying carbon dioxide as an air contaminant under New Jersey’s air pollution control rules.2946 This action was intended to facilitate New Jersey’s engagement in the Regional Greenhouse Gas Initiative (RGGI), which was established in 2005.2947 New Jersey later became a RGGI participant, thereby capping the carbon dioxide emissions from its power sector and reducing these emissions by 10% by 2018.2948

In 2005 New Jersey implemented appliance efficiency standards for eight products.2949

2006: Transportation/Fuels and Renewable Portfolio Standards

On January 17, 2006, the NJDEP amended its regulations to incorporate California’s Low Emission Vehicle (LEV) program.2950

Also in 2006, New Jersey’s Board of Public Utilities (BPU) adopted a renewable portfolio standard (RPS) that required utilities to increase the percentage of electricity produced from renewable sources to increase from 4% in 2008 to 20% in 2020 with at least 2% of the 20% derived from solar photovoltaic sources. The RPS allowed trading of Renewable Energy Certificates for compliance purposes.2951

2007: Greenhouse Gas Reduction, Climate Change Agreements, and Energy Efficiency

2945 Id. at E3.
In February 2007, Governor Corzine signed Executive Order (EO) 54 that set new GHG emissions reduction goals.\textsuperscript{2952} The Order required that emissions be reduced to 1990 levels by 2020 (a 20\% reduction) and to 80\% below 2006 levels by 2050.\textsuperscript{2953}

In May 2007, New Jersey and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{2954} Additionally, on October 29, 2007, New Jersey joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming.\textsuperscript{2955} ICAP provides a forum for governments to share information regarding cap-and-trade systems and will work to ensure that market programs are compatible.\textsuperscript{2956} In addition, ICAP promotes low-carbon products and services, innovations, and cost effective reductions.\textsuperscript{2957}

Governor Corzine signed Assembly Number (A.) 3301 into law in July 2007, establishing the Global Warming Response Act, which codified EO 54 by mandating that New Jersey GHG emissions be reduced to 1990 levels by 2020 and 80\% below 2006 levels by 2050.\textsuperscript{2958} The Act required numerous state agencies and stakeholders to work together to determine and recommend cost-effective methods for meeting these goals.\textsuperscript{2959} In addition, it tasked the NJDEP with creating a GHG emission inventory and monitoring system and making reports to the governor and legislature in order to track GHG emission reduction progress.\textsuperscript{2960} It further required reduction of state facility and vehicle energy consumption.\textsuperscript{2961}

A. 3301 also required the NJDEP to evaluate GHG emissions in the state and to come up with policy recommendations for mitigating these emissions by the end of 2008.\textsuperscript{2962} The NJDEP drafted a report entitled \textit{New Jersey Greenhouse Gas Inventory and Reference Case Projections 1990-2020}.\textsuperscript{2963} The Report provided an assessment of

\begin{thebibliography}{9}
\bibitem{2953} Id.
\bibitem{2956} Id.
\bibitem{2957} Id.
\bibitem{2958} A. 3301, 212th Leg., 2nd Ann. Sess. (N.J. 2007).
\bibitem{2959} Id.
\bibitem{2960} Id.
\bibitem{2961} Id.
\bibitem{2962} Id. at C.26:2C-41(5).
\end{thebibliography}
historical and projected GHG emission levels in relation to the nuances of New Jersey’s economy. It found that GHG emissions rose by 13% in the State between 1990 and 2005.\textsuperscript{2964} The NJDEP also drafted the \textit{New Jersey Energy Master Plan}, which provided a policy road map to guide the state in reducing GHG emissions.\textsuperscript{2965} Plan recommendations included increasing the state’s RPS to 22.5% between 2021 and 2025, developing 1500 megawatts (MW) of cogeneration capacity by 2020, and creating a “Green Collar” jobs program to give New Jersey workers the skills necessary to perform the jobs created by the recommendations of the plan.\textsuperscript{2966}

In August 2007, Governor Corzine signed A. 3983, mandating that state agencies use only compact fluorescent light bulbs in state-owned buildings by August 2010 and directing the New Jersey BPU to initiate a public education campaign with regard to the benefits of compact fluorescent light bulbs.\textsuperscript{2967} Additionally, Corzine signed Senate Number S. 341 mandating that the state buy only products marked with the federal ENERGY STAR label unless such a purchase would be inconsistent with the public interest or too expensive.\textsuperscript{2968}

\textbf{2008: Renewable Energy, Market-Based Solutions, Climate Change Adaptation, and Transportation/Fuels}

In August 2008, Governor Corzine signed A. 1599 into law.\textsuperscript{2969} This Bill amended municipal land use law allowing local planning authorities to include green buildings and environmental sustainability planning into their municipal master plans. One month later, he signed A. 844, enabling certain local public entities to enter into contracts of up to fifteen years for energy conservation or for the provision of renewable energy production at their buildings.\textsuperscript{2970}

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale.\textsuperscript{2971} Each of these allowances sold at a clearing price of $3.07, raising a total of $38,575,783.\textsuperscript{2972} These proceeds would be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances.\textsuperscript{2973}

Governor Corzine released an updated version of the Energy Master Plan on October 22, 2008.\textsuperscript{2974} The updated plan analyzed what the energy state of affairs will be

\begin{footnotesize}
\begin{itemize}
  \item \textsuperscript{2964} \textit{Id.} at 17.
  \item \textsuperscript{2965} \textit{N.J. DEP’T OF ENVTL. PROT., DRAFT N.J. ENERGY MASTER PLAN} (2008), http://nj.gov/emp/home/docs/pdf/draftermp.pdf.
  \item \textsuperscript{2966} \textit{Id.} at 12-13.
  \item \textsuperscript{2967} A. 3983, 212th Leg., 2nd Ann. Sess. (N.J. 2007).
  \item \textsuperscript{2968} S. 341, 212th Leg., 2nd Ann. Sess. (N.J. 2007).
  \item \textsuperscript{2969} A. 1559, 2008 Leg., 213th Sess. (N.J. 2008).
  \item \textsuperscript{2970} A. 844, 2008 Leg., 213th Sess. (N.J. 2008).
  \item \textsuperscript{2971} Press Release, RGGI Inc., RGGI States’ First CO\textsubscript{2} Auction off to a Strong Start (Sept. 29, 2008), http://www.rggi.org/docs/rggi_press_9_29_2008.pdf.
  \item \textsuperscript{2972} \textit{Id.} at 1.
  \item \textsuperscript{2973} \textit{Id.}
  \item \textsuperscript{2974} Press Release, N.J. Office of the Governor, Governor Corzine Introduces New Energy Master Plan (Oct. 22, 2008),
\end{itemize}
\end{footnotesize}
in 2020 based on a “business as usual” model and compared this with the results from an “alternative scenario” model.2975

On November 10, 2008, Governor Corzine announced the final environmental impact statement approval for the Mass Transit Tunnel project.2976 This project, a partnership between the state and the Port Authority of New York and New Jersey, was expected to double train capacity by building rail tunnels under the Hudson River, expanding Penn Station, and making track and signal improvements along the Northeast Corridor. Proponents estimated that the project would remove more than 22,000 vehicles from the New Jersey Turnpike and other highways. On January 16, 2009, Corzine announced that construction on the Mass Transit Tunnel would begin within the year.2977

The second RGGI auction took place on December 17, 2008 and each of the ten states participated.2978 All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances.2979 The clearing price was $3.38 per allowance, raising a total of $106.5 million.2980

As required by the Global Warming Response Act, the State Department of Environmental Protection released a draft climate action plan for public comment in December 2008.2981 The report showed that New Jersey could reach its goal of reducing GHG emissions to 1990 levels by 2020 through the state’s Energy Master Plan, the LEV program, and RGGI.2982 The report further contained a plan to accelerate its progress toward its goal of reducing GHG emissions to 80% below 2006 levels by 2050, which focused on four areas: land use and transportation; terrestrial carbon sequestration; energy efficiency and renewable energy; and new technologies market.2983 Proposed actions in the land use and transportation area included reducing vehicle miles traveled (VMT) growth to less than 1% per year, making all VMT “green” over the following

2975 STATE OF N.J. ENERGY MASTER PLAN, N.J. ENERGY MASTER PLAN (2008),
2978 Auction 2, REGIONAL GREENHOUSE GAS INITIATIVE,
2979 Press Release, RGGI Inc., Post-Settlement Auction Report Shows Robust Market for RGGI Carbon Dioxide Emissions Allowances (Jan. 6, 2009),
2980 Id.
2981 Stakeholder Input to Draft Global Warming Response Act Recommendation Report, STATE OF N.J.,
2982 N.J. DEP’T OF ENVTL. PROT., DRAFT GLOBAL WARMING RESPONSE ACT RECOMMENDATION REPORT (2008),
2983 Id. at 8.
fifteen years, and ensuring that 90% of development in the state occurred in places already served by the public infrastructure. In the terrestrial carbon area, it focused on increasing the annual rate of carbon dioxide sequestration to 8 million metric tons. In the energy efficiency and renewable energy area, the plan’s goals were to continuously increase electricity generation from renewable sources until all electricity sources in the state became carbon neutral and to ensure that all building constructed after 2030 have a net zero energy consumption. Finally, all of the plan’s goals will naturally enhance the green technologies market.

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector. Specifically, these states expressed intent to incorporate a Low Carbon Fuel Standard (LCFS) into the RGGI agreement, which would require reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.


Governor Corzine signed A. 1537 on January 21, 2009. This Bill authorized public agencies to contract with energy service companies in order to implement energy saving measures in their buildings.

Governor Corzine and eleven other governors signed a letter to President Obama, urging him to form a strong state/federal leader partnership in initiating a national climate change program on January 29, 2009. This letter was predicated upon the President’s
letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believed that their states played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.” The letter also contained suggestions for how a national climate change program should be implemented. One of these suggestions was for the national government to recognize the private investments made in current cap-and-trade programs and to preserve the clean energy plans funded by the proceeds from these programs.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that New Jersey was eligible for $73,643,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).

The third RGGI auction was held on March 18, 2009. The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse at future market prices for RGGI allowances. Prices fell at the fourth auction to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.

Governor Corzine signed three bills to further the aims of the Energy Master Plan on March 31, 2009. The first bill, A. 1558, required developers to offer to install solar energy systems in certain new home construction and required the BPU to create technical standards for the type of solar system to be installed. The second bill, A. 2250, permitted certain wind and solar technologies to be located in industrial zones. The third bill, A. 2507, authorized the BPU to provide grants for combined heat and power, energy efficiency projects and projects promoting renewable and energy efficiency from the Retail Margin Fund. The primary grant will be $450/kilowatt of capacity installed to encourage combined heat and power facilities.

2991 Id. at 1.  
2992 Id. at 2.  
2995 Id.  
On April 6, 2009, Governor Corzine toured the Jersey-Atlantic Wind Farm with U.S. Department of the Interior Secretary Ken Salazar, who was in New Jersey attending a conference concerning energy development on the outer continental shelf.\textsuperscript{3001} This wind farm contained five turbines and powered approximately 2,500 homes. Two weeks later, Corzine visited the Lighting Science Group’s headquarters, which was moved to New Jersey earlier that year.\textsuperscript{3002} The company was a global leader in LED research and designed and manufactured LED lamps and luminaries. Since its move to New Jersey in 2009, the company created 23 jobs and expected to create at least that many in the near future.

On April 16, 2009, the BPU approved infrastructure projects to be undertaken by seven utility companies.\textsuperscript{3003} These projects would replace and repair gas pipes and mains, distribution system improvements, and transformer and street light replacement with energy efficient equipment.

BASF opened up a new state-of-the-art fuel cell production facility in New Jersey in May 2009.\textsuperscript{3004} That month, the state also received $73.6 million in ARRA funding for energy projects, including $15 million for grants and loans for alternative energy and energy efficiency applications; $20,643,000 for state-sponsored energy efficiency projects; $7 million for the state’s residential solar financing program; $8 million for residential energy efficiency through the low-interest loan program; $17 million for the clean energy program; and $6 million for the New Jersey Office of Energy Savings.\textsuperscript{3005} Later that month, the New York Giants and New York Jets entered an agreement with the EPA to implement green building practices in the construction of the New Meadowlands Stadium.\textsuperscript{3006}

In order to protect their state’s wind technology, Governor Corzine and other

\textsuperscript{3006} Governor Corzine Lauds Jets-Giants-EPA Go Green Agreement, PROJECT VOTE SMART (June 1, 2009), http://votesmart.org/public-statement/427700/ (original press release not found).
governors wrote a letter to Congress communicating their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast. New Jersey also released leases for three offshore wind developers. The state also applied for $14.4 through the Energy Efficiency and Conservation Block Grant Program and in October New Jersey received this funding.

Governor Corzine signed an agreement with a coalition of governors to support federal climate change legislation in May 2009. The agreement contained two principles: the support of comprehensive federal legislation and the promotion of a federal-state partnership in implementing this legislation.

On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

Also in June 2009, Greenopia ranked Governor Corzine as the ninth greenest governor in the nation. Later that month, the EPA gave New Jersey authority to adopt

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governorsquot.
California’s stricter GHG emissions standards for motor vehicles.3015

In July 2009, Princeton Power Systems, an advanced power conversion technologies developer, opened new headquarters in New Jersey.3016 On that same day, Governor Corzine announced the availability of $20 million in stimulus funding from ARRA for energy efficiency and renewable energy projects.3017 The U.S. DOE also provided $8.33 million from ARRA for the state’s energy efficient appliance rebate program.3018 Later that month, Corzine testified before the Senate Committee on Environment and Public Works, stating that the United States is on the verge of a “green revolution.”3019 The next month, he announced that statewide solar installations then totaled over 4,000, an example of how New Jersey was considered second in the nation in solar advancement.3020

Governor Corzine applauded the implementation of green technologies in the new Princeton Hospital in August 2009.3021 New Jersey also applied for ARRA funding for a high-speed rail line.3022 The state received $29.3 million in ARRA funding for its State Energy Plan.3023 In late August, Corzine also visited Petra Solar, which had been awarded a contract from PSE&G to produce 200,000 Sun Wave units (pole-mounted, grid-connected photovoltaic systems) so that the utility can mount these units on its utility

poles as a distributed generation measure.\textsuperscript{3024}

On August 31, 2009, the attorney generals of New Jersey, Arizona, Connecticut, Delaware, and California sent U.S. Senate leaders a letter urging them to pass climate change legislation stronger than the Waxman-Markey Bill.\textsuperscript{3025} The attorney generals’ suggestions to the senators included that the Bill include measures that give state enforcement authority, require public disclosure of all offset project documentation, and provide standing for citizen suits.

\textbf{2010: Renewable Energy and Climate Change Memorandum of Understanding}

In April 2010, Governor Chris Christie outlined an energy policy for New Jersey that emphasized in-state production of renewable and traditional energy sources.\textsuperscript{3026} He proposed to do this in three main ways: 1) by making renewable energy a key to New Jersey’s economic growth; 2) by applying “Made in NJ” to energy needs; 3) and by marketing New Jersey for renewable energy production.\textsuperscript{3027} At the time, New Jersey only produced just over 50% of the energy they used. “Home grown” sources must include wind and solar and particularly offshore wind, Christie noted. Some other examples include installing energy-efficient light bulbs, windows, insulation, and appliances.\textsuperscript{3028}

In April 2010 S. 921\textsuperscript{3029} was signed into law, exempting solar panels from restrictions that had classified them as “impervious surface” under municipal land use law and waterfront and coastal development laws.\textsuperscript{3030} Under this law, only the base or foundation of the solar panel that is affixed to the land, rather than the entire solar panel, would be considered as “impervious cover,” and thus will not result in restriction of development due to environmental purposes.\textsuperscript{3031}

Governor Christie signed a memorandum of understanding (MOU) in June 2010 with the federal government and the governors of Maine, New Hampshire, Massachusetts, Rhode Island, New York, Delaware, Maryland, Virginia, and North

\begin{itemize}
\item \textsuperscript{3027} Id.
\item \textsuperscript{3028} Id.
\item \textsuperscript{3029} 2010 N.J. Sess. Law Serv. 4 (West).
\item \textsuperscript{3031} Id.
\end{itemize}
Carolina to promote the development of offshore wind power.\textsuperscript{3032} The MOU, which established an Atlantic Offshore Wind Energy Consortium, would help to facilitate federal-state cooperation for commercial wind development on the Outer Continental Shelf off of the Atlantic coast.\textsuperscript{3033}

In August 2010, Governor Christie signed the Offshore Wind Economic Development Act or S. 2036.\textsuperscript{3034} The Bill directed the New Jersey BPU to develop an offshore renewable energy certificate (OREC) program that calls for a percentage of electricity sold in the state to be from offshore wind energy, and will support at least 1,100 MWs of generation from qualified offshore wind projects.\textsuperscript{3035} Through the legislation, the New Jersey Economic Development Authority planned to provide financial assistance to qualified offshore wind projects and associated equipment manufacturers and assembling facilities.\textsuperscript{3036}

\textbf{2011: Renewable Energy, Greenhouse Gas Reduction, Transportation/Fuels, and Climate Change Agreements}

On April 19, 2011 New Jersey issued a formal Call for Nominations through the U.S. Department of Interior’s Office of Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE). This was a formal request for firms interested in acquiring leases from BOEMRE for the development of offshore wind energy farms.\textsuperscript{3037}

According to the \textit{Statewide Greenhouse Gas Emission Inventory for 2008}, released in May 2011, New Jersey reduced its GHG emissions by 8\% below 2007 levels in 2008, bringing the state under its 2020 emissions target. The \textit{Inventory} is a biennial report required by New Jersey’s Global Warming Response Act.\textsuperscript{3038}

Governor Christie released a draft of the \textit{New Jersey 2011 Energy Master Plan} on June 7, 2011, which proposed five overarching goals to help reduce the cost of energy for all consumers while promoting renewable energy.\textsuperscript{3039} The five goals included: 1) promoting a diverse portfolio of renewable energy generated in the state; 2) creating a

\begin{footnotesize}
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\item \textsuperscript{3033} Id.
\item \textsuperscript{3034} 2010 N.J. Sess. Law Serv. 57 (West).
\item \textsuperscript{3036} Id.
\end{itemize}
\end{footnotesize}
realistic path for achieving a renewable energy portfolio standard of 22.5% by 2021; 3) rewarding energy efficiency, energy conservation, and cost-effective renewable resources; 4) capitalizing on emerging technologies for transportation and power production; 5) and encouraging economic development and job growth.  

On July 25, 2011, the NJDEP announced that the state had surpassed the milestone of 10,000 solar installations, placing New Jersey as the state with the second most solar installations in the nation after California. New Jersey’s installed solar capacity is 380 MW, generated by 10,086 solar energy array projects. This progress was due in large part to the state’s Solar Renewable Energy Certificate Registration Program.  

In September 2011, Governor Christie announced that New Jersey would withdraw from RGGI, citing the fact that not all of the available allowances had been sold at recent RGGI auctions, which led the state to conclude that RGGI was and would not be effective at reducing GHG emissions. New Jersey’s withdrawal became effective on December 31, 2011.  

The NJDEP announced on October 5, 2011, that it has launched a new permit program that would enable a wide range of facilities, including office buildings, schools, and small- to moderate-sized manufacturers, to more quickly install combined heat and power (CHP), or cogeneration technology.  

New Jersey was one of nine states to join the Northeast Electric Vehicle Network in October 2011. The Network aims to help the states increase economic growth and reduce their GHG emissions, and focuses on building infrastructure for clean vehicles and fuels, as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, and Vermont. The Network is part of the Transportation and Climate Initiative (TCI), a regional collaboration between twelve Northeast and Mid-Atlantic states that aims to reduce GHG emissions from the transportation sector and develop the clean energy

3040 *Id.*  
3045 *Id.*
The TCI was launched in June 2010 and is facilitated by the Georgetown Climate Center. A nearly $1 million Electric Vehicle Readiness Grant from the DOE was awarded to New York State Energy Research and Development Authority (NYSERDA) on behalf of the TCI in September 2010, and will be used to fund the network’s efforts to deploy electric vehicles throughout the Northeast.

On December 6, 2011, Governor Christie announced New Jersey’s final 2011 Energy Master Plan. The Plan put New Jersey on a course to balance the use of renewables with natural gas, encouraged increases in the role of solar energy in the state’s RPS, and sought to reduce the Solar Alternative Compliance Payment.

2012: Energy Efficiency, Renewable Energy, Green Jobs, and Climate Change Agreements

In January 2012, the New Jersey legislature enacted S. 1406, which established the New Jersey Property Assessment Clean Energy (NJ PACE) Municipal Financing Program. The Program allows municipalities to provide loan assistance to property owners who wish to install energy efficiency improvements. The funds will be created from a special energy efficiency assessment, which the municipality may adopt. Property owners may choose to repay their loans with the renewable energy credits earned. The Bill took effect in May 2012.

After its launch in March 2012, New Jersey joined North America 2050, an organization that promotes carbon dioxide capture and sequestration techniques, offset projects for emissions trading programs and a focus on sustainable biomass in order to achieve meaningful emissions reductions. North America 2050 is comprised of state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario,

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3047 Id.
3050 Id.
3052 Id.
3053 Id.
3054 Id.
3055 Id.
3056 North America 2050, na2050.org (Mar. 8, 2013).
3057 Id.
and Quebec.\textsuperscript{3058} North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.\textsuperscript{3059}

In April 2012, the NJDEP’s Garden State Green Hotel Project began matching EPA Pollution Prevention (P2) Grant Program funds in order to educate and train New Jersey hoteliers in green practices, which have been shown to be attractive to tourists.\textsuperscript{3060} The participating hotels would also receive energy reviews at no cost.\textsuperscript{3061}

In June 2012, the DOE announced that New Jersey would be receiving funds for energy efficiency projects, including energy efficiency retrofitting in public facilities.\textsuperscript{3062} In collaboration with Sustainable New Jersey and the Center for Building Knowledge at the New Jersey Institute of Technology, New Jersey received $715,000 in awards to fund energy upgrades in over 550 municipalities.\textsuperscript{3063}

On July 23, 2012 New Jersey enacted S-1925.\textsuperscript{3064} The Bill created a declining cost ceiling schedule on the price of solar renewable energy certificates, which aims to make the market more predictable and reasonable for suppliers and ratepayers.\textsuperscript{3065} The law also provided the New Jersey BPU with oversight on solar projects that are not net-metered but whose operators still wish to receive solar renewable energy certificates.\textsuperscript{3066} Before 2016, only installations over 80 MWs will require BPU approval, except for projects built on landfills and brownfields remediation sites.\textsuperscript{3067}

On July 31, 2012, New Jersey announced that it is first in the nation for solar installations, installing 1,786 solar projects in the first quarter alone and housing the nation’s largest solar array, producing over 9 MWs of electricity with one million square feet of panels at the Gloucester Marine Terminal.\textsuperscript{3068} In addition, the New Jersey Meadowlands Commission completed transformation of a closed landfill into a solar farm that will generate up to 3 MWs of electricity.\textsuperscript{3069}

\textsuperscript{3058} See Participants, NORTH AMERICA 2050, \url{http://na2050.org/participants/} (Dec. 3, 2013).
\textsuperscript{3059} See id.
\textsuperscript{3061} Id.
\textsuperscript{3063} Id.
\textsuperscript{3065} Id.
\textsuperscript{3066} Id.
\textsuperscript{3067} Id.
\textsuperscript{3069} Id.
2013: Energy Efficiency

In January 2013, Governor Christie announced that the New Jersey Economic Development Authority and the New Jersey BPU initiated the second phase of their Large Scale CHP/Fuel Cell Program.\(^\text{3070}\) The grant program will assist CHP and fuel cell projects with a capacity of one MW or greater that serve commercial, industrial, and governmental operations.\(^\text{3071}\) The project, which is a part of Christie’s Energy Master Plan, is designed to enhance energy efficiency within the state and reduce demand from the electric grid.\(^\text{3072}\)

On March 13, 2013, the BPU announced New Jersey’s Clean Energy Program would be receiving the 2013 ENERGY STAR Partner of the Year - Sustained Excellence Award for its continued leadership in protecting the environment through superior energy efficiency programming.\(^\text{3073}\) The EPA granted BPU with this award for “its long-term commitment to energy efficiency, specifically for the accomplishments of its residential energy efficiency retrofit program, Home Performance with ENERGY STAR (HPwES). The HPwES program helps homeowners save up to 30% on their energy bills by incentivizing energy efficient upgrades installed in their homes by Building Performance Institute accredited contractors.”\(^\text{3074}\)

On March 19, 2013 the BPU announced that New Jersey’s solar industry had surpassed 1 gigawatt of installed solar energy. “As of the end of February 2013, a total of 1,008.4 MW of solar capacity has been installed statewide through 20,340 of solar projects.”\(^\text{3075}\)

On October 9, 2013 Governor Christie announced “$25 million in allocations of federal Hazard Mitigation Grant Program (HMGP) funds to 146 municipalities, counties and other government units to pursue creative and cost-effective alternatives to enhance statewide energy resilience.”\(^\text{3076}\) HMGP is part of the Christie Administration’s efforts to rebuild stronger after Superstorm Sandy and is targeted at critical facilities throughout the state. Grants range up to $734,880 and can be used to support a variety of alternative

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\(^{3071}\) Id.

\(^{3072}\) Id.


\(^{3074}\) Id.


energy solutions including microgrids, solar power with battery backup, and natural gas-powered emergency generators.\textsuperscript{3077}

**NEW MEXICO**

**1978: Renewable Energy**

In 1978, New Mexico enacted the Solar Energy Rights Act.\textsuperscript{3078} The Act makes the right to use solar energy a property right and uses a prior appropriation approach to establish priority. The right is for the beneficial use of the unobstructed line of sight from a solar collector to the sun.

**1990: Greenhouse Gas Reduction**

New Mexico has a long history of programs and legislation designed to mitigate global climate change. An early example is New Mexico’s Forest Re-Leaf Program.\textsuperscript{3079} Established in 1990, Forest Re-Leaf offered grants for tree planting and related educational programs.\textsuperscript{3080} As of 2006, grants had funded the planting of over 17,000 trees in over 60 communities, resulting in an annual sequestration of 139 metric tons of aboveground carbon dioxide.\textsuperscript{3081}

**2002: Renewable Energy**

More recently, New Mexico enacted in 2002 (and amended in 2003 by House Bill (H.B.) 146) the Renewable Energy Production Tax Credit.\textsuperscript{3082} The law offers a one-cent per kilowatt-hour corporate income tax credit for businesses that produce electricity via solar, wind, or biomass power.\textsuperscript{3083} The credit applies to the first 400,000 megawatt-hours of electricity that a business produces each year for ten years.\textsuperscript{3084}

**2004: Renewable Energy and Transportation/Fuels**

Enacted by H.B. 251 of 2004 and effective beginning July 1, 2004, New Mexico’s Clean Energy Grants Program offers funds to develop renewable energy and alternative transportation fuels.\textsuperscript{3085} Grant applicants – including tribes, municipalities, and state agencies – must reduce energy consumption by 5% or increase use of alternative fuels by

\textsuperscript{3077}Id.
\textsuperscript{3078}N.M. STAT. ANN. \&\textsuperscript{3079}§§ 47-3-1 — 47-3-5 (2005).
\textsuperscript{3079}N.M. STAT. ANN. § 68-2-29 (2005).
\textsuperscript{3080}Id.
\textsuperscript{3081}New Mexico Re-Leaf Program, N.M. STATE FORESTRY, http://www.emnrd.state.nm.us/SFD/ReLeaf/ReLeaf.html (Jan. 18, 2014).
\textsuperscript{3082}N.M. STAT. ANN. § 7-2A-19 (LexisNexis 2005).
\textsuperscript{3083}Id.
\textsuperscript{3084}Id.
\textsuperscript{3085}Id. § 71-7-6.
15%. In addition, schools may receive grants for programs that advance the market demands for clean energy and clean energy technologies.


The Energy Efficiency and Renewable Energy Bonding Act, enacted on April 5, 2005, provided $20 million worth of tax-exempt bonds to fund renewable energy improvements to buildings owned by New Mexico and its school districts. The Act also required that the state develop an energy efficiency plan by 2010 for maximum utility of renewable energy generators in public buildings. During the same legislative session, New Mexico enacted The Efficient Use of Energy Act, which mandated that utilities research methods to lower emissions associated with electricity consumption.

In June 2005, Governor Bill Richardson signed executive order (EO) 2005-033 creating the New Mexico Climate Change Advisory Group. With members having either industrial or environmental experience, the Advisory Group was tasked with evaluating methods to reduce emissions of greenhouse gases (GHGs) to 2000 levels by 2012, 10% below those levels by 2020, and 75% below 2000 levels by 2050.

2006: Climate Change Agreement, Renewable Energy, and Transportation/Fuels

The Renewable Energy Act established rules requiring that public utilities generate 5% of their energy from solar, wind, water, biomass, or geothermal power by 2006. Subsequently, it required that utilities increase their use of alternative energy supplies by at least 1% each year and to 10% by 2011. In March 2007, Governor Richardson signed Senate Bill (S.B.) 418, which further required that utilities generate at least 15% of their power supply from renewable resources by 2015 and 20% by 2020. The Renewable Energy Act also set a reasonable cost threshold – a public utility need not add renewable energy sources if the cost of such sources reaches the statutory level.
Enacted on February 15, 2006 and set to expire on December 31, 2015, S.B. 269 offers New Mexico’s residents 30% personal income tax credits for the purchase and installation of photovoltaic and solar thermal systems.  

Also in February 2006, New Mexico and Arizona joined the Southwest Climate Change Initiative in which the states’ advisory groups would collaborate on research to mitigate global warming.  

In December 2006, Governor Richardson signed EO 2006-069 creating a Climate Change Action Implementation Team charged with overseeing the implementation of certain Advisory Group recommendations. The Order carried out the following recommendations: the formation of a GHG registry and market-based emission reduction program; the development of technology involving carbon capture and storage; and the creation of renewable fuels, green buildings, and energy efficient appliances.  

On December 28, 2006, Governor Richardson issued EO 2006-69 establishing goals and timetables for steps the state can take to reduce GHG emissions, including adopting California’s vehicle emissions standards. The New Mexico Environment Department submitted a proposal to the Environmental Improvement Board (EIB) to implement a state clean car standard consistent with California’s.  

In December 2006, New Mexico’s Utility Commission signed onto the Western Public Utility Commissions’ Joint Action Framework on Climate Change, an inter-state agreement with the public utility commissions of California, Oregon, and Washington. Under the agreement, the utility commissions will work together to recommend ways to identify, develop, and implement greater energy efficiency, demand response capability, low-carbon technologies, and GHG emissions standards.  


In February 2007, Governor Richardson established the Western Climate Initiative (WCI) with the governors of Arizona, California, Oregon, and Washington in
order to reduce GHG emissions and tackle climate change. On August 22, 2007, the WCI set a regional GHG emission reduction goal of 15% below 2005 levels by 2020, or approximately 33% below business-as-usual levels. This regional target was compatible with and did not replace the states’ individual GHG reduction targets. Montana, Utah, and four Canadian provinces subsequently joined the WCI.

In March 2007, legislation was passed which established a renewable portfolio standard (RPS) for the state. The law mandates that by 2020, 20% of an electric utility’s power must come from renewable sources. Sources of energy that count toward the standard include solar, wind, hydropower, geothermal, fuel cells that are not fossil fueled, and qualifying biomass resources.

Also in March 2007, Governor Richardson signed H.B. 188, which created the Renewable Energy Transmission Authority, which is charged with supporting New Mexico’s clean energy job market, as well as developing and exporting renewable resources technology.

In May 2007, New Mexico and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

In August 2007, the New Mexico Public Regulation Commission promulgated a regulation requiring that wind and solar power each comprise 20% of the renewable sources within the state’s RPS by 2011. Biomass or geothermal sources should comprise 10% of the renewable sources by the same date, and distributed generation should comprise 1.5%. The regulation also excused utilities from meeting the renewable targets if it would raise the cost of electricity by more than 2% or affect system reliability.

Additionally on October 29, 2007, New Mexico joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European
Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming. ICAP provides a forum for governments to share information regarding cap-and-trade systems and works to ensure that market programs are compatible. In addition, ICAP promotes low-carbon products and services, innovations, and cost effective reductions.

In October 2007, the New Mexico EIB held a public hearing in which it was decided that all Title V major emitters and electrical generating units greater than or equal to 25 megawatts (MWs), petroleum refineries, and cement manufacturing facilities must report GHG emissions. In addition, the rulemaking encouraged companies to register emissions with The Climate Registry. The new regulations took effect on January 1, 2008.

2008: Energy Efficiency

In February 2008, Governor Richardson signed into law H.B. 305, which strengthened the state’s existing Efficient Use of Energy Act. The Bill provided financial incentives to electric and gas utilities to reduce user-end energy consumption by providing customers with energy-efficiency resources. It also required electric utilities to achieve energy-efficiency savings of at least 5% of 2005 sales by 2014 and 10% by 2020. Energy efficiency programs that New Mexico’s energy utilities could fund and implement under H.B. 305 included rebates for energy efficient appliances, compact fluorescent light (CFL) bulb exchanges, and home weatherization assistance.

The WCI announced draft essential requirements for the reporting of GHG emissions in July 2008. It also released Design Recommendations for the WCI Regional Cap-and-Trade Program on September 23, 2008. The Design Recommendations report recommended that carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions should all fall under the cap-and-trade scheme. Regulated sources included electricity generation; combustion at industrial and commercial facilities; industrial process; fuel combustion

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3114 Id.
3115 Id.
3116 N.M. ADMIN. CODE tit. 20 § 20.2.87 (2008).
3117 Id.
3119 Id.
3120 Id.
3122 Id.
3124 Id. at 8.
from industrial, residential and commercial sources that are below the threshold for direct regulation; and transportation combustion of gasoline/diesel (excluding biofuels). Each of these sources must emit at least 25,000 metric tons of carbon dioxide equivalent annually in order to participate in the trade. The first compliance periods began in 2012 and included half of the economy-wide regulated emissions from the WCI’s member jurisdiction for the electricity generation, industrial combustion and industrial process sectors. The second compliance period is set to begin in 2015, adding the other regulated sectors and includes 90% of the economy-wide regulated emissions.


The WCI released the third draft of the *Background Document and Progress Report for Essential Requirements of Mandatory Reporting for the Western Climate Initiative* on January 6, 2009 for public comment. It set the reporting threshold at 10,000 metric tons of carbon dioxide equivalent in a year, well below the 25,000 metric ton threshold for participation in the cap-and-trade program. It recommended that stationary combustion sources be subject to the reporting requirement as well as the sources listed in Table 1 of the document. These listed sources must report combustion and non-combustion emissions. Due to strong stakeholder support, it also recommended that reporting begin in 2011 for facilities that began operation before 2010 in preparation for the commencement of the cap-and-trade program in 2012.

On January 22, 2009, Governor Richardson announced details of the Green Jobs Cabinet, created by a recent EO. The cabinet, comprised of state executives from several departments, provided its initial recommendations to Richardson in September 2009.

In February 2009, a bill was introduced in the state legislature that would have

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3125 Id. at 8-9.
3126 Id. at 10.
3127 Id. at 24.
3128 Id.
3130 Id. at 10.
3131 Id. at 11.
3132 Id. at 16.
authorized the EIB to implement the WCI regional cap-and-trade program. However, the bill did not pass.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that New Mexico was eligible for $31,821,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA). On April 9, 2009, Governor Richardson signed a bill package containing nine senate and house bills aimed at creating funding for green jobs and renewable energy tax credits.

On May 13, 2009, Governor Richard announced that traffic and pedestrian lights would be retrofitted with LED lights with $5 million in ARRA funds received by the State Energy Program. The LED lights use 80% less electricity than the existing incandescent bulbs. Later that week, Richardson applauded President Obama’s announcement of “new national fuel efficiency and clean car standards.” He also commended the DOE on its decision to increase the cap on maximum ARRA grant award funding under the Smart Grid Investment Program from $20 million to $200 million for individual smart grid investments, and from $40 million to $100 million for demonstration projects. Although Richardson was encouraged by the decision, he also expressed concern about the grants being conditioned on 50% state matching funds.

Governor Richardson also signed an agreement with a coalition of governors to support federal climate change legislation in May 2009. The agreement contains two

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3136 Id.
3140 Id.
3143 Id.
principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\textsuperscript{3145}

On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), WCI, and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.\textsuperscript{3146}

According to The Pew Charitable Trusts’ June 2009 Clean Energy Economy Fact Sheet for New Mexico, New Mexico’s clean energy economy grew by 4,815 jobs and 577 businesses from 1998 to 2007.\textsuperscript{3147} Between 2006 and 2009, New Mexico attracted nearly $148 million in capital investment in clean energy.\textsuperscript{3148}

In early July 2009, Governor Richardson announced that ten state buildings would begin participation in PNM’s PeakSaver program, which would cut these facilities’ energy use during peak demand times.\textsuperscript{3149} Richardson called for the New Mexico Executive Branch to meet that target of 20% reduction in energy consumption by 2015 as part of his “Lead by Example” initiative.\textsuperscript{3150} The PeakSaver program remotely controls participants’ consumption on days when demand is expected to exceed transmission capacity that would normally require PNM to “buy electricity on the expensive spot market.”\textsuperscript{3151}

In mid-July 2009, Governor Richardson applauded the DOE’s $272,816 federal stimulus grant to New Mexico State University to fund a study of “how wind farms impact the electrical grid during disturbances.”\textsuperscript{3152}

Also in July 2009, the WCI issued an Offsets Whitepaper for comment to its stakeholders.\textsuperscript{3153} The paper was the initial phase in development of the definition of an offset and a major focus of the paper was additionality.\textsuperscript{3154} WCI’s Cap Setting and

\textsuperscript{3148} Id.
\textsuperscript{3150} Id.
\textsuperscript{3151} Id.
\textsuperscript{3154} Id.
Allowance Distribution Committee released its Draft Statement of Principles on Competitiveness and the Review of Proposed Options for Addressing Industrial Competitiveness Impacts in August 2009. The purpose of the draft was to “guide the process by which WCI will evaluate competitiveness effects of a regional cap-and-trade program,” and also reviewed how other cap-and-trade programs address this issue.

On August 31, 2009, Governor Richardson announced New Mexico had applied for $50 million in federal stimulus funding for the New Mexico Green Grid Initiative’s smart grid demonstration projects. The state hoped that the proposed demonstrations will “attract venture capital to build out a complete green grid in New Mexico,” and that these smart grid successes would be “replicated throughout the country, especially in rural America.” That same day, Richardson announced New Mexico had been awarded approximately $382,000 in ARRA funding for a project aimed at improving the state’s response to emergency disruptions in energy supply.

In early September 2009, Governor Richardson participated in the City of Belén’s unveiling of its plans to become a “carbon neutral city.” Belén planned to create a Solar Testing and Research Center (STAR) and the Belén Energy Park. STAR will serve as a “testing facility to set energy rating standards for solar products and will attract business from national and international companies seeking to have their products tested.” The Belén Energy Park will provide solar education to students and teachers. Also in September 2009, Richardson announced that the state had received $10 million to outfit public schools with photovoltaic solar electric systems.

In October 2009, Governor Richardson announced a major development in New Mexico’s renewable energy plans. The state will be home to the Tres Amigas Super Station, which will serve as a hub connecting the nation’s three main power grids.
This connection will facilitate the transmission of renewable energy throughout the country.3165

On December 22, 2009, Governor Richardson applauded a decision of the Public Regulation Commission (PRC) to allow New Mexico residents to enter into third party power purchase agreements with renewable energy developers.3166 Richardson commented, “This decision by the PRC is the first step in providing the kind of economic certainty necessary to break the log-jam holding up renewable energy projects that would stimulate job growth and investment in New Mexico.” 3167


On January 12, 2010, Governor Richardson signed an EO that outlined New Mexico’s goals for building a green economy.3168 Later that month, he announced that Spanish Renewable Energy Company GA-Solar planned to build one of the world’s largest photovoltaic solar projects in New Mexico carrying a potential of powering 50,000 homes.3169 In February, Richardson announced further solar development in the state with Chevron’s construction of solar demonstration project in Questa, New Mexico.3170

In April 2010, Governor Richardson applauded the PRC’s adoption of new energy efficiency rules aimed at encouraging electric utilities facilitation of energy efficiency programs.3171

Also in April 2010, New Mexico launched a $1.9 million energy efficiency program that provided $200 rebates for new, qualifying appliance purchases. The estimated lifetime savings from the program is roughly 7.1 million kilowatt-hours of

3165 Id.
3167 Id.
3168 Id.

ARRA funds totaling $4.5 million were made available beginning in June 2010 for the installation of solar photovoltaic electric system in fifteen school districts. The investment was intended to create local jobs, lower district utility bills, and be a price-competitive-source within 25 years.\footnote{Press Release, Energy Conservation and Mgmt. Div., Competitive Grants Awards for Photovoltaic Energy Systems for Schools: $4.5 Million Statewide (June 9, 2010), http://www.emnrd.state.nm.us/ECMD/ECMD-ARRA-SolarSchools.html.}

Governor Richardson announced the completion of a traffic light retrofit project funded by ARRA. The state replaced traffic lights in 33 communities with LED signals, which use approximately 80% less energy. Energy savings from the project were estimated at 4 million kilowatt-hours per year – enough to power more than 500 average homes for a year. The $5 million project came in under budget.\footnote{Overview of Energy Projects Funded by Recovery Act, N.M. OFFICE OF RECOVERY AND REINVESTMENT, http://www.recovery.state.nm.us/projects_energy.shtml (Jan. 23, 2011).}

New Mexico accepted bids from nineteen Japanese companies to work on Japan-U.S. collaborative demonstration projects in Albuquerque and Los Alamos. The purpose of this project was to demonstrate emerging energy technology, focusing on commercial and residential microgrid demonstrations, smart-house demonstrations, and collective research.\footnote{19 Japanese Companies will Participate in Smart Grid Projects in N.M., ALBUQUERQUE JOURNAL (June 16, 2010), http://www.abqjournal.com/13359/abqnewsseeker/19-japanese-companies-will-participate-in-smart-grid-projects-in-n-m.html.}

In June 2010, Governor Richardson announced two new solar energy research and design facilities expected to create 30 to 40 renewable energy jobs and support future implementation of green energy in the state.\footnote{Press Release, State of N.M. Office of the Governor, Governor Bill Richardson Announces Establishment of New Solar Technology and R & D Facilities at Mesa Del Sol (June 16, 2010), http://nmpartnership.com/uploads/navigation/Fraunhofer_Announcement/6.16.2010-%20Fraunhofer%20Announcement.pdf.}

In July 2010, Governor Richardson created a task force to work with the state’s Renewable Energy Transmission Authority (RETA) to develop a blueprint for the future of renewable energy transmission in the state.\footnote{Governor Richardson Announces Formation of Task Force to Map Statewide Clean Energy Transmission System, PROJECT VOTE SMART (July 8, 2010), http://votesmart.org/public-statement/530333/ (original press release not found).}

In October 2010, the American Council for an Energy-Efficient Economy identified New Mexico as one of the four most-improved states for energy efficiency.\footnote{Governor Richardson Announces Formation of Task Force to Map Statewide Clean Energy Transmission System, PROJECT VOTE SMART (July 8, 2010), http://votesmart.org/public-statement/530333/ (original press release not found).}
2011: Cap-&-Trade, Transportation/Fuels, and Climate Change Agreements

In January 2011, Governor Susana Martinez announced the termination of all members currently appointed to New Mexico’s EIB – the entity responsible for imposing state cap-and-trade regulations. The EIB moved forward with the cap-and-trade regulatory program after state lawmakers rejected the proposal during the legislative process. “New Mexico has recently suffered from an anti-business environment exacerbated by policies which discourage economic development and result in businesses setting up shop across state lines,” stated Martinez. “Unfortunately, the majority of EIB members have made it clear that they are more interested in advancing political ideology than implementing commonsense policies that balance economic growth with responsible stewardship in New Mexico.

On April 5, 2011, Governor Martinez signed S.B. 179 and H.B. 523, which created a Locomotive Fuel Tax Gross Receipts Deduction. The fuel tax exemption intended to improve economic incentives for rail carriers and increase rail usage. The state expected to create 3,000 jobs.

In November 2011, New Mexico and several other states left the WCI. New Mexico subsequently joined North America 2050, an organization which promotes carbon dioxide capture and sequestration techniques, offset projects for emissions trading programs and a focus on sustainable biomass in order to achieve meaningful emissions reductions.

2012: Renewable Energy and Energy Efficiency

In March 2012, Governor Martinez signed H.B. 201, designed to facilitate the permitting process for geothermal energy companies and thus increase the supply of renewable energy in New Mexico.


NORTH AMERICA 2050, na2050.org (Mar. 9, 2013).

Press Release, State of N.M. Office of the Governor, Governor Susana Martinez Takes Action on Legislative Items (Mar. 6, 2012),
In June 2012, the DOE announced that New Mexico was a recipient of federal funds to help conduct energy efficiency upgrades in public facilities. The $715,000 awarded will help the state leverage $20 million to finance an energy management program. The New Mexico Department of General Services will inventory public facilities, complete energy audits, and select buildings eligible for efficiency upgrades.

In November 2012, the Energy, Conservation and Management Division announced the replacement of light fixtures with LED lamps in the division’s Wendell Chino Building. The switch is estimated to represent a 63% cost reduction for lighting. ARRA and the state funded LED lamps.

2013: Energy Efficiency

In January 2013, the New Mexico Energy Conservation and Management Division announced energy efficiency retrofits for Union County Courthouse and several public facilities in the town of Clayton.

On April 1, 2013 Governor Martinez signed SB 14 into law, which extended the tax credits allotted for sustainable buildings. The amount of tax credits one can receive depends on what level of LEED building would be built or renovated.

NEW YORK

2003: Greenhouse Gas Reduction

In April 2003, the Center for Clean Air Policy (CCAP), in collaboration with the New York Greenhouse Gas Task Force, released Recommendations to Governor Pataki
They recommended that New York establish a statewide target to reduce greenhouse gas (GHG) emissions to five percent below 1990 levels by 2010 and ten percent below 1990 levels by 2020. The New York State Energy Board in the State Energy Plan first adopted this target in June 2002. In addition, CCAP and the task force advised the state to create an annual statewide GHG emissions inventory. The New Energy Research and Development Authority (NYSERDA) had developed GHG inventories detailing emissions levels for 1990 and 2000 prior to the report.

In 2004, the New York Public Service Commission adopted a renewable portfolio standard of 25% by the year 2013, an increase from the 19% use of renewables it had at the time. The Commission Order relied on two approaches to reach the standard. The first was a “central procurement approach” that would allow the state to achieve a 24% renewables rate by requiring investor-owned utilities to collect a surcharge on electric purchases by their customers and then transfer the funds to NYSERDA. NYSERDA, in turn, would provide incentives to renewable energy providers to either (i) sell and deliver renewable energy into the wholesale market or (ii) install renewable energy facilities “behind the meter.” The remaining one percent was expected to come from a voluntary green market for renewable energy. In 2005, the Public Service Commission added methane digesters to the list of qualified renewable energy facilities.

2005: Greenhouse Gas Reduction

New York assumed a leading role in developing the Regional Greenhouse Gas Initiative (RGGI), and as a participant, agreed to cap the carbon dioxide emissions from its power sector and reducing these emissions by 10% by 2018. Seeking to reduce its emissions, New York adopted California’s GHG emissions standards for motor vehicles in December 2005.


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3195 Id. at ES 4.
3198 Id. at 19-22.
3199 New York Public Service Commission, Case No. 03-E-0188 (Sept. 24, 2004).
3200 New York Public Service Commission, Case No. 03-E-0188 (Nov. 2, 2005).
NYSERDA is home for a wide range of energy efficiency and renewable energy programs, including the New York Energy $mart Program. As of June 2006, NYSERDA was involved in 2700 projects in 40 funded programs. The principal source of NYSERDA funding was derived from an assessment on intrastate energy sales by the state’s investor-owned utilities amounting to approximately 70¢ per residential household per year.\(^{3203}\) In 2006, NYSERDA launched an Alternative-Fuel Vehicle Program to assist various entities to purchase alternative-fuel vehicles that do not emit GHGs.\(^{3204}\) Specifically, alternative-fuel projects included clean-fueled bus and clean-fueled taxi initiatives.\(^{3205}\)

New York also offers a variety of tax incentives for energy efficiency or renewable energy including a green building corporate tax credit, a personal tax credit of up to 25% of the cost of solar electric or solar thermal systems with a maximum credit of $5,000, a personal tax credit of up to 20% for fuel cells with a maximum of $1,500, and a 100% solar tax exemption.\(^{3206}\) In addition, New York has appliance efficiency standards in place for many commercial and household items such as ceiling fan and light kits; commercial washing machines; commercial refrigerators, freezers, and icemakers; and torchiere lighting fixtures.\(^{3207}\)

**2007: Climate Change Agreements, Transportation/Fuels; and Green Building**

In May 2007, New York and thirty other states founded The Climate Registry\(^{3208}\) to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\(^{3209}\) Additionally on October 29, 2007, New York joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming.\(^{3210}\) ICAP will provide a forum for governments to share information regarding cap-and-trade systems and will work to ensure that market programs are compatible.\(^{3211}\) In addition, ICAP will promote low-carbon products and services, innovations, and cost effective reductions.\(^{3212}\)

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\(^{3205}\) Id.


\(^{3207}\) N.Y. ENERGY LAW § 16-102 (McKinney 2006).


\(^{3211}\) Id.

\(^{3212}\) Id.
In August 2007, Governor Spitzer signed S.B. 4833-A, mandating that “global warming index” stickers be placed upon new cars and light trucks (gross weight ≤ 8,500 lbs.) sold in New York beginning with the 2010 model year. These stickers will contain information about the vehicle’s carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions and will compare its emissions to the average projected emissions from all vehicles manufactured in the same model year.

Also in August 2007, the First Lady Silda Spitzer and the Dormitory Authority of the State of New York (DASNY) announced two initiatives to promote the construction of green homes and state-owned buildings. The first initiative will offer a direct incentive to homeowners who build or renovate homes that meet green building criteria. DASNY also announced that, beginning in 2008, all new state construction projects and major renovations managed by the Dormitory Authority will meet LEED standards. Further, First Lady Spitzer started the “Greening the Mansion” initiative with the goal of promoting energy conservation, the use of renewable energy resources, and sustainable grounds maintenance practices at the Governor’s Mansion.

First Lady Michelle Paterson has continued this initiative, most notably by installing solar panels at the Governor’s Mansion.


In April 2008, Governor Paterson issued the comprehensive Executive Order No. 4. This order created the Interagency Committee on Sustainability and Green Procurement, which was given the duty of creating green procurement specifications for the commodities and services used by state agencies and public authorities. The order also requires each state agency and authority to develop sustainability and environmental stewardship programs.

Also in that month, New York State Comptroller Thomas DiNapoli announced the launch of the Green Strategic Investment Program, which will increase commitments to environmentally focused investment strategies by $500 million across the New York

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3214 Id.
3216 Id.
3217 Id.
3218 Id.
3219 Id.
3221 Id.
3222 N.Y. Exec. Order No. 4, Establishing a State Green Procurement and Agency Sustainability Program (2008).
3223 Id.

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State Common Retirement Fund’s entire portfolio.  

In 2008, stemming from Gov. Spitzer’s proposed 2007-2008 state budget, New York created the Office of Climate Change within the New York State Department of Environmental Conservation. The Office contains two bureaus: The Climate Science and Technology Bureau and the Climate Programs and Partnerships Bureau. The Climate Science and Technology Bureau synthesizes science, engineering and economic principles to develop programs designed to decrease GHG emissions as well as perform climate impact analyses to assist the state in its response to climate change impacts. The Climate Programs and Partnerships Bureau assists state agencies, local governments, non-governmental organizations, institutions, businesses and individuals as they reduce carbon emissions and adapt to unavoidable impacts of climate change.

Although New York has allowed net metering for residential units producing excess energy from their home PV, wind, biomass, and anaerobic digestion systems since 1997, net metering was not expanded for nonresidential units until the summer of 2008. Senate Bills 7171, 8415, and 8481 amended New York net metering law, allowing it for nonresidential units producing excess energy from their PV and wind systems.

In June of 2008 the Public Service Commission approved the Energy Efficiency Portfolio Standard (EEPS). The EEPS will reduce electricity consumption 15% below projected levels by 2015 by encouraging investment in energy efficiency.

In June 2008 Governor Paterson announced state support for an advanced coal power plant in Jamestown, New York. This plant will introduce a new technology for carbon dioxide capture and sequestration. NYSERDA will provide funding for research and development of the advanced coal plant.

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale. Each of these allowances sold at a clearing price of $3.07, raising

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3224 Id.
3227 New York Public Service Commission, Case No. 07-M-0548 (June 23, 2008).
3229 Id.
a total of $38,575,783. These proceeds will be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances.

The second RGGI auction took place on December 17, 2008 and each of the ten states participated. All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances. The clearing price was $3.38 per allowance, raising a total of $106.5 million.

On December 31, 2008, RGGI participants and Pennsylvania (an observer state) signed a letter of intent to reduce carbon emissions from the transportation sector. Specifically, these states intend to develop a framework for a Low Carbon Fuel Standard (LCFS), which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles, in the Northeast/Mid-Atlantic region.

Governor Paterson praised this auction, which generated $42 million for his state, as a success. This money will be used to fund energy efficiency, renewable energy, and other GHG reduction programs. These programs will develop and strengthen New York’s green industries, a goal announced by Paterson in his 2009-2010 executive budget address on December 16, 2008. The budget also directs the Department of Public Service to increase its assessment charged to utilities from .33% to 1%. The purpose

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3231 Id. at 1.
3232 Id.
3233 Auction Results, REGIONAL GREENHOUSE GAS INITIATIVE (RGGI), http://rggi.org/co2-auctions/results/auction_1_reports.
3235 Id.
3237 Id. at 1.
of the increase is to assist the state in its energy and utility commitments and to aid consumers in becoming more energy efficient.\textsuperscript{3241}


Governor Paterson announced strong clean energy goals in his state of the state address on January 7, 2009.\textsuperscript{3242} One of these goals is for the state to obtain 45\% of its electricity from renewable sources and from energy efficiency techniques by 2015, a program labeled the “45 by 15” Clean Energy Initiative.\textsuperscript{3243} The second energy goal is to create a clearinghouse where all energy efficiency programs for schools, hospitals, and local governments can be found. Additionally, Paterson proposed the creation of a research consortium where hybrid electric battery and storage technologies will be explored. Finally, he proposed the creation of the New York Energy Policy Institute, a single entity in which the energy expertise found at the state’s higher learning institutes can be utilized by policymakers.\textsuperscript{3244}

Governor Paterson announced an increase of $48 million in weatherization grants on January 26, 2009.\textsuperscript{3245} These federal funds will be administered by the Division of Housing and Community Renewal and will go to low-income residents as part of the Weatherization Assistance Program. It is estimated that 21,600 homes will be benefited by this program, which puts money towards sealing cracks in homes, replacing inefficient heating and lighting systems, replacing conventional appliances with ENERGY STAR\textsuperscript{\textregistered} appliances and other weatherization services.\textsuperscript{3246} On this same day, Paterson also announced the selection of Francis J. Murray as the president and CEO of NYSERDA.\textsuperscript{3247} Mr. Murray had previously served as Policy Advisor to the Secretary of Energy during the Clinton Administration and more recently was a Senior Advisor at an environmental consulting firm.\textsuperscript{3248} Finally on this day, he announced his support for President Obama in his directive that the EPA reconsider granting the California waiver
for vehicle air emissions standards.\textsuperscript{3249} New York would adopt these more stringent standards.\textsuperscript{3250}

Governor Paterson and eleven other governors signed a letter to President Obama, urging him to form a strong state/federal leader partnership in initiating a national climate change program on January 29, 2009.\textsuperscript{3251} This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believe that their states have played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.”\textsuperscript{3252} The letter also contains suggestions for how a national climate change program should be implemented. One of these suggestions is for the national government to recognize the private investments that have been made in current cap-and-trade programs and to preserve the clean energy plans that are funded by the proceeds from these programs.\textsuperscript{3253}

Pursuing New York’s clean energy plan, Governor Paterson announced on February 2, 2009 that the Office of General Services and NYSERDA will test the potential of roof top wind energy technology.\textsuperscript{3254} This technology is a 1.5-kilowatt wind turbine that was installed on top of Albany’s 41-story Corning tower. NYSERDA will be compiling real-time data on this turbine’s performance.\textsuperscript{3255} A week later, Paterson announced the reappointments of PSC commissioners Garry A. Brown and Patricia L. Acampora.\textsuperscript{3256} He stated that Mr. Brown is “known for his promotion of renewable energy initiatives and efficiency standards.”\textsuperscript{3257} Paterson further stated Mr. Brown and Ms. Acampora “will continue to provide the Commission with the kind of experience and leadership that is necessary to help our State achieve its clean environment, energy conservation and renewable energy goals.”\textsuperscript{3258}

Governor Paterson announced on February 27, 2009 that BP Solar is planning to

\begin{itemize}
\item \textsuperscript{3250} Id.
\item \textsuperscript{3251} Letter from Arnold Schwarzenegger, Governor, Cal.; M. Jodi Rell, Governor, Conn.; Charlie Crist, Governor, Fla.; Kathleen Sebelius, Governor, Kan.; Martin O’Malley, Governor, Md.; Deval Patrick, Governor, Mass.; John S. Corzine, Governor, N. J.; Bill Richardson, Governor, N. M.; David Paterson, Governor, N. Y.; Theodore R. Kulongoski, Governor, Or.; Christine O. Gregoire, Governor, Wash.; Jim Doyle, Governor, Wis., to Barack Obama, President, U. S. (Jan. 29, 2009), https://votesmart.org/public-statement/431466/letter-to-barack-obama-president-of-the-united-states-of-america.
\item \textsuperscript{3252} Id.
\item \textsuperscript{3253} Id.
\item \textsuperscript{3255} Id.
\item \textsuperscript{3256} See Press Release, Governor Paterson Announces Reappointments of Commissioners to the New York State Public Service Commission (Feb. 9, 2009), http://observer.com/2009/02/paterson-reappoints-to-psc-goodgovernment-group-unhappy/.
\item \textsuperscript{3257} Id.
\item \textsuperscript{3258} Id.
\end{itemize}
construct the largest solar energy project in the State’s history.\textsuperscript{3259} Slated to take place on Long Island, this project will provide enough energy to power 6,500 homes, thereby preventing the release of 20,000 tons of carbon dioxide annually. The project also will help achieve the governor’s goal to obtain 45% of the state’s electricity from energy efficiency and renewable sources by 2015. The plan consists of two large-scale photovoltaic projects that will be located on the Brookhaven National Laboratory’s property.\textsuperscript{3260} These projects will put 36.9 MW into the grid.

In another action to prevent the release of carbon dioxide emissions, Governor Paterson announced the State Rail Plan to expand train ridership and increase the rail system’s reliability on March 9, 2009.\textsuperscript{3261} Specifically, the Plan’s goals include doubling the number of passengers along the State’s three largest corridors, provide more frequent services, increasing freight use by 25% and constructing the nation’s first “green” short line fleet.\textsuperscript{3262}

On March 12, 2009, the Department of Energy announced that New York is eligible for $123,110,000 under the State Energy Program of the ARRA.\textsuperscript{3263}

The third RGGI auction was held on March 18, 2009.\textsuperscript{3264} The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse at future market prices for RGGI allowances.\textsuperscript{3265}

The fourth RGGI auction was held on June 17, 2009 where prices fell to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.\textsuperscript{3266}

The fifth RGGI action was held on September 9, 2009.\textsuperscript{3267} The auction sold 28,408,945 allowances of the 2009 vintage at a clearing price of $2.19 per allowance and 2,172,540 allowances of the 2012 vintage at a clearing price of $1.87 per allowance.\textsuperscript{3268}

\textsuperscript{3259} Press Release, Governor Paterson Announces Plans for the Largest Solar Energy Project in the State’s History (Feb. 27, 2009), \url{http://www.governor.ny.gov/archive/paterson/press/press_0227092.html}.

\textsuperscript{3260} Id.

\textsuperscript{3261} Press Release, Governor Paterson Announces First Statewide Rail Plan in More than Two Decades (Mar. 9, 2009), \url{http://www.governor.ny.gov/archive/paterson/press/press_0309092.html}.

\textsuperscript{3262} Id.


\textsuperscript{3265} Id.

\textsuperscript{3266} Auction 4, REGIONAL GREENHOUSE GAS INITIATIVE, \url{http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/114} (Sept. 21, 2013).

\textsuperscript{3267} Auction 5, REGIONAL GREENHOUSE GAS INITIATIVE, \url{http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/113} (Oct. 14, 2013).

\textsuperscript{3268} Id.
The Governor announced that critical investments from the Environmental Protection Fund will remain in his budget agreement despite the current economic recession.\textsuperscript{3269} Specifically $222 million will go towards programs including open space and municipal park protection. Programs include state payment of property taxes on land owned for preservation purposes and an increase in hunting and fishing licensing fees, with the revenue going towards the maintenance of pollution prevention programs.

On April 7, Governor Paterson announced that municipalities will be eligible for $175 million in grants for energy efficiency programs through the ARRA and the Energy Efficiency and Conservation Block Program.\textsuperscript{3270} In order to receive this funding, municipalities must present their energy efficiency plans to the DOE by June 25, 2009. To ensure that municipalities receive these grants, Paterson directed NYPA, LIPA, and NYSERDA to aid the local governments in developing their plans.\textsuperscript{3271} That same day, he announced that a new solar cell manufacturer, SpectraWatt, will move into the State.\textsuperscript{3272} SpectraWatt will manufacture crystalline silicon solar cells that use high purity silicon to convert solar energy into electricity at high efficiencies. This project will create 161 new jobs.

Governor Paterson announced clean energy jobs creation initiatives on April 21, 2009.\textsuperscript{3273} NYSERDA has selected four clean-energy business “incubators” to each receive $1.5 million. These “incubators” will provide specialized support to aid early-stage clean energy technology companies.\textsuperscript{3274} This grants come from NYSERDA’s expanded funding available for energy efficiency programs, totaling $276.5 million on top of its current commitment to spend $175 million per year on energy efficiency programs through 2011. These incubators will help clean energy business develop more rapidly, creating more jobs in the State.\textsuperscript{3275}

Clean energy businesses will also begin receiving funding from RGGI auction proceeds according to the “Operating Plan for Investments in New York under the CO\textsubscript{2} Budget Trading Program and the CO\textsubscript{2} Allowance Auction Program” (Operating Plan), which was approved by the NYSERDA board of directors in April 2009.\textsuperscript{3276} The Operating Plan provides a three-year planning horizon specifying how $525 million in

\textsuperscript{3271} Id.
\textsuperscript{3273} Id.
\textsuperscript{3274} Id.
auction proceeds will be invested.\textsuperscript{3277} Funding will be allocated among programs divided into five sectors: residential, commercial, industrial and municipal; transportation; electric power supply and delivery; sustainable agriculture and bioenergy; and multi-sector (programs that will “build the capacity to develop and implement new climate change mitigation and risk management solutions and realize a clean energy economy in New York.”).\textsuperscript{3278} Residential, commercial, industrial and municipal will receive the majority of this funding. NYSERDA estimates that the Operating Plan will result in over 10,760,000 MMBtu in energy savings.\textsuperscript{3279}

In order to protect his state’s wind technology, Governor Paterson and other governors wrote a letter to Congress communicating their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\textsuperscript{3280} To spur the state’s plug-in electric hybrid vehicle industry, NYSERDA created the New York Battery and Energy Storage Technology Consortium (NY-BEST) to develop and manufacture the batteries that will be used in these vehicles.\textsuperscript{3281} LIPA, Stony Brook University, and Farmingdale State College also proposed the creation of Long Island’s first Smart Energy Corridor, an area in which smart grid technologies would be integrated.\textsuperscript{3282} LIPA and Farmingdale State College proposed to create Long Island’s first “Smart Energy Campus” by developing a Renewable and Sustainable Resource Center at the College.\textsuperscript{3283} Renewable energy resources will also be developed under NYPA’s plan to install 100 MW of solar power throughout the state.\textsuperscript{3284}

Governor Paterson also signed an agreement to support federal climate change legislation.\textsuperscript{3285} The agreement contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this

\begin{footnotes}
\textsuperscript{3277} Operating Plan for Investments in New York under the CO$_2$ Budget Trading Program and the CO$_2$ Allowance Auction Program, NYSERDA, \url{http://www.bcnys.org/inside/energy/2008/co2-concept-paper1121.pdf}.
\textsuperscript{3278} Id. at ES-6.
\textsuperscript{3279} Id. at ES-9.
\textsuperscript{3280} Letter from Donald L. Carcieri, Governor (R.I.), Deval Patrick, Governor (Mass.), Jack Markell, Governor (Del.), John Baldacci, Governor (Me.), Martin O’Malley, Governor (Md.), John H. Lynch, Governor (N.H.), Jon S. Corzine, Governor (N.J.), David A. Paterson, Governor (N.Y.), James H. Douglas, Governor (Vt.), and Timothy M. Kaine, Governor (Va.) to Harry Reid, Majority Leader (U.S. Senate), Mitch McConnell, Minority Leader (U.S. Senate), Nancy Pelosi, Leader (U.S. House of Representatives), and John Boehner, Minority Leader (U.S. House of Representatives) (May 4, 2009).
\textsuperscript{3281} NY Governor Paterson announces battery and energy storage consortium, WIND POWER LAW BLOG (May 5, 2009), \url{http://www.state.ny.us/governor/press/press_0505094.html}.
\textsuperscript{3282} Press Release, Governor Paterson and Congressman Israel Propose “Smart Energy Corridor” and First “Energy Smart Campus” For Long Island (May 11, 2009), \url{http://www.governor.ny.gov/archive/paterson/press/press_0511091.html}.
\textsuperscript{3283} Id.
\end{footnotes}
Paterson also announced state grants for five Energy Frontier Research Centers, which will use the funding to research important issues in developing clean and efficient energy technologies. These technologies will also be advanced in a legislative package proposed by Governor Paterson. These five bills propose to update the Energy Conservation Construction Code, expand NYPA’s authority to finance energy efficiency services, authorize a siting process for carbon capture and sequestration demonstration projects, and authorize the Office of General Services to make bulk energy purchases.

On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program. To provide information on state-funded energy efficiency programs, Governor Paterson launched an energy efficiency clearinghouse website. In other energy efficiency programs, the Public Service Commission authorized six proposed smart grid projects to apply for up to $434 million in ARRA funding. The state also applied for ARRA funding for high speed rail projects throughout the state, totaling $500 million.

Governor Paterson issued an executive order establishing a statewide 2050 emissions target of 80% below 1990 levels. He also created the Climate Action Council in the same order. The Climate Action Council must create a Climate Action Plan by September 30, 2010. This entails inventorying GHG emissions in the state and identifying short-term and long-term actions to reduce emissions. A draft State Energy Plan was also released during that week. The plan contains five strategies for policy objectives over a 10-year planning horizon. The five strategies are as follows: (1)

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3286 Id.
3289 Id.
produce deliver and use energy more efficiently; (2) support development of in-state energy supplies; (3) invest in energy and transportation infrastructure; (4) stimulate innovation in the clean energy economy; and (5) engage others in achieving the state’s policy objectives.

According to these recommendations, the New York State Smart Grid Consortium was created to encourage the development and deployment of smart grid technologies. Alternative fuel transportation projects will also be deployed in the state, with NYSERDA receiving $13.3 million and the Greater Long Island Clean Cities Coalition receiving $15.9 million in ARRA funding for these projects. Other alternative energy projects will receive funding from NYSERDA totaling $95 million to develop large-scale renewable sources. In further encouragement of clean energy, Governor Paterson announced his support for the Kerry Boxer bill.

Clean energy will further be promoted with the Governor’s announcement of the first round of requests for proposals under NY-BEST, dedicating $25 million in research funding. That same day, Governor Paterson also announced the creation of the New York Energy Policy Institute, the coordination of work performed at the state’s leading energy research centers to provide resources for state policymakers. The next day, Paterson requested $11.6 billion in ARRA funding for a high-speed rail. The state did receive $10 million in ARRA funding for solar projects. The Hudson Valley Community College will receive $3.5 million of this funding to develop a solar photovoltaic training facility and New York City will receive $932,508 of this funding to develop solar electric generation.

The Governor signed the Green Jobs/Green New York bill, which will assist in

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the training of low-income and unemployed residents for green collar jobs. He later announced that the state will receive $24 million in ARRA funding for 87 energy efficiency projects.

On December 30, 2009, RGGI participants and Pennsylvania signed a letter of intent to reduce carbon emissions from the transportation sector. Specifically, these states intend to incorporate a Low Carbon Fuel Standard (LCFS), which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.

Governor Paterson announced in November 2009 that four New York advanced-energy projects will receive more than $88 million in funding to support smart grid demonstration and energy storage projects through the American Recovery and Reinvestment Act (ARRA) and pledged a 10% match or $8.8 million from New York’s Innovation Economy Matching Grants Program. The funding awards are divided into two topic areas. In the first group, New York received three awards to support fully integrated, regional smart grid demonstrations including: Secure Interoperable Open Smart Grid Demonstration in New York and New Jersey which received $45,388,291, Long Island Smart Energy Corridor which received $12,496,047, and Evaluation of Instrumentation and Dynamic Thermal Ratings for Overhead Lines which received $720,000.

Consolidated Edison Company of New York, Inc. will develop a scalable, cost-effective smart grid prototype that promotes cyber security, reduces electricity demand and peak energy use, and increases reliability and energy efficiency. The system will include renewable energy generation, grid monitoring, electric vehicle charging stations, transmission automation, and consumer systems that will help expand the use of renewable energy and lead to greater consumer participation in the electricity system.

The Long Island Power Authority will collaborate with two branches of the State University of New York to create a Smart Energy Corridor along Route 110 business corridor, involving 800 customers. The project will focus on the integration of a suite of smart grid technologies, such as smart meters, distribution automation, distributed energy resources, and electric vehicle charging stations. The project will also will include

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3308 Id.
3310 Id.
3311 Id.
identifying the optimal combination of features to encourage consumer participation, and educating the public about the tools and techniques available with the smart grid.3312

The New York Power Authority will demonstrate the effects that Dynamic Thermal Circuit Ratings (DTCR) technology can have on areas of the New York State transmission system where there is abundant wind generation potential. This project could result in a 5 to 15% increase in transmission line capacity to allow for more wind power, deferring millions of dollars in capital expenditures on transmission projects.3313

In the second group, New York received one award for a utility-scale energy storage project that will enhance the reliability and efficiency of the grid, while reducing the need for new electricity plants. In this group, the New York State Electric & Gas Corporation (NYSEG) received an award of $29,561,142 to demonstrate an advanced 150 MW Compressed Air Energy Storage (CAES) facility that utilizes an underground salt cavern to store compressed air.3314

In December 2009, $60.3 million in ARRA funding for weatherization projects was approved, and the project will work to reduce the energy burden on low-income residents in 9,431 multi-family housing units around the State. Weatherization activities to be performed include: adding insulation and making buildings more weather-tight, updating heating and air conditioning systems, replacing inefficient appliances, and repairing and replacing windows.3315

New York State Energy Research and Development Authority (NYSERDA) is providing $3 million to help eighteen New York businesses commercialize clean energy technologies and increase their access to markets, customers, investors and partners, and build their capacity to serve a new or expanded customer base.3316 The awards, which total up to $200,000 per company and require an equal match from the businesses, will help them create jobs, develop business plans, reach customers in the global marketplace, raise capital and build their business infrastructure.3317

State University of New York at Stony Brook, working in partnership with Rensselaer Polytechnic Institute and Syracuse University, has been named to lead the New York Energy Policy Institute (NYEPI), a consortium coordinating the work of New York’s leading energy research centers and experts and serve as a resource for the State’s

3312 Id.
3313 Id.
3314 Id.
3317 Id.
policymakers.\textsuperscript{3318} NYSERDA, which will oversee the NYEPI’s operations, has allocated up to $200,000 per year for up to three years to be matched by the consortium members to conduct studies, produce policy analysis, and provide guidance on energy issues impacting New York now and in the future.\textsuperscript{3319} The NYEPI will also advance Governor Paterson’s ‘45 by 15’ initiative, one of the nation’s most aggressive energy efficiency and renewable energy initiatives. By 2015, New York State will receive 45\% of its electricity through energy efficiency and clean renewable energy – 15\% electricity savings from efficiency measures and 30\% met by renewables.\textsuperscript{3320}

The Energy Plan, approved at the end of 2009, is a comprehensive blueprint for New York to continue to transition to a clean energy economy over a 10-year planning horizon, and is the first State energy plan since 2002.\textsuperscript{3321} Modeling performed for the Plan indicates that the New York economy would benefit by $2.60 for every dollar invested in electric efficiency investments, and that achieving the Governor’s goal of increasing energy efficiency 15\% by 2015 would help reduce electric prices and provide aggregate retail bill savings of as much as $1.4 billion in 2015.\textsuperscript{3322}

NYSERDA will provide a $6 million grant, from RGGI pollution allowance auctions, to the Long Island Power Authority (LIPA) that will continue to provide homeowners and businesses with rebates and incentives for purchasing solar photovoltaic (PV) systems.\textsuperscript{3323} PV systems generate clean energy and help homeowners and businesses lower their energy bills and cut their carbon footprint. These funds were provided in response to unprecedented demand for solar panels on Long Island. To date, LIPA has rebated approximately 2300 residential, 65 commercial roofs, and 48 systems installed at educational, not-for-profit, and government facilities. In addition, LIPA has approximately 450 pending PV applications and has rebated more than $54.4 million, totaling 13.5 megawatts (MW) of clean energy.\textsuperscript{3324}

New York decided to implement a new E-Budget initiative to help save taxpayer dollars and reduce environmental impacts in December 2009.\textsuperscript{3325} In 2009-10, the State printed 2,700 sets of Executive Budget documents, each set containing five separate books. This saves an estimated 5.5 million sheets of paper, 660 trees, and $75,000 per year.\textsuperscript{3326}


\textsuperscript{3319} Id.

\textsuperscript{3320} Id.


\textsuperscript{3322} Id.

\textsuperscript{3323} Press Release, Governor Paterson Announces Funding to Continue Long Island Solar Energy Program (Dec. 17, 2019), \url{http://www.governor.ny.gov/archive/paterson/press/press_12170902.html}

\textsuperscript{3324} Id.


\textsuperscript{3326} Id.

In January 2010, NYSERDA, in conjunction with the Public Service Commission (PSC), will provide nearly $300 million for renewable energy projects under the Renewable Portfolio Standard Program (RPS) furthering New York’s goal of meeting 45% of the State’s energy needs through energy efficiency and renewable energy by 2015.\(^\text{3327}\) Included in these renewable energy developments are $96 million to five large-scale electric generating projects supporting three wind power projects. Funds have also been allocated for hydroelectric and new initiatives at the Onondaga Renewables biomass plant. This will add more than 142 megawatts of renewable capacity and produce nearly 578,656 megawatt hours per year of clean renewable energy, enough clean energy to supply approximately 85,000 homes.\(^\text{3328}\) PSC expanded the RPS goal to increase the proportion of renewable electricity used by New Yorkers from 25 to 30% by 2015 and authorized an approximately $200 million new Main-Tier solicitation for large-scale electric generating projects to commence as soon as practicable.\(^\text{3329}\)

New York will develop an extensive Climate Action Plan that will dramatically reduce GHG pollution while also building New York’s clean energy economy.\(^\text{3330}\) The multi-faceted effort is driven by Executive Order No. 24, and sets a goal of reducing GHG emissions in New York State by 80% below 1990 levels by 2050. Over the course of this year, the CAC will meet with expert advisory panels and focus on the full spectrum of energy use and economic activity including: power supply and delivery; residential, commercial and industrial; agriculture, forestry and waste; transportation and land use; and adaptation, such as responses to potential climate-related threats to various sectors.\(^\text{3331}\)

In January 2010, The New York Power Authority (NYPA) issued a request for proposals (RFP) seeking a public-private partnership for the installation of up to 100 megawatts (MW) of photovoltaic (PV) systems across the State, including roof-mounted and ground-mounted solar arrays, which will reduce GHG emissions by an estimated 45,000 tons per year.\(^\text{3332}\) Facilities will be installed primarily at schools, public universities and colleges, State and local government facilities, municipal electric utilities and rural electric cooperatives. The development will include large scale, “Community Solar” projects that will connect to the distribution systems of municipal utilities and rural electric cooperatives, utilizing available space to generate power for electric


\(^{3328}\) Id.

\(^{3329}\) Id.


\(^{3331}\) Id.

distribution grids rather than a single host site. Renewable energy can then be transmitted to any loads connected to the grid, which provide relief for electric grids nearing their capacity and avoiding expensive facility upgrades.

Starting Friday, February 12, 2010, New York will begin providing $16.8 million in rebates to consumers who purchase qualified energy efficient appliances through February 21, using ARRA funds. The program will help consumers save money on energy costs by reducing their energy usage. Rebates for high-efficiency refrigerators, clothes washers, and freezers will range from $50-$105 for a single unit and up to $555 for the purchase of a three-appliance package of high-efficiency refrigerators, clothes washers, and dishwashers, provided on a first-come, first served basis. The program requires consumers to replace old appliances, and encourages recycling by offering a larger rebate to consumers who recycle their discarded appliances.

GM will invest $425 million and New York State will contribute $7 million, plus vital low-cost hydropower through the New York Power Authority, towards retrofitting Tonawanda Powertrain, which will manufacture the next generation of fuel efficient Ecotec engines.

A three-way bill was negotiated with the Legislature to improve net metering, which allows electricity customers with qualified renewable energy systems to sell excess electricity back to their local utility. This legislation is the result of a “Net Metering Summit” that was convened by Governor Paterson last fall to facilitate an agreement between renewable energy installers and the State’s major utilities. The bill eliminates the peak load limitation on the size of non-residential solar and wind systems that are eligible to participate in the net metering program. Non-residential solar and wind systems will now be allowed up to 25 kilowatts with the interconnection charges capped at $350 and $750 for solar and wind, respectively. For systems above 25 kilowatts, up to the overall cap of 2,000 kilowatts, the customer would be responsible for the actual interconnection charges.

ARRA funding, totaling $40 million, was awarded to New York municipalities, public schools, universities and colleges, hospitals and not-for-profit agencies to support

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3333 Id.
3334 Id.
3336 Id.
3337 Id.
3339 Id.
3340 Id.
118 energy conservation projects. The energy efficiency, renewable energy and clean fleet projects will reduce energy and operating costs by $13.5 million annually and fully return the initial investment in just under seven years. Measures funded include installation of lighting and lighting controls, heating, cooling and controls, building envelope, photovoltaic systems, high efficiency biomass boilers, solar thermal, small wind generators and alternative-fuel refueling stations and vehicles.

In March 2010, 206 energy conservation projects were funded through ARRA, totaling $24 million. These energy efficiency and renewable energy projects, including reduce energy costs and increase energy efficiency in buildings, transportation systems, waste management practices, and other operations, will help 137 municipalities reducing energy and operating costs by $3.3 million annually and fully return the initial investment in less than nine years. Measures funded include installation of lighting, heating, and cooling systems and controls to increase efficiency; building envelope improvements; renewable energy measures including photovoltaic systems, high efficiency biomass boilers, solar thermal systems, and small wind generators; and recycling programs.

The seventh RGGI auction was held on March 10, 2010. The auction sold 40,612,408 allowances of the 2010 vintage at a clearing price of $2.07 per allowance and 2,091,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

The eighth RGGI auction was held on June 9, 2010. The auction sold 40,685,585 allowances of the 2010 vintage at a clearing price of $1.88 per allowance and 2,137,993 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

The ninth RGGI auction was held on September 8, 2010. The auction sold 34,407,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,312,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

The tenth RGGI auction was held on December 10, 2010. The auction sold 24,755,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,172,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

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3342 Id.
3344 Id.
3346 Id.
3348 Id.
3350 Id.
New York received $40 million in American Recovery and Reinvestment Act (ARRA) funding. The New York State Research and Development Authority (NYSERDA) will administer the funding, for Property Assessed Clean Energy (PACE) loan programs in participating municipalities and the “Green Jobs-Green New York” program, to facilitate installations of energy efficiency measures and renewable energy systems.

Governor Patterson signed a memorandum of understanding (MOU) in June 2010 with Maine, New Hampshire, New Jersey, Massachusetts, Rhode Island, New York, Delaware, Maryland, Virginia, and North Carolina to create an Atlantic Offshore Wind Energy Consortium. The Consortium will facilitate the partnership between the Atlantic states and DOI in the development of appropriate offshore wind energy. Additionally, a separate MOU signed by the Long Island Power Authority (LIPA), Consolidated Edison (Con Ed) and the New York Power Authority (NYPA) came shortly before, in which all agreed to engage in pre-development activities and studies of the Long Island – New York City (LI-/NYC) Off Shore Wind Project. The project will be sited approximately 13 miles off the Long Island coastline by the Rockaway Peninsula in the Atlantic Ocean and would be designed for 350 MW of generation, with the ability to expand it to 700 MW. This MOU provides for a cost sharing mechanism among the partners of the collaborative to engage in the following: develop a business model and issue a Request For Proposals (RFP) and negotiate a Power Purchase Agreement; evaluate RFP and other technical, economic and environmental aspects of proposed offshore project; file land lease application with United States Department of the Interior’s Minerals Management Service; conduct economic, environmental, geologic, wind, equipment and visualization studies in an effort to assess the proposed off-shore wind project; and engage in a coordinated public outreach & education effort and assess public feasibility.

Similarly, NYPA is pursuing development of up to 500 megawatts of wind generating projects in the New York State waters of Lake Erie and/or Lake Ontario.

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3352 *Id.*
3354 *Id.*
3355 *Id.*
3356 *Id.*
3357 *Id.*
3358 *Id.*
NYPA received five proposals from developers on June 1, 2010 and anticipates making award announcements in early 2011.\footnote{Id.}

Governor Paterson signed legislation in July 2010 requiring the oil industry to reduce the amount of sulfur in the fuel oil used to heat New York homes and businesses.\footnote{Press Release, Governor Signs Legislation Requiring Oil Industry to Provide Cleaner Heating Fuels (July 20, 2010), http://www.governor.ny.gov/archive/paterson/press/072010GovernorSignsLegislation.html.} The bill amends the environmental conservation law and set an upper limit of fifteen parts per million for number two heating fuel oil for use in residential, commercial or industrial heating applications.\footnote{Id.} The new measure will begin with the 2012-2013 heating season.

Three bills were signed into law in July 2010, which expand the consumer appliances for which the Department of State has the authority to set energy efficiency standards; allow natural gas utilities to implement on-bill recovery programs for their customers that make energy efficiency investments; and expand the definition of alternate energy production facilities to include kinetic energy storage devices to facilitate their siting and support of utility-scale renewable energy projects.\footnote{Press Release, Governor Paterson Signs Three Bills to Advance Clean Energy Agenda and Forty-Five Other Bills into Law (July 21, 2010), http://www.governor.ny.gov/archive/paterson/press/072110PatersonSignsThreeBills.html.} The appliance standards Governor’s Program Bill No. 238 S.8070\footnote{2010 N.Y. Sess. Laws 222 (McKinney).} authorizes the Secretary of State, in consultation with the President of NYSEDA, to establish energy efficiency performance standards for portable light fixtures, bottle-type water dispensers, commercial hot food holding cabinets, portable electric spas and residential pool pumps.\footnote{Climate Action Planning, N.Y. DEP’T OF ENVTL. CONSERV., http://www.dec.ny.gov/energy/80930.html (Oct. 22, 2013).} The gas on-bill recovery Department of Public Service (DPS) departmental bill S.3712\footnote{2010 N.Y. Sess. Laws 204 (McKinney).} will help encourage consumers to invest in energy efficiency measures by making it easy for consumers to repay loans associated with the installation of such measures. This bill will give gas utility companies the authorization to provide easy loan repayment by allowing their customers to repay the efficiency loan through their utility bill.\footnote{Press Release, Governor Paterson Signs Three Bills to Advance Clean Energy Agenda and Forty-Five Other Bills into Law (July 21, 2010), http://www.governor.ny.gov/archive/paterson/press/072110PatersonSignsThreeBills.html.} The energy storage DPS departmental bill S.7145\footnote{2010 N.Y. Sess. Laws 212 (McKinney).} adds kinetic energy storage devices (flywheels and compressed air storage) to the alternate energy production facility definition, thereby exempting those projects of less than 80 megawatts capacity from Public Service Commission jurisdiction.\footnote{Id.}
The New York State Climate Action Plan was released in November 2010, which provides a blueprint for reducing GHG emissions 80% by 2050.3369 The plan details how New York can modernize and transform the State power supply, building codes and agriculture through utilizing clean energy and technology. The Climate Action Plan recommends, among other actions: accelerating the development of zero- or low-carbon sources of power, reducing reliance on petroleum and upgrading the power grid to increase the use of renewable energy; enhancing construction codes, appliance standards and consumer incentives to ensure construction of the most energy efficient, environmentally-beneficial buildings; encouraging transportation efficiency by developing low-carbon fuel standards, promoting greater use of electric-based public transport, creating rebates/incentives to encourage the sale of efficient cars and light trucks and investing in freight and high-speed rail; promoting sustainable policies in agriculture, forestry and waste sectors, including decreasing the amount of waste generated, supporting the use of renewable forms of clean energy on farms and increasing the use of low-carbon biomass fuels; and targeting research and development funds toward helping New York businesses develop low-carbon energy technologies while addressing State energy and infrastructure needs.3370

Governor Andrew M. Cuomo announced $3.2 million in available grants through the New York State Energy Research and Development Authority (NYSERDA) to help farmers across the state reduce their energy use, save on operating costs, and cut GHG emissions through more efficient use of energy.3371 The program will provide financial incentives to support 75% of the cost of electricity and gas efficiency investments. Farms that are eligible for the grants include: orchards, dairies, vineyards, maple producers, egg and poultry farms, grain, specialty crops, and others. Upgrades covered in the grants include: process improvements, lighting upgrades, and high-efficiency fan, pump, and motor systems, and other measures. Small farms could be eligible for free energy audits to assist in identifying energy efficiency projects.3372

On December 6, 2010, NYSERDA announced the launch of a cash incentive program to increase the building and certification of new green homes in New York State, as well as major green renovations of existing homes.3373 The Green Residential Building Program offers incentives starting at $5,125 for single-family homes and $13,375 for an 11-unit building, and eligible buildings must be certified as Silver or higher through the National Green Building Standard, LEED (Leadership in Environment

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3370 Id.
3372 Id.
and Energy Design) for Homes or LEED for New Construction.\footnote{3374}

The Green Jobs-Green NY loan program was launched in December 2010 through the Green Jobs-Green New York Act, and will create green jobs by increasing investments in energy-efficiency improvements in residential homes and small commercial, not-for-profit and multifamily buildings.\footnote{3375} The program is funded mostly through auctioning carbon emission credits through RGGI, at $112 million, as well as through a $18.6 million grant from the U.S. Department of Energy. Both grants will be used to leverage private investment.\footnote{3376}


In January 2011, NYSERDA announced the availability of approximately $250 million for the development of a broad range of renewable energy generation projects.\footnote{3377} The funds are supported by New York’s Renewable Portfolio Standard (RPS), which has funded 39 large-scale renewable electricity generators that are collectively expected to provide 4.3 million megawatt-hours of energy per year. As a result of the RPS program, New York’s wind capacity in operation is almost 25 times greater than it was prior to the launch of the program, and New York was ranked first in the Northeast and eighth nationally in installed wind capacity in 2010.\footnote{3378}

The Green Grocer Initiative, launched in March 2011, will partner grocers with NYSERDA technical consultants to help grocers, supermarkets, food co-ops and convenience stores increase their energy efficiency and reduce their electricity bills. The technical consultants will assist in finding energy efficiency solutions, such as upgrades or replacements to inefficient refrigeration equipment.\footnote{3379}

The eleventh RGGI auction was held on March 9, 2011.\footnote{3380} The auction sold 41,995,813 allowances of the 2011 vintage at a clearing price of $1.89 per allowance and 2,144,710 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.\footnote{3381}
The twelfth RGGI auction was held on June 8, 2011. The auction sold 12,537,000 allowances of the 2011 vintage at a clearing price of $1.89 and 943,000 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.

The thirteenth RGGI auction was held on September 7, 2011 and the auction sold 7,487,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.

The fourteenth RGGI auction was held on December 7, 2011 and the auction sold 27,293,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.

In April 2011, NYSERDA launched New York’s first incentive program for solar thermal systems, which heat water through solar power. The $25 million program will run for five years and will provide incentives of up to $4,000 per site for residential buildings and up to $25,000 per site for commercial and non-profit customers. In addition to this program, eligible residential, commercial and non-profit sites can apply for federal and State tax incentives to further reduce the cost of installing the solar thermal systems.

Two new NYSERDA programs were launched in April 2011 to fund the development of clean-energy technology. The Environmentally Preferred Power Systems Technologies Program will invest up to $6 million in developing and commercializing renewable and other environmentally-preferred power technologies throughout the state. Next, the Innovation in the Manufacturing of Clean Energy Technologies Program will grant up to $2.5 million to companies that use innovative approaches to manufacture clean-energy technologies, such as wind turbines, solar cells and fuel cells. Both programs cover up to 50% of the cost of each project, and applications for both programs were accepted through May 2011.

As New York City phases out #6 fuel oil, NYSERDA announced the availability of $6.5 million in incentives to help multifamily buildings to switch to cleaner fuels. The program is expected to eliminate 200,000 tons of carbon emissions over ten years.


3383 Id.

3384 *Id.*


3387 Id.


3389 Id.

On April 12, 2011, the U.S. Environmental Protection Agency awarded NYSERDA with a 2011 ENERGY STAR® Sustained Excellence Award, in recognition of NYSERDA’s leadership in energy efficiency and GHG emissions reduction. More than 17,000 organizations participate in the ENERGY STAR® program, and award winners are selected from among these participating organizations.\textsuperscript{3391}

NYSERDA launched the FlexTech Benchmarking Pilot program in April 2011 in order to help commercial and multifamily buildings increase their energy efficiency and decrease their costs. Eligible participants will receive up to $7,000 in energy benchmarking and onsite energy assessments, as well as recommendations on low-cost upgrades. For projects that require more than $7,000, the applicant will cover the additional costs.\textsuperscript{3392}

On April 21, 2011, NYSERDA announced that it will invest $20 million in combined heat and power generation projects designed to improve energy efficiency at nineteen facilities in New York City and upstate New York.\textsuperscript{3393} An additional $68 million will be leveraged in private investment. Combined heat and power (CHP) is a clean-energy technology process also known as “cogeneration.” When power is generated by burning a fuel, it is typically wasted by escaping through a chimney or smokestack; CHP, by comparison, reclaims that heat, thus improving a building’s energy efficiency. The program will pay between 30 to 50% of a project’s cost, or up to $2 million.\textsuperscript{3394}

New York State’s first incentive program for solar thermal systems was launched by NYSERDA on April 5, 2011. Solar thermal systems produce hot water from solar power, and the 5-year, $25 million program will provide incentives of up to $4,000 for single- and multi-family residences and up to $25,000 for commercial and non-profit customers to install the technology. Additional funds are available through federal incentives programs.\textsuperscript{3395}


\textsuperscript{3394} Id.

On April 7, 2011, NYSERDA announced the launch of two new clean-energy technology investment programs, designed to encourage the manufacture of clean-power products and help companies use less electricity during the manufacturing process.\textsuperscript{3396}

The New York State Department of Transportation (NYSDOT) and NYSERDA joined forces in April 2011 to provide funding to thirteen organizations and municipalities for research on energy-saving technologies in the transportation sector designed to reduce GHG emissions. The NYSDOT provided $1 million in funding, while NYSERDA provided $500,000, with an additional $1.6 million leveraged in recipient cost-sharing.\textsuperscript{3397}

On April 21, 2011, NYSERDA announced that it would invest $20 million in combined heat and power (CHP) projects in facilities throughout New York City and upstate New York, with an additional $68 million in funding leveraged from private investors. CHP technology generates heat or hot water for buildings by reclaiming heat that is produced by burning fuels, such as natural gas, and that would normally be released to the atmosphere. The program will provide 30 to 50% of a project’s cost, or up to $2 million.\textsuperscript{3398}

The New York State Energy Research and Development Authority announced an extension of New York’s On-Site Wind Turbine Incentive Program on May 3, 2011, as a result of strong public interest in the program.\textsuperscript{3399} The extension pushes back the program deadline by six months and provides an additional $1.4 million in incentives, through which homeowners, farmers, businesses and municipalities can receive financial assistance of up to $400,000 to install wind turbines on their properties. NYSERDA has provided $3.6 million in incentives through the program thus far, with additional $5.2 million in private investment.\textsuperscript{3400}

Fourteen constituency-based organizations (CBO) were selected by NYSERDA in May 2011 to receive a total of $5,148,719 in awards to support grassroots outreach to encourage energy efficiency improvements and participation in green jobs training opportunities. The funds are distributed through the Green Jobs Green NY (GJGNY)


\textsuperscript{3400} Id.
program, and the CBO’s will outreach to small businesses, non-profit organizations, homeowners, and multi-family building owners.³⁴⁰¹

On June 2, 2011, Governor Cuomo announced that NYSERDA and the Public Service Commission awarded $191 million through New York’s Renewable Portfolio Standards (RPS) to seventeen renewable energy projects throughout New York State. The projects are expected to have a 20-year life and to result in $500 million in economic benefits to the State, and they will produce one million megawatt hours per year, or enough electricity to power an estimated 145,000 homes.³⁴⁰²

On July 19, 2011, NYSERDA announced that it is making available $5.6 million in Green Jobs Green NY (GJGNY) funds to provide small businesses and non-profit organizations with access to customized and objective energy audits, as well as an additional $13 million in low-interest loans to small businesses and not-for-profits for financing qualified energy-efficiency improvements.³⁴⁰³

International Electronic Machines of Troy received $250,000 from NYSERDA in July 2011 to continue developing equipment that inspects truck wheels and tires using infrared technology, which has the potential to save fuel and reduce GHG emissions.³⁴⁰⁴

NYSERDA announced in August 2011 that it has partnered with Clarkson University, Advanced Micro Devices, Inc., and other businesses, to demonstrate a more energy-efficient model for data centers and renewable energy operations, which normally consume large amounts of electricity.³⁴⁰⁵

On August 3, 2011, NYSERDA announced that it awarded $20 million to large-scale solar power projects in New York City and the Lower Hudson Valley. The funding is part of a $150 million, 5-year funding program.³⁴⁰⁶

In September 2011, NYSERDA announced the launch of a new $3 million rebate program for the purchase of high-efficiency appliances, including a $350 rebate for refrigerators and a $250 for clothes washers. Appliances purchased after September 2, 2011, are eligible for the rebates, which will be awarded on a first-come, first-served basis. Enter-G-Rotors received $725,000 from NYSERDA in September 2011 to field-test equipment that generates electricity from low-temperature heat waste produced during the manufacturing process at two New York factories. The equipment may be able to lower electricity demand and operating costs for industries, as it can generate 40-60 kilowatt hours from heat waste that would otherwise be released to the atmosphere. On September 20, 2011, NYSERDA announced that it would award a total of $150 million to renewable energy projects generating electricity through wind, hydroelectric, biomass, or other clean energy sources, through New York’s Renewable Portfolio Standard (RPS) program. This is the second request for solicitations under a program that is expected to last several years. Under the RPS program, NYSERDA has thus far awarded funding to 51 large-scale renewable electricity generators that can power up to 760,000 homes per year, and it is estimated that the current projects will provide $2.1 billion in direct economic benefits to New York over the next twenty years.

NYSERDA awarded $1 million to Paper Battery Co. in September 2011 for the development of an ultra-thin ultracapacitor device, which is as thin as a piece of paper but can store energy and release it in short bursts. The device has a variety of applications for the clean energy industry, including for hybrid cars and flexible solar panels. Paper Battery Co. and other funding partners will match the grant with $1.4 million.

On October 6, 2011, NYSERDA awarded a total of $1.8 million to six contractors under the Building Envelope Strategies for Advancing Deep-Energy Retrofits program. The contractors will use the funds to continue developing techniques to make older New York homes more energy-efficient at a reasonable cost.

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3410 Id.


3412 Id.
Four Constituency-Based Organizations (CBO) and coalitions across New York City were selected in October 2011 to receive a total of $850,000 in grants from NYSERDA to educate the public at the grassroots level about free and reduced-cost home energy assessments for residents, free energy audits for public buildings used by non-profit organizations and small businesses, clean energy training opportunities, and low-cost financing for energy-efficiency improvements.\(^{3413}\)

On October 13, 2011, NYSERDA awarded $250,000 to Power Drives, Inc. in order to demonstrate the company’s locomotive warming system, which reduces energy use and GHG emissions by keeping train engines warm in cold weather and saving fuel.\(^{3414}\) While train operators normally keep the train engines running during cold weather to keep the engines from freezing, Power Drives’ technology keeps the engines warm and allows them to be shut off. The technology will be made available to six freight railroads throughout the state, and $161,962 in matching funding will be provided by Power Drives and the participating railroads.\(^{3415}\)

New York was one of nine states to join the Northeast Electric Vehicle Network in October 2011.\(^{3416}\) The network will help the states to increase economic growth and help the states reduce their GHG emissions, and focuses on building infrastructure for clean vehicles and fuels, as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island and Vermont.\(^{3417}\) The network is part of the Transportation and Climate Initiative, a regional collaboration between twelve Northeast and Mid-Atlantic states that aims to reduce GHG emissions from the transportation sector and develop the clean energy economy.\(^{3418}\) The TCI was launched in June 2010 and is facilitated by the Georgetown Climate Center.\(^{3419}\) A nearly $1 million Electric Vehicle Readiness Grant from the U.S. Department of Energy was awarded to NYSERDA on behalf of the TCI in September 2010, and will be used to fund the Network’s efforts to deploy electric vehicles throughout the Northeast.\(^{3420}\)
The American Council for an Energy Efficient Economy recognized New York’s national leadership in energy efficiency policy and program implementation in October 2011, naming the State third in the country in the 2011 State Energy Efficiency Scorecard.\textsuperscript{3421}

A $300,000 NYSERDA grant to New West Technologies will help the company to demonstrate the financial and environmental savings that can be realized by investing in equipment to support electric-powered refrigerator trucks. The program will target retail locations where trailers remain outside for extended periods, and will begin with the installation of equipment in a Hannaford supermarket distribution center. An addition $171,000 will be provided by NWT and other project partners.\textsuperscript{3422}

On November 8, 2011, NYSERDA announced the availability of $57 million in funding through its Renewable Portfolio Standard for the development of anaerobic digester technology, which generates electricity from decaying organic materials.\textsuperscript{3423} The technology can be applied on farms, where it has multiple benefits, including reducing odors and producing fertilizer from the remaining organic matter, as well as in some industrial settings. Up to $1 million will be available per applicant, and NYSERDA will invest the funds at $11 million per year for five years.\textsuperscript{3424}

NYSERDA awarded $200,000 to Solid Cell, Inc., a manufacturer of solid-oxide fuel cells and equipment in November 2011, to investigate the manufacturing of a vital fuel cell part. NYSERDA previously awarded Solid Cell, Inc., a $250,000 grant to set up its development facility, and this new grant will be matched with funds from RocCera and Alfred University.\textsuperscript{3425}

In November 2011, NYSERDA released a report, \textit{Responding to Climate Change in New York State}, prepared by Columbia University, the City University of New York, and Cornell University.\textsuperscript{3426} The report assesses potential climate change impacts and adaptation measures in eight sectors for the State of New York: water resources, coastal zones, ecosystems, agriculture, energy, transportation, telecommunications, and public


\textsuperscript{3424} \textit{Id}.


health. In addition, the report analyzes the climate risks, vulnerabilities and adaptation strategies for seven state regions.\textsuperscript{3427}

The City University of New York, on behalf of New York City, won a “SunShot” award from the U.S. Department of Energy in December 2011.\textsuperscript{3428} The SunShot NY program is designed to streamline the photovoltaic installation approval process, making solar energy more accessible to city residents and businesses.\textsuperscript{3429} Phase I of the project will create an online multi-agency permit tracking portal.\textsuperscript{3430} CUNY will create a real time dashboard making energy performance data and trends available to all users.\textsuperscript{3431} Phase II will expand the project to other regions of the state.\textsuperscript{3432}

Rochester Institute of Technology received $170,581 in NYSERDA incentives for the installation of energy efficient upgrades in December 2011.\textsuperscript{3433} By installing a high-efficiency HVAC system, high-efficiency lighting and premium-efficiency motors, RIT not only earned LEED Platinum certification but also was able to reduce its energy needs by 360,085 kilowatt hours annually.\textsuperscript{3434}

In December 2011, NYSERDA announced that funding was provided to Syracuse University’s South Side Innovation Center to create a six-month pilot program to train students for energy efficient entrepreneurship, who, in turn, can create jobs in the state that reduce energy use and GHG emissions.\textsuperscript{3435} An award of $24,000 from NYSERDA is funding training development and implementation of the program.\textsuperscript{3436}

On December 15, 2011, the New York State Public Service Commission (PSC) approved the Stony Creek Wind Farm, located in Orangeville, which will consist of up to

\begin{thebibliography}{9}
\bibitem{3429} \textit{Id.}
\bibitem{3430} \textit{Id.}
\bibitem{3431} \textit{Id.}
\bibitem{3432} \textit{Id.}
\bibitem{3434} \textit{Id.}
\bibitem{3436} \textit{Id.}
\end{thebibliography}
59 wind turbines. Stony Creek Energy LLC was also authorized to start development of the site’s substation and interconnection with NYSEG’s transmission line.


In January 2012, Governor Cuomo announced the launch of the On-Bill Recovery Financing program, which allows homeowners to get a loan to retrofit their homes while allowing payback of the loans directly with the energy savings made on the consumer’s monthly utility bills. The program, administered by NYSERDA, covers projects that improve energy efficiency in the home, such as insulation, the air-sealing of energy-efficient furnaces, boilers and water heaters, and the installation of energy-efficient lighting and appliances. On January 5, NYSERDA announced additional funding available for EmPower New York, totaling $46 million available to eligible residents who wish to reduce their household energy use or improve energy efficiency.

On January 10, 2012, NYSERDA and the Public Service Commission (PSC) awarded $30 million to large-scale solar energy projects in Westchester and New York City, funded under the New York Renewable Portfolio Standard. The funds were awarded to solar installers and developers, and real estate owners and projects are expected to be installed within a wide variety of facilities to wish to generate power for on-site use. NYSERDA also announced the awarding of $1 million to several New York City and Long Island manufacturers that have developed efficient technologies that create and store energy. The goal of supporting these projects is to enhance the green technology economy in New York State.

3438 Id.
3442 Id.
3443 Id.
3444 Id.

In January 2012, both Rensselaer Polytechnic Institute and the Jacob Burns Film Center received High Performance Energy Efficiency Award incentives from NYSERDA; RPI will be able to reduce energy costs by $223,513 per year at its new East Campus Athletic Village and Jacob Burns Film Center will be able to reduce energy costs at its new Media Arts Lab by $16,375 per year through the use of energy efficient technology.\footnote{Press Release, NYSERDA, Rensselaer Polytechnic Institute Receives High Performance Energy Efficiency Award from NYSERDA (Jan. 19, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-01-19-Rensselaer-Polytechnic-Institute-Receives-High-Performance-Energy-Efficiency-Award.aspx; Press Release, NYSERDA, Jacob Burns Film Center Receives High Performance Energy Efficiency Award from NYSERDA (Jan. 25, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-01-25-Jacobs-Burns-Film-Center-Receives-High-Performance-Energy-Efficiency-Award.aspx.}

In February 2012, NYSERDA and the New York State Department of Transportation awarded ten New York organizations and universities to fund research on technology that can reduce GHG emissions in transportation.\footnote{Press Release, NYSERDA, 10 Organizations Receive Funding to Explore Technology to Reduce Transportation-Related Greenhouse Gas Emissions (Feb. 2, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-02-02-Funding-to-Explore-Technology-to-Reduce-Transportation-Related-Greenhouse-Gas-Emissions.aspx.}\footnote{Id.} The focus of the research is on projects that reduce single passenger vehicle occupancy rates, improving fuel efficiency through innovative means, promoting alternative transportation especially in upstate areas, and identifying new freight delivery strategies in urban areas.\footnote{Press Release, NYSERDA, National Grid and NYSERDA Initiative Cuts Glens Falls Hospital Energy Costs by More Than $300,000 (Feb. 17, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-02-17-National-Grid-and-NYSERDA-Initiative-Cuts-Glens-Falls-Hospital-Energy-Costs.aspx.}\footnote{Id.} National Grid and NYSERDA’s Energy Efficiency for Health initiative announced an award of $610,000 to Glen Falls Hospital, which expects to save approximately 2.1 million kilowatt hours of electricity and 189 thousand therms of natural gas through improvements to lighting, cooling, pumping and air distribution.\footnote{Press Release, NYSERDA, National Grid and NYSERDA’s Energy Efficiency for Health Initiative Cuts Costs for Glens Falls Hospital and Webbs Mill by More Than $1 Million (May 28, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-05-28-National-Grid-and-NYSERDA-s-Energy-Efficiency-for-Health-Initiative-Cuts-Costs-for-Glens-Falls-Hospital-and-Webbs-Mill.aspx.}\footnote{Id.} On February 21, Buffalo-area companies ENrG, Inc. and TAM Ceramics were awarded a total of $700,000 by NYSERDA to study energy efficiency improvements in their ceramic products that serve respectively as components of fuel cells and materials that can transfer waste heat into electricity.\footnote{Press Release, NYSERDA, NYSERDA Awards $700,000 for Clean Energy Power Systems at Two Buffalo-Area High-Tech Companies (Feb. 21, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-}
In March 2012, $3.5 million worth of funding provided by the Department of Energy State Energy Program through ARRA became available to New York residents seeking to purchase energy efficient appliances. The Buy Green, Save Green NYS High-Efficiency Appliance Rebate Program will award consumers $350 per high-efficiency refrigerator and $250 per high-efficiency clothes washer. The program will be administered by NYSERDA and will continue until funding lasts.

Also in March 2012, New York signed a memorandum of understanding (MOU) with several other Great Lakes States and federal agencies regarding offshore wind energy. The MOU requires regulatory agencies to disclose and share their current regulatory regimes for offshore wind projects to facilitate coordination.

On March 13, 2012, NYSERDA announced the expansion of the HVAC Business Partners Program to include technicians providing rooftop air conditioning maintenance because a properly maintained air conditioner will improve efficiency and can save a consumer up to 30% of cooling costs. The HVAC Business Partners Program is designed to educate companies in the building trade on ways to deliver an energy efficient service, and participating businesses receive incentives for each unit they service using the tools of the program. On March 22, NYSERDA announced that the Family Farm group of insurance companies was able to reduce energy costs by 850,000 kilowatts of electricity and 7,000 therms of natural gas with the help of NYSERDA’s FlexTech program and funding.

On March 15, 2012, the New York State Public Service Commission (PSC) improved financial incentives available to utilities that encourage investment in energy efficiency. $36 million for electric utilities and $14 million for gas utilities are available over the next four years for achieving energy reduction targets. The new

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3453 Id.
3454 Id.
3456 Id.
3457 Id.
3459 Id.
3460 Id.
3462 Id.
3464 Id.
incentives are a part of New York’s overall goal of reducing electricity and gas use by 15% by the year 2015.\footnote{Id.}

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of $1.93.\footnote{Press Release, RGGI, RGGI Auction Sells 21.5 Million CO2 Allowances (Mar. 16, 2012), \url{http://www.rggi.org/docs/PR031612_Auction15Results.pdf}.} The auction generated $41.6 million in proceeds, which the RGGI participating states will invest in consumer-oriented energy efficiency initiatives.\footnote{Id.}

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of $1.93.\footnote{Press Release, RGGI Inc., RGGI Auction Sells 21.5 Million CO\textsubscript{2} Allowances (Mar. 16, 2012), \url{http://www.rggi.org/docs/PR031612_Auction15Results.pdf}.} The auction generated $41.6 million in proceeds, which the RGGI participating states will invest in consumer-oriented energy efficiency initiatives.\footnote{Id.}

On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances.\footnote{Press Release, RGGI Inc., RGGI Auction Sells 20.9 Million CO\textsubscript{2} Allowances (June 8, 2012), \url{http://www.rggi.org/docs/PR060812_Auction16.pdf}.} The auction of the 20.9 million allowances generated $40.4 million in funds, and represents 57\% of the allowances offered for sale by all nine participating states.\footnote{Id.} On September 7, 2012, the RGGI states announced the results of its seventeenth quarterly auction for carbon dioxide allowances.\footnote{Press Release, RGGI Inc., RGGI Auction Sells 24.5 Million CO\textsubscript{2} Allowances (Sept. 7, 2012), \url{http://www.rggi.org/docs/Auctions/17/PR090712_Auction17.pdf}.} The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represents 65\% of the allowances offered for sale by all nine states.\footnote{Id.}


During the Earth Week Cabinet Meeting in April 2012, Governor Cuomo announced several green achievements the state has made.\footnote{Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Announces Clean Energy and Environmental Initiatives During Earth Week Cabinet Meeting (Apr. 26, 2012), \url{http://www.governor.ny.gov/press/04262012earthweek}.} Among the initiatives discussed were a $450 million commitment to energy efficiency in state facilities, the
opening of the East Coast’s first solar and wind blade testing center in Cortland and Clarkson University, respectively, the Green Initiative launched for green business innovations and the installation of solar panels at Niagara Falls State Park.\footnote{3472}

In May 2012, NYSERDA provided $1 million in incentives to Synergy Dairy in Covington, NY to facilitate with the creation of Synergy Biogas LLC, which is New York’s first plant specifically designed for the co-digestion of animal and food wastes.\footnote{3473} The biogas created in the anaerobic digester will generate 1.4 megawatts of renewable electricity.\footnote{3474} The project has also been able to divert 1.14 million gallons of food wastes from local landfills and wastewater treatment plants, reducing the load on municipal facilities.\footnote{3475} On May 2, NYSERDA awarded the City of Schenectady with $1 million toward the cost of a combined heat and power (CHP) system at the Water Pollution Control Plant.\footnote{3476} The CHP system will use anaerobic digestion to produce methane, and the methane is purified and combusted to create electricity; waste heat will be recaptured from the burning of fuel in order to heat plant buildings and facilitate the waste digestion process.\footnote{3477}

On June 6, 2012, Governor Cuomo announced that 325 electric vehicle charging stations have been installed across New York State by municipalities and other entities.\footnote{3478} In 2011, NYSERDA was awarded a Department of Energy grant on behalf of the Transportation and Climate Initiative.\footnote{3479} The aim of the program is to reduce the dependence of fossil fuels, cut GHG emissions, strengthen the infrastructure that is available to electric vehicles, and promote the sale and use of electric vehicles.\footnote{3480}

On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances.\footnote{3481} The auction of the 20.9 million allowances generated $40.4 million in funds, and represents 57% of the allowances offered for sale by all nine participating states.\footnote{3482}

\footnote{3472}Id.\footnote{3473}Id.\footnote{3474}Id.\footnote{3475}Id.\footnote{3476}Id.\footnote{3477}Id.\footnote{3478}Id.\footnote{3479}Id.\footnote{3480}Id.\footnote{3481}RGGI Auction Sells 20.9 Million CO2 Allowances, RGGI, (June 8, 2012), http://www.rggi.org/docs/PR060812_Auction16.pdf.\footnote{3482}Id.\footnote{3481}Press Release, NYSERDA, New York’s Largest On-Farm Biogas Power Project Generates Renewable Energy for Nearly 1,000 Homes (May 1, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-05-01-NY-Largest-On-Farm-Biogas-Power-Project-Generates-Renewable-Energy-for-Nearly-1000-Homes.aspx.\footnote{3474}Id.\footnote{3475}Id.\footnote{3476}Press Release, NYSERDA, Schenectady Wastewater Plant Upgrades Generate Energy Savings, Assisted with Funding from NYSERDA (May 2, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-05-02-Schenectady-Wastewater-Plant-Upgrades-Generate-Energy-Savings.aspx.\footnote{3477}Id.\footnote{3478}Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Announces Deployment of 325 Electric Vehicle Charging Stations Across New York State (June 6, 2012), http://www.governor.ny.gov/press/06062012Charging-Stations.\footnote{3479}Id.\footnote{3480}Id.\footnote{3481}Id.\footnote{3482}Id.
As a part of the Cleaner, Greener Communities program, in June 2012 NYSERDA awarded regions throughout the state with funds to create regional smart growth plans for sustainability. The regional plans will improve the environment, increase energy efficiencies and create jobs in the region. Additional funds will be available through NYSERDA for specific projects that implement the regional plans so long as the projects reduce GHG emissions, create opportunities for energy efficiency savings or renewable energy development while creating jobs and other economic investments.

In June 2012, the Cuomo administration announced the recipients of Cleaner, Greener Communities awards. The Cleaner, Greener Communities program provides competitive grants that reward municipalities that develop comprehensive regional smart growth plans. The program aims to create green jobs, enhance energy efficiency and reduce regional pollution. Launched in 2011, Cleaner, Greener Communities awarded $785 million in the first year. In this phase of the program, grants between $800,000 and $1 million were made to these municipalities: City of Albany, Onondaga County, Monroe County, Town of North Hempstead, Orange County, Otsego County, City of New York, Essex County, Tompkins County, and Allegany County.

In June 2012, the U.S. Department of Energy announced that New York was the recipient of $690,000 in federal funds to be directed toward advancing energy efficiency in state buildings and facilities. As coordinated by NYSERDA, New York Power Authority and the New York State Office of General Services, the project is intended to condense all state-wide energy retrofit projects into a centrally-managed program. The effort is estimated to save the state $100 million in energy costs and avoid more than eight million tons of carbon dioxide emissions.

On June 28, 2012, the Department of Environmental Conservation adopted new regulations to limit the emissions of carbon dioxide from new or expanded electric-
generating facilities, as required by the Power NY Act of 2011.\footnote{DEC Adopts Ground-Breaking Power Sector Regulations to Analyze Possible Environmental Impacts and Limit CO2 Emissions from Power Plants, N.Y. DEP’T OF ENVTL. CONSERVATION, (June 28, 2012), http://www.dec.ny.gov/press/83269.html} The emissions regulations require facilities that have a new or expanded generating capacity of at least 25 megawatts to choose either output- or input-based limitations for the given type of combustion technology, and facilities that burn non-fossil fuels must provide for DEC to set case-specific limits.\footnote{Id.} The regulations, which went into effect July 12, also contain significant environmental justice provisions.\footnote{Id.}

In July 2012, the New York Power Authority, in collaboration with NYSERDA implemented the Energy Efficiency Market Acceleration Program (EE-MAP).\footnote{Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Announces Launch of Initiative to Bring New Energy Efficient Technologies into the Marketplace (Sept. 17, 2012), http://www.governor.ny.gov/press/09172012newenergyefficienttechnologies} Governor Cuomo approved $30 million for the project.\footnote{Id.} The program will fund research, market development activities and demonstrations that encourage the leveraging of investments in energy efficiency technologies.\footnote{Id.} EE-MAP is designed to improve the market of new and existing energy efficiency projects in New York State, and to emphasize the training of engineers needed for such technology.\footnote{Id.}

In July 2012, NYSERDA announced the expansion of the Multifamily Energy Performance Portfolio (MEPP) to include a variety of new features.\footnote{Press Release, NYSERDA, NYSERDA Expands Multifamily Building Incentive Program, Makes it Easier to Get Started on Energy Efficiency Projects (July 2, 2012), http://www.nyserda.ny.gov/About/Newsroom/2012-Announcements/2012-07-23-NYSERDA-Expands-Multifamily-Building-Incentive-Program.aspx} MEPP now highlights new entry points for owners of existing buildings to take advantage of energy efficiency incentives; three distinct paths are enumerated for new construction developers to assess the best path for their particular project; incentives are now tied to the number of units in a given project, so that owners or developers can accurately predict how many incentives will apply; incentives for existing multifamily housing increased from $600 per unit to $1000 depending on type of heat used and whether the housing is affordable housing; and a bonus of $300 per unit can be awarded to projects that obtain energy savings of 20% or higher.\footnote{Id.}

In July 2012, the New York legislature passed a bill allowing municipalities to exempt LEED certified green buildings to a certain extent from real property taxes

\footnote{Id.}
through local ordinance. Only those improvements commenced on or after January 1, 2013 that exceed $10,000 may be covered, so long as a copy of the certification is on file at the assessor’s office.

In August 2012, Governor Cuomo announced the availability of $107 million in funds for the NY-Sun Competitive PV Program. NYSERDA sought proposals for projects producing over 50 kilowatts at commercial, industrial or municipal facilities. This phase of the project expanded the geographic eligibility from metropolitan New York City to include upstate New York. Individual project funds are limited to $3 million and require private co-funding. The launch of the NY-Sun program was intended to quadruple the amount of customer-installed solar power by the end of 2013. Sixteen developers were awarded a total of $30 million to finance large-scale photovoltaic systems in metropolitan New York City.

In August 2012, NYSERDA contracted with Community Power Network of Olmstedville, Essex County and Oil Heat Associates of Long Island to deliver energy efficiency training to oil heat technicians. The training will help the technicians fulfill a participation requirement under NYSERDA’s Home Performance with ENERGY STAR® program. On August 21, NYSERDA announced that, due to NYSERDA incentive funds, Tamarack Lake Electric Boat Company relocated from Canada to Rome, NY in order to produce solar power-assisted pontoon boats. The boat is expected to be able to travel 50 miles on a single charge from batteries powered by its rooftop solar array.

3504 Id.
3505 Id.
3507 Id.
3508 Id.
3509 Id.
3512 Id.
3514 Id.
In August 2012, the residential solar tax credit was amended to include systems installed under a lease or power purchase agreements of at least ten years in length. If the system is owned by a third-party, the taxpayer resident utilizing the system may claim a credit in the amount of the lease or agreement payments made in the tax year for up to fifteen years. The New York legislature also extended the sales tax exemption of the sale and installation of residential solar systems to include those installed on commercial sites that will not be used recreationally.

On September 7, 2012, the RGGI states announced the results of its seventeenth quarterly auction for carbon dioxide allowances. The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represents 65% of the allowances offered for sale by all nine states.

On September 19, 2012, NYSERDA announced the launch of the “Buy Green, Save Green Rebates for New York State Local Governments” program. “Buy Green, Save Green” will make available $1.1 million in funds for small municipalities to be able to purchase energy-efficient appliances and equipment, with 75¢ rebated for each dollar spent on eligible products. U.S. Department of Energy’s Energy Efficiency and Conservation Block Grants and U.S. Department of Energy State Energy Program awards made the funds possible. On September 26, 2012, NYSERDA funded the nearly $1 million award presented by the Fingerlakes Regional Economic Development Council to Garlock Sealing Technologies to put toward energy efficient process improvements. GST recognizes that such upgrades will improve their ultimate competitiveness and profitability in the marketplace.

In October 2012, NYSERDA awarded $2 million among eight recipients who participated in the NY Battery and Energy Storage Technology (NY-BEST) Consortium. The company and research center recipients have developed prototypes

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3515 N.Y. TAX § 606 (g-1) (McKinney 2012).
3516 Id.
3517 N.Y. TAX § 1115(hh) (McKinney 2012).
3519 Id.
3521 Id.
3522 Id.
3524 Id.
that demonstrate feasible energy storage technology, a key concept while working toward commercialization. The recipients include Custom Electronics Inc. of Oneonta, E2TAC of Albany, GE Energy Storage of Schenectady, Graphene Devices Ltd. of Williamson and Rochester, Ioxus Inc. of Oneonta, Paper Battery Co. of Troy, Primet Precisions Materials Inc. of Ithaca, and Urban Electric Power Inc. of New York City. NYSERDA also announced that the Pepsi Beverages Company in Latham was able to upgrade its bottling system due in part to a $286,000 award from NYSERDA. Pepsi installed energy efficient blow molding equipment that will result in the reduction of 2.4 million kilowatt hours per year.

On October 18, 2012, PSC tripled the net metering cap for solar energy and other net-metering renewable energy technologies to 36 megawatts for Central Hudson Gas & Electric Corporation customers. The move contemplates additional solar installations made as a part of the NY-Sun Initiative, whose goal was to quadruple customer-sited solar energy in New York State by 2013 and which was consequently incorporated into the Renewable Portfolio Standard. Other major utilities are expected to have their net-metering caps reviewed and adjusted if in the public interest. PSC also will allow Con Edison customers who have installed private combined heat and power (CHP) sources on a multi-building or campus-style setting to use that energy output to offset on-site usage. Previously, CHP offsets were only allowed at single-building sites.

Utilizing ARRA funds, NYSERDA was able to award The Berry Farm in Chatham $50,000 for two systems that will be able to deliver solar-heated water directly to greenhouse plant beds to keep winter vegetable plant roots at the optimal temperature. The farm will be able to reduce its hot water heating costs by sixty

3526 Id.
3527 Id.
3529 Id.
3531 Id.
3532 Id.
3534 Id.
percent and will be able to eliminate the emissions of 40 tons of carbon in the atmosphere.\textsuperscript{3536}

On November 19, 2012, RGGI reported that RGGI investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011.\textsuperscript{3537} RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement and climate change adaptation programs.\textsuperscript{3538}

In December 2012, Governor Cuomo announced that $250 million is now available as a part of Governor Cuomo’s Energy Highway Blueprint.\textsuperscript{3539} The funds will help upgrade and modernize the state’s aging energy infrastructure, specifically, electric generating projects that utilize wind, solar, hydroelectric and biomass, and will help eligible state utilities meet the Renewable Portfolio Standard.\textsuperscript{3540} Additional $726 million in funds will be available to improve transmission networks to make them impervious to severe weather events such as Hurricane Sandy.\textsuperscript{3541} Announced in Governor Cuomo’s 2012 State of the State Address, the Energy Highway Blueprint aims to invest in new electric transmission capacity, modernize currents systems, enhance reliability and safety, leverage private investments with renewable energy projects, and study\textsuperscript{3542} offshore wind development potentials.

The ReCharge NY program in September 2012 announced the third round of low-cost power allocations.\textsuperscript{3543} Private investments spurred surpassed $2.5 billion and created over 2,000 jobs.\textsuperscript{3544} Nearly thirty megawatts of clean energy contracts were awarded.\textsuperscript{3545} In December 2012, the program announced its fourth round of low-cost power allocations.\textsuperscript{3546} Thirty-four megawatts of clean energy were distributed to state firms that

\begin{itemize}
  \item \textsuperscript{3536} Id.
  \item \textsuperscript{3537} RGGI Investments Avoid 12 Million Tons of Carbon Dioxide Pollution, Generate $1.3 Billion in Lifetime Energy Bill Savings, RGGI (Nov. 19, 2012), \url{http://www.rggi.org/docs/Documents/2011-Proceeds%20Report%20Press%20Release.pdf}.
  \item \textsuperscript{3538} Id.
  \item \textsuperscript{3539} Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Announces $250 Million for Renewable Energy Projects to Add Reliable Clean Power to New York’s Energy Highway (Dec. 24, 2012), \url{http://www.governor.ny.gov/press/12242012Clean-Power}.
  \item \textsuperscript{3540} Id.
  \item \textsuperscript{3541} Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Announces $726 Million Transmission Upgrade Program for Advancing “Energy Highway” Blueprint (Dec. 19, 2012), \url{http://www.governor.ny.gov/press/12192012cuomo726milupgradeenergyhighway}.
  \item \textsuperscript{3542} Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Receives Plan to Modernize the State’s Energy Infrastructure and Spur Billions of Dollars in Private Sector Investment (Oct. 22, 2012), \url{http://www.governor.ny.gov/press/10222012-modernize-energy-infrastructure}.
  \item \textsuperscript{3543} Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Announces More Than 2,000 Jobs to be Created Through Third Round of ReCharge NY Power Allocations (Sept. 24, 2012), \url{http://www.governor.ny.gov/press/09-24-2012-recharge-ny-power-allocations}.
  \item \textsuperscript{3544} Id.
  \item \textsuperscript{3545} Id.
  \item \textsuperscript{3546} Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Announces Fourth Round of Recharge NY Power Allocations (Dec. 19, 2012), \url{http://www.governor.ny.gov/press/12192012cuomoannouncesfourthroundrechargepowerallocation}.
\end{itemize}
have made significant capital investments. This quarter, $681 million in capital investments were made in exchange for low-cost seven-year clean power contracts across New York. Second quarter results indicated the creation or retention of 25,000 jobs. In the first quarter of the program, 600 megawatts of low-cost power allocations were awarded to 517 employers across the state, which resulted in the creation or retention of thousands of jobs.

On December 18, 2012, NYSERDA announced the launch of Matt Brewing Company’s new biogas-to-power system, which will convert brewery wastewater into electricity through anaerobic digestion. NYSERDA contributed $1 million of the $5 million needed to launch the project. Not only will the system produce 400 kilowatts of clean energy, reducing the company’s energy needs by up to 40%, but the system also has a combined-heat-and power (CHP) element in that it will recycle the brewery process waste heat to keep the digestion process at the optimum temperature.

On December 28, 2012, Governor Cuomo issued Executive Order No. 88 directing state agencies to implement measures to improve energy efficiency in state facilities to achieve a 20% reduction in energy use. Affected agencies shall mark progress with benchmarking and those agencies receiving low scores shall be subject to audit.

2013: Green Technology, Climate Change Adaption, Energy Efficiency, Market Based Solutions, Transportation/Fuels, Renewable Energy, and Green Building

Following the so-called “Yogurt Summit” of August 2012, Governor Cuomo in February 2013 announced the availability of state funds for state dairy farmers. NYSERDA will double the amount of funding available from $1 million to $2 million per installation of anaerobic digesters that convert biogas to electricity. The digesters

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3547 Id.
3548 Id.
3552 Id.
3553 Id.
3554 Id.
3555 Id.
3557 Id.
3558 Id.
turn organic waste produced by cows into methane, which is burned in engines to create electric energy. Currently, eighteen projects are in operation while seventeen more are seeking approval. Governor Cuomo also announced $450,000 in funds in the Dairy Acceleration Program available for dairy farmers who are interested in obtaining a financial analysis and planning for energy efficiency.

New York, partnering with the member states of RGGI, announced an agreement to lower the emissions cap to 91 million ton emissions, with 2.5% reductions each year through 2020. Referencing the recent storms that the northeastern and mid-Atlantic states have suffered, Governor Cuomo in his 2013 State of the State Address stated that the states can no longer choose to ignore the reality of a changing climate. DEC Commissioner Joe Martens stated that the current cap no longer limits emissions at present, thereby necessitating the reduction. Other RGGI program improvements include additional adjustments to the cap from 2014 to 2020 in order to account for privately banked allowances which will be deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances which may be accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program, including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year compliance period; and developing tools to track electricity imported into participating states from non-participating states in order to address those emissions. Each RGGI state will implement these measures in their respective statutory regimes.

In January 2013, NYSERDA announced awards to state universities under Governor Cuomo’s Build Smart NY initiative. SUNY Canton, Binghamton University and SUNY Upstate Medical University received over $1 million in total

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3558 Id.
3559 Id.
3560 Id.
3562 Id.
3563 Id.
3564 Id.
3565 Id.
incentives to install energy efficiency upgrades on campus. The universities will save a combined $758,000 annually on energy costs and will avoid emitting 4,240 tons of GHG emission each year. In addition, D’Youville College, a private Catholic institution in Buffalo, was awarded $155,000 to support energy efficiency projects including insulation, a water loop heat pump system, energy-efficient lighting and occupancy controls. The efforts are expected to save the college approximately $73,500 a year in energy costs and reduce annual consumption of natural gas by 4,389 Btu and electricity by 403,668 kilowatts.

On January 3, 2013, NYSERDA announced that a $15 million award will fund the start of three clean-energy idea incubators at Columbia University, High Tech Rochester Inc., and the Polytechnic Institute of New York University. These proof-of-concept centers will allow scientists and inventors to bridge the gap between their energy efficiency ideas and business creation. After the five-year funding period, the proof-of-concept centers are expected to operate independently.

On January 10, 2013, NYSERDA announced that Primet Precision Materials of Ithaca would receive $650,000 in Innovation in the Manufacturing of Clean Energy Technologies Program funds and New York Battery Energy Storage Technology (NY-BEST) Consortium funds. Primet will use the funds to help develop an energy-efficient process to manufacture lithium-ion batteries that are used in many smart-grid applications where energy storage is necessary. The end result will be to improve the performance and lower cost to consumer of lithium-ion batteries. NYSERDA also awarded Regeneron Pharmaceuticals of Tarrytown incentives to install energy efficiency improvements such as demand control ventilation, occupancy sensors and high efficiency rooftop units to help reduce the facility’s energy consumption.
In February 2013, Governor Cuomo said that $20 million in funds were available to support the installation of combined heat and power (CHP) projects. Recognizing the need for reliable heat and power following natural disasters such as Hurricane Sandy, such installations will also increase everyday efficiency and competitiveness. The value of CHP projects is that power is created at the consumer’s site and avoids the loss of energy due to traditional long-distance transmission and distribution. However, NYSERDA will only fund CHP systems that are capable of functioning during a grid outage. Up to $1.5 million is available per project.

On February 13, 2013, the Brooklyn Navy Yard was awarded $80,200 in funds in recognition of its exemplary energy performance 47% above the New York State energy code. NYSERDA awards High Performance Building Plaques to institutions that build or renovate facilities that perform at least 30% above the energy code. Installations made include new energy efficient lighting and a geothermal HVAC system.

On February 13, 2013, the Public Service Commission approved an increase in available maximum incentives for on-site “behind-the-meter” wind power installations, up from $400,000 to $1 million per installation. The increase is a response to market conditions, with the goal of spurring program participation.

On February 14, NYSERDA announced the awarding of $1.2 million in funds to three Capital Region companies that have demonstrated innovative energy efficiency techniques in manufacturing. Recipients included Automated Dynamics of Schenectady, ThermaAura Inc. of Troy, and Ecovative Design of Green Island.

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3579 Id.
3580 Id.
3581 Id.
3582 Id.
3584 Id.
3585 Id.
3587 Id.
3589 Id.
February 25, 2013, NYSERDA announced $1.4 million in funding for energy efficiency upgrades for Erie County Medical Center. The funds will be used toward the installation of upgrades at the central cooling plant and efficiency measures installed at a new satellite facility. The combined projects are expected to cut annual energy costs by $680,000.

In February 2013, NYSERDA announced awards to several universities for installation of energy efficiency projects. SUNY Buffalo redesigned several campus buildings to LEED standards, earning the university more than $513,000 in energy savings and avoiding 2,600 tons in GHG emissions. State University of New York at Albany participated in Governor Cuomo’s Build Smart NY initiative, in coordination with the New York Power Authority, which committed $4 million to the UAlbany lighting replacement project. UAlbany also designed several facilities according to LEED standards to save energy costs and reduce GHG emissions.

On March 4, 2013, Governor Cuomo announced the awarding of $6.4 million to help New York farmers achieve energy efficiency while remaining competitive. The Agriculture Energy Efficiency Program (AEEP) within NYSERDA administered the awards. The awards are available to farmers to offset the cost of projects or equipment that utilize efficient electric and natural energy. However, eligibility is limited to those farms that contribute to the Systems Benefit Charge. Francis Murray, the President and CEO of NYSERDA recognized that agriculture is the “heart and soul of our state and a time honored way of life for many New Yorkers.”

In March 2013, Governor Cuomo announced the awarding of $9 million to twelve model school districts that identified and implemented $9 million in energy efficiency opportunities at their respective schools. The awards, which will be disbursed over a

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3591 Id.
3592 Id.
3595 Id.
3597 Id.
3598 Id.
3599 Id.
3600 Id.
3601 Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Awards Education Grants to Twelve Districts That Found More Than $9 Million in Energy Efficiency Savings and Can Serve as Models to
period of three years, are a part of the Governor’s competitive education grants program.\textsuperscript{3602} The state hopes to use these school districts as models for which other districts may follow in order to contain escalating costs.\textsuperscript{3603} On March 5, 2013, Governor Cuomo awarded another four districts that found $21 million in energy efficiency opportunities in their districts.\textsuperscript{3604} In addition, NYSERDA awarded SUNY Potsdam funds totaling $386,000 as a part of Governor Cuomo’s Build Smart NY initiative.\textsuperscript{3605} Two energy efficiency projects within SUNY Potsdam will avoid 692 tons of GHG emissions every year while saving the school $130,000 in operational costs each year.\textsuperscript{3606}

On March 14, 2013, the Public Service Commission eased installation requirements for distributed generation equipment in homes and businesses in order to encourage the use of inverter-based systems that can supply up to 300 kilowatts into commercial electric grids.\textsuperscript{3607} The expedited review process will allow small-scale renewable energy technology, such as micro-hydroelectric systems, to supply direct current output that is converted into the alternating current necessary for an electric utility.\textsuperscript{3608}

On April 16, 2013, an independent market monitor of RGGII confirmed that there continues to be no material concerns regarding the auction process or in the competitiveness of the secondary market for RGGI allowances.\textsuperscript{3609} During 2012, the average auction clearing price was $1.93 for carbon dioxide allowances.\textsuperscript{3610}

\textbf{2014: Climate Change Adaptation, Energy Efficiency, and Greenhouse Gas Reduction}

On April 22, 2014, Governor Cuomo and the NYS DEC honored the first six communities in New York to attain the Climate Smart Communities (CSC) 

\begin{footnotesize}

\textsuperscript{3602} Other Districts (Mar. 8, 2013), \url{http://www.governor.ny.gov/press/03082013Competitive-Education-Grants-Awarded}.
\textsuperscript{3603} Id.
\textsuperscript{3604} Id.
\textsuperscript{3605} Press Release, Andrew M. Cuomo, Governor, Governor Cuomo Awards Competitive Education Grants to Four Districts That Found More Than $21 Million in Efficiency Savings and Can Serve as Models to Other Districts (Mar. 5, 2013), \url{http://www.governor.ny.gov/press/03052013cuomo-awards-competitive-education}.
\textsuperscript{3607} Id.
\textsuperscript{3609} Id.

\end{footnotesize}
Certification. This voluntary program awards gold, silver, and bronze level recognition to communities that take a pledge to “to set goals; inventory emissions and develop a climate action plan; decrease energy demands and encourage renewable energy in their operations; support recycling and other climate smart solid waste management practices; promote climate protection though land use tools; develop an adaptation and resiliency plan for climate change; support a green innovation economy; inform and inspire the public; and commit to an evolving process” and track their progress towards achieving the pledge. Proceeds from RGGI auctions helps to fund support to communities that participate in the program. Learn more about the CSC certification program at http://www.dec.ny.gov/energy/96511.html.

NORTH CAROLINA

2002: Greenhouse Gas Reduction

The 2002 Clean Smokestacks Act (CSA) required North Carolina’s Division of Air Quality (DAQ) to study the potential control of CO2 emissions from coal-fired utility plants and other stationary sources of air pollution, and issue a series of reports. The CSA and its mandated reports prompted actions to develop an overall Climate Action Plan (CAP) for the state through a formalized stakeholder process. The North Carolina CAP process was extended to provide cost-benefit information on a wide range of greenhouse gas (GHG) reduction plans for the state. However, when Governor McCrory was elected in 2010, he appointed new heads to many of the state agencies, including Department of Environment and Natural Resources (DENR). The communications director, of the agency has been quoted as saying, “climate change was no longer a specific focus at the agency.” This calls into serious question, the effectiveness of the 2002 CSA.

2005: Climate Change Agreements/MOUs

In September 2005, Governor Mike Easley signed S.B.1134 establishing a Legislative Commission on Global Climate Change. The Commission was composed of 34 members including 18 legislators and others from academia, environmental organizations, the state power industry, the Manufacturers and Chemical Industry

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3612 Id.
3613 Id.
Council, the North Carolina Farm Bureau, and forestry associations. The law charged the Commission with preparing a cost-benefit analysis of various state and federal level GHG mitigation strategies; determining “desirable” reduction goals for North Carolina; and researching potential economic gains for the state in emerging carbon markets. It was set to report to the North Carolina General Assembly and the Environmental Review Commission on or before November 1, 2006. In July 2008, Governor Easley signed H.B. 2529 into law, giving the Commission an additional year and a half to make its recommendations.

2007: Greenhouse Gas Reduction, Renewable Portfolio Standards, and Energy Efficiency

In May 2007, North Carolina and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

In August 2007, Governor Easley signed S.B. 3, creating the state’s Renewable Energy and Energy Efficiency Portfolio Standard. The law requires North Carolina public utilities to generate 12.5% of retail electricity demand from renewables or energy efficiency measures by 2021. The law further requires electric membership corporations and municipalities producing electricity to generate 10% of electricity from renewables by 2018. Eligible renewables include solar energy, wind energy, hydropower, geothermal energy, ocean current or wave energy, biomass resources, and energy efficiency measures.

In 2007, the General Assembly created the Swine Farm Methane Capture Pilot Program through S. B. 1465. “Implementation of the program will be coordinated by North Carolina's soil and water conservation division and the state utilities commission” who will select up to fifty registered swine farms to capture methane gas generated by their waste systems – either by full or partial lagoon covers – and use the gas to generate electricity.

3619 Id.
3620 Id.
3621 Id.
3624 Id.
3626 Id.
3627 Id.
3628 Id.
3631 Id.
2008: Energy Efficiency, Renewable Energy, and Market-Based Solutions

In July 2008, North Carolina and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean Energy States Grant Program. The awards were designed to help develop greater energy efficiency, conservation, and clean energy resources. In August 2008, Governor Easley signed H.B. 2530 into law, providing a tax credit for those donating funds for renewable energy property acquisition. The law stated that “a taxpayer who donates money to a taxing entity for the purpose of providing funds for the entity to construct, purchase, or lease renewable energy property is allowed a credit under this section if the taxing entity uses the donation for its intended purpose.”

In September 2008, North Carolina won a $499,190 grant from the U.S. Department of Energy to implement an energy-efficient model state code for building construction and renovation.

2009: American Recovery & Reinvestment Act (ARRA), Market-Based Solutions, Green Jobs, and Energy Efficiency

On March 12, 2009, the U.S. Department of Energy announced that North Carolina is eligible for $75,989,000 under the State Energy Program of the ARRA.

In May 2009, Governor Perdue announced her green energy reform package, which included plans to: relocate the state energy office and the weatherization program to the Department of Commerce; improve representation for environmental groups in the state Energy Policy Council; establish an energy investment revolving loan fund; expand the Green Business Fund by $10 million of ARRA funds; use $7 million in ARRA funding to provide green-collar jobs training through the JobsNOW initiative; and invest federal stimulus money in energy efficiency and renewable energy projects. After she released this plan, the Pew Center released a report listing North Carolina as one of the top twelve states in growing “clean energy economy jobs.” In June, the U.S.


Id.


Id.


Department of Energy approved the state’s $75.9 million energy plan to improve overall energy efficiency and renewable energy consumption.  

In July 2009, Governor Perdue announced the state would be receiving $8.8 million in federal funding to assist citizens in purchasing energy efficiency products. In August, she signed H.B. 1481, which enacted her energy reform package into law. North Carolina then applied for $74,950,546 from the Federal Railroad Administration to support six high-speed rail projects. SCR-Tech LLC, a provider of power plant emissions control solutions, announced that it would expand its operations in the state to create 61 clean technology jobs. In September, Perdue established an offshore wind advisory council.

From November 6 to 8, 2009 North Carolina consumers were able to save on selected ENERGY STAR®-rated appliances during the state’s second annual tax-free weekend for. Consumers did not have to pay state or local sales taxes on home appliances such as washers, freezers, refrigerators, air conditioners, air-source heat pumps, geothermal heat pumps, ceiling fans, dehumidifiers and programmable thermostats.

2010: American Recovery & Reinvestment Act (ARRA), Energy Efficiency, and Climate Change Agreements/MOUs

As of January 2010, more than $330,000 in ARRA funds have been awarded to eight North Carolina “Main Street” communities to help with energy efficiency and renewable energy initiatives. The Main Street initiative was aimed at boosting economic development in small towns. The North Carolina Energy Office, in partnership with the N.C. Main Street Center, awarded grants to eligible local governments and/or nonprofit downtown revitalization organizations for projects totaling no more than

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3647 Id.

411
$250,000.\textsuperscript{3649} Grants were awarded to Main Street communities for energy audits and planning and policy work to support long-term sustainable changes for energy efficiency. Municipalities receiving funds were required to exactly match state grants for implementation of awards.\textsuperscript{3650}

Six agencies received $860,700 in ARRA funding for energy efficiency block grants encouraging energy conservation and economic investment in counties, municipalities, community colleges and public schools.\textsuperscript{3651} Projects included lighting retrofit programs, wastewater treatment plant retrofits, energy-saving heating and air conditioning equipment, and an energy management system and controls.\textsuperscript{3652}

Another $755,148 in ARRA funding for energy efficiency block grants was awarded to Henderson County, the Town of Dallas, Iredell-Statesville schools, Rowan-Salisbury schools, Roanoke Rapids schools and Richmond Community College.\textsuperscript{3653} Henderson County received $183,101 to work jointly with Hendersonville to replace inefficient lighting with energy-saving lighting and to put occupancy controls in restrooms. Dallas received $7,798 to replace inefficient lighting with energy-saving lighting. Iredell-Statesville Schools received $40,635 to replace current light fixtures with more energy efficient light fixtures. Rowan-Salisbury Schools received $199,723 to install Direct Digital Control Systems on four school buildings to more easily and accurately control building heating and cooling systems, and replace inefficient lighting with energy-saving lighting. Roanoke Rapids Schools received $167,195 to retrofit existing lighting fixtures to support energy-saving CFL and LED lighting fixtures. Richmond Community College received $156,696 to install Direct Digital Control Systems in four buildings to more easily and accurately control building heating and cooling systems.\textsuperscript{3654}

Governor Perdue announced in May 2010 that an additional $4.9 million in federal ARRA funding for energy efficiency block grants had been awarded to 58 projects in 52 local governments to encourage energy conservation and economic investment in counties, municipalities, community colleges and public schools.\textsuperscript{3655} A total of $7.2 million was then available to local government agencies and $6.3 million to public schools and community colleges.\textsuperscript{3656}

Eighteen innovative projects, seventeen using solar technology and one using landfill gas, received a total of about $2.3 million in ARRA funds to implement energy conservation projects.\(^{3657}\) The projects generated 31.8 million kWh of electricity annually (enough for 2,610 average homes for a year) or 2.6 billion BTUs annually (enough to provide hot water to 287 average homes for a year).\(^ {3658}\)

In May 2010, the Legislative Commission on Global Climate Change issued its final report pursuant to Section 11 of S.L. 2005-442, as amended by S.L. 2006-73, S.L. 2008-81, and S.L. 2009-306.\(^ {3659}\)


In January 2011, Governor Perdue issued Executive Order 81, exempting minor facilities from the federal GHG regulations. The state’s tailoring rule excluded about 50,000 sources (mainly small businesses) from permitting and avoided an estimated $1.3 billion per year in administrative costs.\(^ {3660}\)

In February 2011, the state’s Energy Office awarded $8.5 million in ARRA funds to improve energy efficiency in local government and small businesses, to promote conservation and renewables in industrial buildings, and to provide greater efficiency in commercial and large nonprofit facilities.\(^ {3661}\)

On July 1, 2011, Governor Perdue established the North Carolina Offshore Wind Energy Task Force via Executive Order (EO) No. 96, set to remain in effect through June 30, 2015.\(^ {3662}\) The EO charged the task force with studying the economic costs and benefits of developing wind energy off of the North Carolina coast; examining existing laws and regulations to determine what policy framework is needed; making recommendations to encourage the development of offshore wind energy, identifying incentives and benefits to develop such energy; creating guidelines on where to locate wind energy facilities; and studying the benefits of establishing a non-binding statewide goal of developing 5,000 megawatts of offshore wind energy generation by 2030. The deadline for the task force to submit these findings and recommendations was March 31, 2015.


\(^ {3658}\) Id.


They issued their findings and called for public comment in December of 2012.\footnote{3663}

In August 2011, the North Carolina Energy Office (NCEO) announced the availability of a Weatherization Assistance Program to help low-income housing complexes increase their energy efficiency. The NCEO planned to use $9-12 million of ARRA funds to weatherize 4,500 units in low-income housing communities through March 2012.\footnote{3665}

**2012: Greenhouse Gas Reduction, American Recovery & Reinvestment Act (ARRA), Energy Efficiency, and Climate Change Adaptation**

In January 2012, the North Carolina Utility Savings Initiative announced that the state was able to save the taxpayers more than $82.8 million in utility costs in government and university facilities in 2011.\footnote{3666} In addition, more than 250,000 metric tons of carbon dioxide emissions had been avoided.\footnote{3667}

Additional rebates made possible through ARRA became available with the reopening of the North Carolina ENERGY STAR® Appliance Replacement and Rebate Program on February 15, 2012.\footnote{3668} Consumers may now seek rebates for a wider variety of household appliances ranging from central air conditioners to water heaters to freezers if certain ENERGY STAR® criteria are met.\footnote{3669}

In June 2012, the North Carolina Energy Office received a U.S. Department of Energy grant to expand its Utility Savings Initiative.\footnote{3670} North Carolina will provide energy efficiency and retrofitting assistance to “shovel ready” projects at school systems and local governments to help reduce their operating costs.\footnote{3671} The state will also use a long-term data collection system to track energy savings.\footnote{3672}
In July 2012, the North Carolina legislature passed a bill prohibiting municipalities from adopting regulations that utilize sea level rise data in coastal planning activities until 2016, designating the North Carolina Coastal Resources Commission as the only body that may create rules or regulations regarding sea level rise and coastal planning. Governor Perdue neither signed nor vetoed the bill, and it became law on August 3, 2012.

In August 2012, the North Carolina Department of Commerce announced significant energy efficiency improvements thanks to ARRA funds and contributions from the State Energy Program. Homes, businesses, government facilities and schools were some of the recipients of the state and federal aid, and were able to implement energy efficient appliance installations and renewable energy sources.

### 2013: Renewable Energy

In June 2013, Governor McCrory “June as Solar Energy Month in North Carolina, stressing the role the growing industry is playing in creating jobs and helping make our state and nation energy independent.”

In May 2013, a House Bill regulating Wind Energy Facility Site and Operation Permits. The bill establishes a permitting program for wind energy facilities, transmission facilities and expansion.

### NORTH DAKOTA

#### 2005: Renewable Energy and Transportation/Fuels

In April 2005, Governor John Hoeven signed into law a comprehensive package of production incentives, tax cuts, and regulatory bypasses meant to stimulate the production of wind energy, biofuels, and hydrogen power in North Dakota. In many cases, these provisions built on prior legislation designed to encourage production of renewable energy and energy efficiency. As part of this package, an Office of Renewable Energy and Energy Efficiency was established “to provide secure, diverse, sustainable, and competitive renewable energy supplies and promote the conservation of energy and the wise use of energy resources in both the public and private sectors.”

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3674 Id.
3676 Id.
3677 Id.
3678 Id.
3679 See Press Release, State of North Dakota Office of the Governor, Hoeven Signs Broad New Renewable Energy Legislation (Apr. 22, 2005), votesmart.org at http://votesmart.org/public-statement/91525/hoeven-signs-broad-new-renewable-energy-legislation#.UwVkrRfdU2s. As part of this package, an Office of Renewable Energy and Energy Efficiency was established “to provide secure, diverse, sustainable, and competitive renewable energy supplies and promote the conservation of energy and the wise use of energy resources in both the public and private sectors.” N.D. CENT. CODE § 54-44.5-09 (2005). The office also manages and distributes all production incentive payments authorized under § 4-14.1. Id.
alternative energy sources. As a net result, North Dakota boasts a relatively supportive legal framework for these developing markets.

The 2005 legislation created the North Dakota Transmission Authority in order to promote investment in transmission lines, with an eye to enabling wind markets in particular. Owners of large wind generator facilities (defined as having at least one generation unit with a nameplate capacity of 100 kW or more as opposed to the 50,000 kW required for a coal-fired electrical generating plant) were exempt from sales and use taxes on building materials, production equipment and other tangible personal property used in construction of facilities before January 1, 2017 (for sales tax) or January 1, 2015 (for use tax). Materials purchased for building or expanding gas processing facilities are also exempt from use or sales tax. Centrally assessed property taxes were reduced by 70% for wind power projects for which construction began before January 2011, but this incentive was repealed in 2007.

Prior to 2013, North Dakota’s ethanol and biodiesel tax, investment, and production incentives were similarly generous. Before 2013 when the section of the statute was repealed, plants in operation since 1995 that produced ethanol for retail sale were eligible for direct production incentives. (Under this plan, facilities with production capacity under $15 million could receive as much as $900,000 over the 2005-2007 biennium; those with greater capacity, $450,000.) The state provides additional quarterly ethanol production incentives based on an index of North Dakota corn and ethanol prices. (Annual payments under this plan are capped at $1.6 million, and no facility can receive more than $10 million in total payments.)

Biodiesel sellers are eligible for tax credits of up to 10% per year, for up to five years (with a $250,000 total cap), on the direct costs of adapting or adding equipment to a facility. After June 2015, purchases of equipment by retail fuel facilities for the purpose of selling diesel with at least 2% biodiesel are exempt from sales tax.

North Dakota also exempts from sales tax the sale of hydrogen for use in fuel cells or internal combustion engines and equipment purchased exclusively for the production and/or storage of hydrogen by a hydrogen generation facility. Another piece of Governor Hoeven’s 2005 legislative package authorized the State Department of Commerce to provide a $25,000 grant for a wind-to-hydrogen demonstration project in a

3681 Id. §§ 57-39.2-04.2, 57-40.2-04.2.
3682 Id.
3683 Id. § 57-02-27.3 (repealed by S.L. 2007, ch. 504, § 5).
3684 Id. § 17-02-01 (repealed by N.D.S.L. 2013, ch. 177, § 4 (Aug. 2013)).
3685 Id.
3686 Id. § 17-02-03.
3687 Id. § 17-02-04.
3688 Id. § 57-38-30.6.
3689 Id. § 57-39.2-04(51).
3690 Id. § 57-39.2-04(50).
Also in 2005, a House Concurrent Resolution called on North Dakota Universities and research institutes to participate in a regional hydrogen and energy research and education consortium.\footnote{S.B. 2018, 59th Leg. Assemb. (N.D. 2005).
H.C.R. 3011, 59th Leg. Assemb. (N.D. 2005).}

A number of other measures provide support for the production and consumption of alternative energy sources. Legislation from 2005 also enabled the creation of a credit trading and tracking system for renewable electricity and recycled energy\footnote{Pursuant to N.D. CENT. CODE §§ 49-02-25 (2005) recycled energy systems are systems “producing electricity from currently unused waste heat resulting from combustion or other processes into electricity and which do not use an additional combustion process.” The term does not include any system whose primary purpose is the generation of electricity.} under the auspices of the Public Service Commission.\footnote{N.D. CENT. CODE § 49-02-24 (2005).} This applies to all public utilities, municipal electric utilities, and electric cooperatives.\footnote{Id. § 49-02-24.} Both individuals and corporations are eligible for income tax credits of 3\% per year for five years for the cost of equipment and installation of geothermal, solar, or wind energy devices.\footnote{Id. § 57-38-01.8.} Solar, wind, and geothermal energy devices are also exempt from local property taxes for five years after installation.\footnote{Id. § 57-02-08(27).} Finally, the North Dakota Industrial Commission is authorized to use monies from the Oil Extraction Tax Trust Fund to sponsor studies on energy conservation programs and renewable energy sources; cogeneration systems; and waste products utilization.\footnote{Id. § 54-17-32.} \footnote{Id. § 49-02-28.}

\section*{2007: Renewable Portfolio Standards, Climate Change Agreements, Renewable Energy, and Transportation/Fuels}

The Legislative Assembly enacted a voluntary state objective in January 2007 that ten percent of all electricity sold within the state come from renewable or recycled energy sources by 2015.\footnote{Id. § 49-02-28.} As a result, the Legislature added and amended several sections in Section 49-02 allowing the state to reach its goal.

At the November 2007 Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, North Dakota Illinois, Iowa, Kansas, Michigan, Minnesota, Wisconsin, and Nebraska adopted an Energy Security and Climate Stewardship Platform.\footnote{Midwestern Energy Security & Climate Stewardship Summit, Energy Security and Climate Stewardship Platform for the Midwest, \url{http://www.midwesterngovernors.org/resolutions/Platform.pdf}.} The platform’s goals for the Midwest included promoting energy efficiency, advances in bio-based products, electricity production from renewables, and advanced coal and carbon capture and storage.\footnote{Id.} Platform members also signed cooperative regional initiatives to create a Carbon Management Infrastructure Partnership; a bioproduct procurement program; electricity transmission adequacy for
new wind energy; renewable fuels corridors; advanced bioenergy permitting; and low-carbon energy transmission infrastructure.\footnote{Id.}


In February 2009, the North Dakota Senate, followed by the House in March, approved legislation that would establish a framework for carbon capture and sequestration.\footnote{S.B. 2095, 61st Leg. Assem., Reg. Sess. (N.D. 2009).}

In mid-February 2009, the Governor’s Biofuels Coalition (GBC), of which North Dakota is a member, sent a letter to President Obama encouraging him to take specific steps to promote the biofuels industry.\footnote{Press Release, N.D. State Gov’t, Governors’ Biofuels Coalition Calls On President Obama To Tap Job Growth Potential In Biofuels Industry Group Also Discusses Proactive Initiatives to Strengthen Public Support for Biofuels (Mar. 13, 2009), http://governor.nd.gov/media/news-releases/2009/02/090223.html.} Proposed actions included development of a taskforce charged with “annually and objectively assessing and comparing the lifecycle of biofuels” and creating “a comprehensive biofuel market development program.”\footnote{Id.}


On July 21, 2009, Governor Hoeven testified before the U.S. Senate Committee on Environment and Public Works about his opposition to the proposed Waxman-Markey Cap and Trade Bill.\footnote{Press Release, Official Portal for N.D. State Gov’t, Hoeven: Nation Needs Comprehensive Energy Policy, Not Waxman-Markey Cap and Trade Bill (July 21, 2009), http://www.governor.state.nd.us/media/news-releases/2009/07/090721.html.} Hoeven testified that the bill’s proposed provisions are premature given that emission reduction technology for coal plants is still in its infancy.\footnote{Id.} He

\footnote{Id.}
believed that the legislation would penalize those companies that have already taken action to reduce their emissions and whose efforts will not be recognized for the credit allocations.\footnote{3711} Hoeven suggested that lawmakers look to the regulatory framework for carbon sequestration that was recently passed in Nebraska as a model for an energy policy that could incentivize environmentally sound energy production.\footnote{3712}

The following week, Governor Hoeven met with U.S. Department of Energy (DOE) officials in Washington, D.C. in an effort to gain support for North Dakota energy projects including a $377 million expansion of Spiritwood Energy Park that entails a “99 megawatt combined heat and power plant, and three major production facilities: a large barley malting facility, which is already in place, as well as a biomass refinery and a biodiesel production facility.”\footnote{3713} Hoeven sought $35.2 in DOE matching funds for the project.\footnote{3714}

On August 21, 2009, Governor Hoeven awarded a $100,000 grant to the City of Bismarck to support preliminary studies and planning for a proposed applied research energy center.\footnote{3715} The proposed center “would develop new technologies to solve technical problems with fossil fuels and renewable energy sources and find ways to transfer these technologies to the marketplace.”\footnote{3716}

On October 23, 2009, Governor Hoeven launched the North Dakota Department of Commerce’s new Biofuels Blender Program.\footnote{3717} The program would disburse cost-share grants to fuel retailers for the installation of fuel pumps “capable of dispensing various blends of gasoline and ethanol as well as consumer determined mixes of biodiesel and traditional diesel.”\footnote{3718}

In December 2009, Governor Hoeven encouraged the U.S. EPA to move forward with its proposed E15 waiver that would permit higher ethanol blends to be used in automobiles.\footnote{3719} In his statement, Hoeven also expressed concern that the waiver would only apply to new automobiles.

\textit{2010: Renewable Energy and Transportation/Fuels}

\footnote{3711 Id.}
\footnote{3712 Id.}
\footnote{3714 Id.}
\footnote{3716 Id.}
\footnote{3717 Press Release, Official Portal of N.D. State Gov’t, Hoeven Launches $2 Million Biofuels Blender Pump Program (Oct. 23, 2009), http://www.governor.state.nd.us/media/news-releases/2009/10/091023.html.}
\footnote{3718 Id.}
In April 2010, the state reached an agreement with ethanol manufacturers to augment production and sales. The North Dakota Ethanol Council would siphon three-hundredths of $.01 per gallon of ethanol sold and use the proceeds for industry promotion and market development.3720

2011: Renewable Energy, Transportation/Fuels, American Recovery & Reinvestment Act (ARRA), and Energy Efficiency

Governor Jack Dalrymple commended Dakota Spirit AgEnergy for moving forward on a biorefinery. The refinery is expected to produce 65 million gallons of ethanol from corn each year, thus supporting the state’s farmers.3721 In a second phase of the project, DSA would produce molasses from grain and lignin.3722 The EPA completed its regulatory review and issued a renewable fuels certificate to the biorefinery in February 2013.3723

In January 2011, the North Dakota Department of Commerce began running the NDSwitch campaign funded by ARRA to help people identify energy-saving actions they can take. As part of the campaign, North Dakotans could participate in an online challenge and calculate the benefits of taking such energy-saving actions. The challenge can be found at www.NDSwitch.com, and ran through 2011.3724

2013: Renewable Energy and Transportation/Fuels

ALLETE, Inc. and Minnesota Power completed its $500 million Bison Wind Energy Center in May 2013.3725 The wind project creates enough electricity to power 85,000 homes per year. In September 2013, ALLETE, Inc. and the Governor further announced detailed plans for a comprehensive energy corridor to ship energy resources to better manage wastewater and carbon dioxide.3726

Governor Dalrymple announced in September 2013 that E15 fuel (15% ethanol) is now available in four cities throughout the state, making North Dakota the ninth state to offer the fuel blend.\footnote{Press Release, Office of the Governor, Dalrymple: E15 Now Available in North Dakota (Sept. 23, 2013), \url{http://www.governor.nd.gov/media-center/news/dalrymple-e15-now-available-north-dakota}. The blended fuel can be purchased at six Petro Serve USA locations in Mandan, Bismarck, West Fargo, and Fargo. Id.}

**Note on Natural Gas**

In recent years, North Dakota’s natural gas extraction and production has increased dramatically along with laws to incentivize the industry.\footnote{See Press Release, Office of the Governor, Dalrymple, Energy Industry Announce Natural Gas Advancement (Sept. 16, 2013), \url{http://www.governor.nd.gov/media-center/news/dalrymple-energy-industry-annouce-natural-gas-advancement}.} However, because the effect of the incentives and the boom industry on climate change is unclear, the updates are not included in this chapter. Roughly thirty percent of North Dakota’s extracted natural gas is not put on the market, mainly due to flaring or burning of the resource.\footnote{Clifford Krauss, *Industry in North Dakota to Cut Flared Natural Gas*, N.Y. TIMES (Jan. 29, 2014), \url{http://www.nytimes.com/2014/01/30/business/energy-environment/industry-in-north-dakota-promises-to-reduce-flared-natural-gas.html?_r=0}.} North Dakota is working to decrease natural gas flaring to capture more of the resource, which will result in a decrease in GHG emissions.\footnote{See Press Release, Office of the Governor, Dalrymple, Energy Industry Announce Natural Gas Advancement (Sept. 16, 2013), \url{http://www.governor.nd.gov/media-center/news/dalrymple-energy-industry-annouce-natural-gas-advancement}.}

**OHIO**

**1999: Renewable Energy and Market-Based Solutions**

In 1999, Ohio’s General Assembly passed Senate Bill (S.B.) 3, which created the Energy Loan Fund (Fund) in order to offer incentives for renewable energy projects.\footnote{S.B. 3, 123th General Assemb., 1999 Sess. (Ohio 1999) (codified at OHIO REV. CODE ANN. §§ 4928.61-.63), \url{http://www.legislature.state.oh.us/BillText123/123_SB_3_ENR.html}.} For example, the Fund’s renewable energy loan program offered a nearly 50% cut on the interest on loans from participating banks for the implementation of renewable power systems.\footnote{Id.} Administered by the Ohio Department of Development’s Office of Energy Efficiency, the Fund expired in 2011 after it collected $100 million from utilities in the state.\footnote{Id.}

**2000: Market-Based Solutions and Renewable Energy**

In 2000, Ohio’s Public Utilities Commission ordered the state’s power utilities to inform customers of the fuel mix and emissions data of their electric products.\footnote{Ohio ADMIN. CODE §§ 4901:1-10-31, 1-21-09 (2014).}
Utilities must specifically indicate the levels of carbon dioxide, sulfur dioxide, and nitrogen oxide emissions produced by their facilities.\textsuperscript{3735} Since 2001, Ohio has also required that utilities provide net metering to customers with renewable power generators.\textsuperscript{3736}

2007: Climate Change Agreement/MOUs and Greenhouse Gas Reduction

In May 2007, Ohio and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report GHG emissions accurately, transparently and consistently across borders and industry sectors.”\textsuperscript{3737} As of March 2008, thirty-nine total states were participating in the Climate Registry.\textsuperscript{3738} The Registry is a nonprofit collaboration among U.S. states and other North American territories and provinces that set consistent and transparent standards to calculate verify and publicly report GHG emissions into a single date base.\textsuperscript{3739} This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{3740}

Also in 2007, Ohio Governor Ted Strickland signed the Midwestern Greenhouse Gas Accord, making Ohio an observer state to the regional GHG agreement.\textsuperscript{3741} On November 15, 2007, the governors of Iowa, Illinois, Kansas, Michigan, Minnesota, and Wisconsin, as well as the Premier of the Canadian Province of Manitoba, established the Midwestern Greenhouse Gas Reduction Accord (MGGRA) to reduce GHG emissions and achieve energy security.\textsuperscript{3742} Signed at the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, Wisconsin, the Accord will establish GHG emission targets, including a 60 to 80\% reduction in emissions, create a market-based, multi-sector cap-and-trade system, and create a tracking and crediting system.\textsuperscript{3743} Observer states, including Ohio, are states that are in the process of considering participation. The MGGRA’s final model rule was released in April

\textsuperscript{3735} Id.
\textsuperscript{3736} OHIO REV. CODE ANN. § 4928.67 (2006).
\textsuperscript{3739} Id.
\textsuperscript{3740} Id.
\textsuperscript{3743} Id.
However, although the MGGRA has not been formally suspended, participating states are no longer formally pursuing it.

2008: Renewable Portfolio Standards, Greenhouse Gas Reduction, and Energy Efficiency

In May of 2008, Ohio created a renewable energy standard by passing Senate Bill (S.B.) 221. This standard requires that 25% of electricity sold in the state be generated from renewable sources by 2025. Half of the sources must come from renewables and the other half from nonrenewables (nuclear, energy efficiency, fuel cells, and clean coal technology). The bill also created a Renewable Energy Credit tracking system for compliance purposes. Further, it requires utilities to cut their energy consumption by 22.5% by 2025.

Ohio enacted House Bill (H.B.) 554 in June 2008, appropriating funding for alternative energy and energy efficiency technologies. This funding included $84 million for renewable technologies and $66 million for the research and development of technologies to reduce coal emissions.


On March 12, 2009, the U.S. Department of Energy announced that Ohio was eligible for $96,083,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA). Governor Strickland joined seven other Midwest states in signing memorandum of understanding (MOU) to coordinate ARRA applications and advocacy for high-speed rail. Two advanced battery projects received a total of $34.1 million in ARRA funding for facility construction. Vice President Joe Biden also

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3747 Id.
3749 Id.
3751 Memorandum of Understanding between the State of Illinois, the State of Indiana, the State of Iowa, The State of Michigan, the State of Minnesota, the State of Missouri, the State of Ohio, the State of Wisconsin, and the City of Chicago for The Implementation of High-Speed Rail Passenger Service and Connections Involving Corridors Linking Cities in their Respective States (July 27, 2009), http://www.illinois.gov/publicincludes/statehome/gov/documents/midwesthighspeedrail-MOU.pdf.

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announced that the Obama administration would invest over $11 million in the Ohio Advanced Transportation Partnership to put over 250 advanced energy vehicles on the road and build new refueling stations to reduce state petroleum consumption by an expected 875,000 gallons per year.\footnote{3753}

In September 2009, Rolls-Royce Fuel Cell Systems Limited announced that its global fuel cell research and development would take place at its North Canton facility.\footnote{3754} Governor Ted Strickland also asked the Public Utilities Commission of Ohio to postpone a plan where a utility company would supply consumers with two compact fluorescent light bulbs, on the grounds that this supply would cost consumers over $21.60.\footnote{3755} In October, the Midwestern Governors Association released the Midwestern Energy Infrastructure Accord, which focused on developing smart grid, carbon capture and sequestration, and biofuels in the Midwest.\footnote{3756}

Also in October 2009, Ohio University received $100,000 from the Appalachian Regional Commission to develop energy efficiency and renewable energy services to Ohio’s Appalachian communities.\footnote{3757} Various Ohio projects received a total of $17.3 million in grants from the U.S. Department of Energy for advanced energy research.\footnote{3758}

In November 2009, Ohio projected received more than $13 million in ARRA grant awards. Public and private entities would use the funds to install wind electric, solar electric and solar thermal technologies at businesses, schools, parks and other public locations throughout Ohio.\footnote{3759}

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Governor Strickland announced in January 2010 that DuPont would expand its next line of films used on photovoltaic solar panels, investing $175 million to expand production of its high-performance DuPont Tedlar PV2001 series oriented film. Tedlar film is a critical component on the back of solar panels, providing long-term durability and performance. During 2010, Ohio offered incentives to DuPont up to $6.1 million, for loans, grants and workforce assistance.

In February 2010, Governor Strickland announced that 18 Ohio projects would receive more than $11.8 million in industry efficiency grant awards. These industry efficiency awards were funded through Ohio’s $96 million American Recovery & Reinvestment Act (ARRA) State Energy Program, accepted by the U.S. Department of Energy on June 26, 2009. Target industries for grant recipients included advanced energy; aerospace and aviation; agriculture and food processing; bioscience and bio-products; instruments, controls and electronics; motor vehicles and parts manufacturing; and polymers and advanced materials. Recipients would use the funds for energy efficiency improvements in their manufacturing facilities.

Also in February 2010, Governor Strickland launched the Ohio Energy Gateway Fund, a public-private partnership that includes a $40 million commitment of advanced energy funds from the Ohio Bipartisan Job Stimulus Plan and ARRA. The $40 million in state and federal resources was expected to leverage at least $40 million in additional funding through partnership with private capital resources. Ohio Energy Gateway Fund aimed to accelerate projects in a range of areas, including wind, solar, geothermal, solid waste, energy efficiency, hydroelectric, electric batteries and fuel cells, energy storage, advanced solid waste, and generation III nuclear.

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3764 Id.
3766 Id.
United States Senator Sherrod Brown and Governor Strickland outlined plans to advance offshore wind energy projects in March 2010. Brown unveiled new legislation aimed at advancing the installation of offshore wind turbines in freshwater bodies like Lake Erie. Strickland gave an update on state efforts to advance wind energy and called again on the state legislature to eliminate the tangible personal property tax on generation equipment for wind and solar. Ohio also mapped Lake Erie into square mile grids and color coded them to identify the best places for turbines. Brown’s legislation, The Program for Offshore Wind Energy Research and Development (POWERED) Act of 2010, would spur research on potential offshore wind projects, expand incentives for offshore wind development, and require the U.S. Department of Energy to develop a comprehensive roadmap for the deployment of offshore wind.

In April 2010, Ohio received $32 million in ARRA funds. The Greater Cincinnati Retrofit Ramp-Up program received $17 million to conduct community and organizational outreach with energy advisory services focused on retrofits in the residential, commercial, and public sectors to reduce energy bills for thousands of home and business owners. The Toledo-Lucas County Port Authority received $15 million to support an Advanced Energy and Hybrid-Geothermal Geo-Utility District project, which established a series of Advanced Energy Utility (AEU) Districts to identify, evaluate, install, finance and manage energy efficiency and renewable energy projects, primarily in public and commercial buildings.

In May 2010, Governor Strickland and Columbus Mayor Michael Coleman joined officials from Quasar Energy Group, the Solid Waste Authority of Central Ohio (SWACO) and Kurtz Bros., Inc. to celebrate the groundbreaking of Quasar’s fourth Ohio biomass waste-to-energy system in Columbus. The energy system seeks to process the City of Columbus’ biosolids, regional food waste, and FOG (fats, oil and grease) to generate 1MWh of electricity each hour that will power businesses and homes.

In June 2010, Ohio enacted S.B. 232, which eliminated Ohio’s tangible personal property tax on generation for advanced energy project facilities that began construction before January 1, 2012, produced energy by 2013 (or 2017 for nuclear, clean coal and

3768 Id.
3769 Id.
3771 Id.
3772 Id.
3774 Id.
cogeneration projects). The bill allows companies that are seeking to build advanced energy generation facilities in Ohio to make an annual payment in lieu of taxes.

Fourteen project recipients received $10.7 million in grant awards funded through ARRA’s Energy Efficiency and Conservation Block Grant in June 2010. Thirteen institutions of higher education would use the funds to conduct energy audits, upgrade heating, ventilation and air conditioning systems, as well as replace lighting and windows in their buildings, and install renewable energy technologies at their campuses.

Also in June 2010, Governor Strickland announced a $6 million jobs program, the Energizing Careers Program, for training Ohio’s workforce for green energy careers. ARRA would fund companies looking to train employees for the growing energy economy. The Energizing Careers Program would reimburse the cost of training up to $6,000 for full-time employees, with preferential project funding to companies located in the 44 Ohio counties impacted by the restructuring of the auto industry.

At the end of June 2010, a 1.1 megawatt solar array in Washington Township opened after construction began in early 2009. DP&L’s Yankee solar array consists of 9,120 solar panels constructed over seven acres, and generates enough electricity to power the equivalent of 150 homes a year. The Northwest Ohio Solar Energy Hub was designated an Ohio Hub of Innovation and Opportunity to promote entrepreneurship, economic development and commercialization in the solar industry by bringing together top solar researchers, entrepreneurs, manufacturers, education institutions, trade associations and training providers. Central Ohio was also designated as an Ohio Hub of Innovation and Opportunity to assist Ohio’s advanced energy manufacturing and energy storage industries and received a $250,000 state grant to further its efforts.

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3776 Id.
3778 Id.
3780 Id.
3782 Id.
3784 Id.
The U.S. Department of Energy awarded several Ohio small business grants to assist them in bringing advanced energy technologies to market. Projects included: power plant cooling; advanced industrial materials; software libraries and applications maintenance and scaling to petascale; nanotechnology; increasing efficiency in traditional lighting technologies; high performance networks; advanced technologies and materials for fusion energy systems; solid oxide fuel cell technology for coal-based power plants; and accelerator technology for the international linear collider.\(^{3785}\)

In August 2010, the 80 acre, 12-megawatt solar facility called PSEG Wyandot Solar Farm became the largest solar energy facility operating in Ohio.\(^{3786}\) It has more than 159,000 ground-mounted panels on 80 acres, and produces enough electricity to power about 1,500 homes.\(^{3787}\) Additionally, the Depleted Uranium Hexafluoride Conversion Plant opened to process depleted uranium hexafluoride (DUF6), a co-product of the uranium enrichment process, into a more stable form for reuse or disposal.\(^{3788}\)

The Ohio Department of Development’s Home Energy Assistance Program (HEAP) Winter Crisis Program began in November 1, 2010 and ran through March 31, 2011. It received an estimated $132 million in total federal HEAP funding for Fiscal Year 2011.\(^{3789}\) The program assisted qualified low-income and elderly with winter heating costs.

On November 4, 2010, the Ohio Department of Development announced that it would provide $8.3 million in ARRA-funded grants to fifteen projects that created or preserved jobs and reduced energy usage and greenhouse gas (GHG) emissions. The program would fund energy improvements in multi-family, commercial, and institutional buildings throughout the state.\(^{3790}\)

The Department of Development announced in December 2010 that eleven Ohio projects would receive $10 million in ARRA grants through the Transforming Waste to Value Program, in order to convert feedstocks, such as municipal solid wastes, food and farm wastes, and other biomass, to electricity, heat, fuel or other bio-products.

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\(^{3787}\) Id.


In January 2011, Governor Strickland issued Executive Order (EO) 2010-15S to immediately adopt the U.S. EPA permitting thresholds for stationary sources emitting GHGs. The federal regulations, which entered into force on January 2, 2011, require the state to develop GHG rules. To comply with federal law while Ohio EPA drafts state rules, the EO adopted the federal tailoring rule. The order expired on March 29, 2011.3791

Also in January 2011, Ohio EPA issued a final permit for a renewable energy project proposed by Dayton Power & Light (DP&L). The permit allows DP&L to use a combination of cellulosic energy mixed with coal to provide up to 5% of the plant’s heat input.3792

On January 31, 2011, Ohio EPA proposed rules to implement federal GHG regulations. The proposed rules adopt the maximum emissions allowable under the U.S. EPA’s Tailoring Rule: between 75,000 and 100,000 tons per year. As of April 15, 2011, the Ohio EPA had not finalized these rules.3793

In April 2011, the Ohio Third Commission, which oversees the Ohio Third Frontier (an initiative providing funding for innovation and entrepreneurship in energy) recommended providing over $7.5 million in funding to eight companies through the organization’s Fuel Cell, Advanced Energy, and Targeted Industry Attraction programs, as well as an additional $1.7 million commitment for the construction of a Research and Development Center in Cincinnati.3794 These programs aimed to accelerate the development of green technologies in the state.3795 The Commission is comprised of three state officials and six representatives appointed by the Ohio Governor.3796

In addition, the Ohio Third Frontier partnered with Ohio State University’s Fisher College of Business to launch the Ohio’s New Entrepreneur (ONE) Fund pilot program

3795 Id.
The program was designed to teach young technology entrepreneurs what it takes to start a business, and it partners participants with seasoned entrepreneurs, industry experts and investors in approximately ten teams for eleven weeks, during which time the teams work on preparing technology concepts and business models to present to investors at the end of the program. The participating teams were selected in May 2011.

The Ohio Third Frontier Commission recommended additional investments in May 2011, including $7.5 million through the Ohio Third Frontier Write Projects Program, which would fund several projects including one project focused on alternative energy.

The Ohio Department of Development announced on July 6, 2011 that Spanish-based energy technology manufacturer, Isofoton, had chosen to construct its North American plant in Ohio. The new plant was expected to create 330 direct jobs within three years, as well as an additional 1,000 jobs in 2012. American Municipal Power and the Turning Point Solar Project had already agreed to purchase photovoltaic panels from Isofoton’s Ohio plant. The Turning Point Solar Project planned to construct a photovoltaic farm on top of reclaimed mine lands in rural Appalachia.

The Ohio Department of Development approved more than $1.1 million in grants through its Energizing Careers Program for ten Ohio companies to train workers in advanced energy technologies. The program, funded ARRA through the U.S. Department of Labor, reimburses up to $6,000 of the cost of training full-time employees.

In November 2011, Ohio EPA awarded several Ohio public school districts $295,733 in Clean Diesel grants to install pollution control devices on diesel school buses. The diesel oxidation catalysts and idle reduction equipment were expected to

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3798 Id.
3802 Id.
3804 Press Release, Ohio Environmental Protection Agency, Ohio EPA Awards Clean Diesel School Bus Grants (Nov. 2, 2011),

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remove 1,705 pounds of particulate matter, and more than twenty tons of carbon monoxide, nitrogen oxides and hydrocarbons on a yearly basis from tailpipe emissions.\textsuperscript{3805}

In December 2011, the Ohio Department of Development launched the Energy Loan Fund to provide below-rate financing to businesses, industry, non-profits and governmental entities for energy efficiency projects.\textsuperscript{3806} It required eligible projects to achieve at least a 15% reduction in energy use and contain economic benefits.\textsuperscript{3807}

\textbf{2012: Energy Efficiency, Greenhouse Gas Reduction, Green Technology, and Transportation/Fuels}

In February 2012, Ohio EPA announced a new Diesel Emission Reduction Grant program to reduce citizens’ exposure to diesel exhaust.\textsuperscript{3808} Eligible public and private projects included fleet replacement with higher fuel efficiency vehicles, engine upgrades that meet higher emission standards and adding diesel oxidation catalysts, diesel particulate filters or anti-idling equipment to existing fleet vehicles.\textsuperscript{3809}

On April 13, 2012, Governor John Kasich signed Substitute Senate Bill (S.B.) 289 to include cogeneration technology using waste or byproduct gas from a contaminant air source in the definition of a renewable energy source.\textsuperscript{3810} However, the law requires that the facility in which the technology is used must be located in a county with a population between 365,000 and 370,000 according to the most recent federal census.\textsuperscript{3811}

On June 11, 2012, Governor Kasich signed S.B. 315 into law.\textsuperscript{3812} The bill enacted Ohio’s 21\textsuperscript{st} Century Energy Policy, a multi-faceted approach to energy challenges seeking to utilize energy efficient technologies, expanded customer choice for

\begin{itemize}
  \item \textsuperscript{3805} Id.
  \item \textsuperscript{3807} Id.
  \item \textsuperscript{3809} Id.
  \item \textsuperscript{3811} OHIO REV. CODE ANN. § 4928.01(g)(37)(vii) (2012); OHIO REV. CODE ANN. § 3706.25(E) (2012).
\end{itemize}
renewable energy, making changes in distribution networks to accommodate increased renewable energy supplies, waste heat recovery and combined heat and power systems, promotion of alternative fuel use and a revolving loan fund for alternative fuels, and an increase energy efficiency in state facilities and vehicles.  

In November 2012, Ohio EPA awarded several Ohio public school districts $277,885.53 to install pollution control devices on diesel school buses. The diesel oxidation catalysts and anti-idling equipment were expected to remove 262.2 pounds of particulate matter and more than three tons of carbon monoxide, nitrogen oxides and hydrocarbons on a yearly basis from tailpipe emissions.

**2013: Greenhouse Gas Reduction**

In July of 2013, the Yale Project on Climate Change Communication released a study that found that 70% of Ohioans believe global warming is happening, with about half (49%) believing that if global warming is happening, it is caused mostly by human activities.

**OKLAHOMA**


In April 2001, Oklahoma H.B. 1192 created a committee to explore the sequestration of carbon via new agricultural initiatives. The law called for a collaboration of government officials and representatives of the agriculture and energy sectors to devise methods to slow global warming.


Since 2003, the Zero-Emissions Facilities Production Tax Credit has been available to Oklahoma electricity producers who utilize renewable energy via a “zero emission facility” (having a production capacity of fifty megawatts or more and producing no emissions that are harmful to the environment). Electricity generated

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3813 Id.
3815 Id.
3817 OKLA. STAT. ANN. tit. 27A, § 3-4-101 to -105 (West 2005).
3818 Id.
3819 OKLA. STAT. ANN. tit. 68, § 2357.32A (West 2005).
from January 1, 2004 to 2007, the credit was $0.0050 per kilowatt-hour of generated electricity. From January 1, 2007 to 2012, the credit was $0.0025 per kilowatt-hour.\footnote{3820 Id.}

Also beginning in 2003, Oklahoma briefly offered an income tax credit to manufacturers of small wind turbines.\footnote{3821 Id. § 2357.32B.} The law expired on December 31, 2005.\footnote{3822 Id.}


In 2008, the Oklahoma Corporation Commission (OCC) approved an order allowing Oklahoma Gas & Electric customers to receive renewable energy credits on their bills.\footnote{3826 Press Release, A Change in the Wind, Oklahoma Corporation Commission Approves OG&E Renewable Program (Sept. 12, 2008), http://www.ok.gov/newsroom.php?page_id=2421&article_type=1.} The order allowed recovery of costs of a planned wind-power transmission line and removed barriers for building transmission lines across Oklahoma.

On November 12, 2008, Governor Henry became the thirtieth of a group of present and former governors to sign the “25 x ‘25 Vision” initiative commitment to supplying 25% of the nation’s energy needs from renewable sources by 2025.\footnote{3827 Press Release, Office of Okla. Governor, Gov. Brad Gov. Henry Endorses “25x’25” Renewable Energy Goal (Nov. 12, 2008), http://www.governor.state.ok.us/display_article.php?article_id=1157&article_type=1.} According to one study, Oklahoma ranked eleventh in the nation in the potential positive economic impact of the 25 x ‘25 goal.\footnote{3828 Id.} A few days later, on November 18, 2009, Henry emphasized the need for domestic production of oil and gas in his address at the annual meeting of the Interstate Oil and Gas Compact Commission (IOGCC).\footnote{3829 Press Release, Office of Okla. Governor, Gov. Henry pushes for energy independence as IOGCC leader (Nov. 18, 2009) http://www.governor.state.ok.us/display_article.php?article_id=1160 &article_type=1.} He cautioned against environmental regulations that “come at the expense of handcuffing the [oil and gas] industry.”\footnote{3830 Id.}
On January 24, 2008, Governor Henry urged state legislators to continue funding the Oklahoma Bioenergy Center (OBC) by providing a $10 million appropriation in the state’s budget.\(^\text{3831}\) He emphasized the role Oklahoma could play in providing the 36 billion gallons of biofuels by 2022 required by recent federal legislation.\(^\text{3832}\) Switchgrass, a prairie grass native to the state that is the primary focus of OBC’s research, could contribute to the half expected to come from cellulosic fuels.\(^\text{3833}\)


On March 12, 2009, the U.S. Department of Energy announced that Oklahoma was eligible for $46,704,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).\(^\text{3834}\) The goals of the State Energy Program were to increase energy efficiency to reduce energy costs and consumption, reduce reliance on imported energy, improve the reliability of electricity and fuel supply as well as the delivery of energy services, and to reduce the impacts of energy production and use on the environment. The money was used to advance energy efficiency, building efficiency, renewable energy and alternative fuel consumption projects throughout the state.\(^\text{3835}\)

According to the Pew Charitable Trust’s June 2009 Clean Energy Economy Fact Sheet for Oklahoma, the state’s clean energy economy grew by 5,465 jobs and 693 businesses from 1998 to 2007.\(^\text{3836}\) Between 2006 and 2009, Oklahoma attracted over $5 million in capital investment in clean energy.\(^\text{3837}\)

**2010: Green Technology, Renewable Energy, Renewable Portfolio Standards, and Transportation/Fuels**

In May 2010, Governor Henry signed the Oklahoma Energy Security Act,\(^\text{3838}\) which aimed to expand clean energy in Oklahoma. It set a 15% by 2015 goal for renewable energy generation and sought to maximize the state’s natural gas resources. It


\(^{3832}\) Id.

\(^{3833}\) Id.


\(^{3837}\) Id.

\(^{3838}\) 17 OKLA. STAT. ANN. § 801.1 (West 2010).
contained compressed natural gas provisions to develop fueling infrastructure in an effort to promote CNG vehicles.\textsuperscript{3839}

**2011: Greenhouse Gas Reduction and Transportation/Fuels**

On April 13, 2011, Governor Mary Fallin signed H.B. 1909 to “better accommodate” the oil and gas industries’ horizontal hydro-fracking projects.\textsuperscript{3840}

**2012: Energy Efficiency, Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, and Transportation/Fuels**

In February 2012, Oklahoma launched a Community Energy Strategic Plan Program to help municipalities and stakeholders create a roadmap to reduce the energy uses and costs of community operations and identify opportunities for other community-wide energy initiatives, as well as to incorporate renewable energy and community outreach considerations in the plan.\textsuperscript{3841}

On May 9, 2012, Governor Fallin signed into law S.B. 1096, which directs all Oklahoma government agencies and educational institutions to improve energy efficiency and conservation by at least 20% by the year 2020.\textsuperscript{3842} The law, called the Oklahoma State Facilities Energy Conservation Program, took effect in August 2012 and is expected to save the state between $300 and $500 million over the next ten years.\textsuperscript{3843} The program is modeled after a similar successful program implemented at Oklahoma State University, which achieved 19% efficiency since the start of the program.\textsuperscript{3844}

On October 3, 2012, the American Council for an Energy-Efficient Economy named Oklahoma as one of the three most-improved states in the nation along with Montana and South Carolina.\textsuperscript{3845} Governor Fallin credited Oklahoma’s state utility programs, tax incentives and the state’s plan to achieve a 20% improvement in government energy efficiency by 2020.\textsuperscript{3846}


\textsuperscript{3842} Press Release, Governor Mary Fallin, The Oklahoman: Oklahoma law directs state agencies, colleges to save energy (May 9, 2012), http://www.ok.gov/triton/modules/newsroom/newsroom_article.php?id=223&article_id=7365.

\textsuperscript{3843} Id.

\textsuperscript{3844} Id.


\textsuperscript{3846} Id.
In October 2012, Oklahoma participated in a 22-state initiative designed to encourage the manufacture and use of compressed natural gas (CNG) vehicles.\textsuperscript{3847} Governor Fallin and Colorado Governor John Hickenlooper announced the start of the project in November 2011 at the Governor’s Energy Conference in Oklahoma City and subsequently issued a Request for Proposal, soliciting bids for CNG vehicles to be used in government fleets.\textsuperscript{3848} In November 2012, the Oklahoma Department of Transportation (ODOT) announced the addition of 160 CNG vehicles to its fleet.\textsuperscript{3849} The switch is expected to save the state $20,000 over the life of each vehicle and to result in cleaner emissions.\textsuperscript{3850} ODOT plans to replace 90% of the ODOT and the Oklahoma Turnpike Authority fleets by 2015.\textsuperscript{3851}

\textbf{2013: Energy Efficiency, Green Building, Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, Renewable Energy, and Transportation/Fuels}

In January 2013, the University of Oklahoma (OU) completed the transfer over to ensuring that all purchased energy is from renewable sources. The switch comes as part of a 2008 agreement with Oklahoma Electric and Gas (OG&E), where OU would purchase all of its energy from OG&E for the utility’s construction of the OU Spirit Wind Farm, a 10,000 acre 101 megawatt (MW) wind farm. OU receives approximately 85% of the renewable energy certificates (RECs) from the wind farm and can trade or sell them. The university’s campus energy efficiency program allows OU to pay for the RECs offsetting the purchase price for the certificates. As of February 2013, OU has not noticed any major change in its usual electrical bill and believes the switch over to renewables will prevent against unexpected spikes in energy prices.\textsuperscript{3852}

On May 8, 2013, the U.S. Department of Energy (DOE) released its 2012 Wind Technologies Market Report Summary, where it was revealed that Oklahoma moved up in the wind power capacity rankings, from eighth to sixth. It was reported that Oklahoma installed 1,127 MW of new wind power capacity, bringing its total to approximately 3,130 MW. This new capacity means that Oklahoma can generate about 14% of its electricity from wind energy.\textsuperscript{3853}

On May 13, 2013, the Alternative Fuel Vehicle (AFV) Income tax credit was signed into law. Introduced as H.B. 2005, the one-time income tax credit applies for tax

\textsuperscript{3848} Id.
\textsuperscript{3850} Id.
\textsuperscript{3851} Id.
years before January 1, 2020 and is available for 50% of the incremental cost of purchasing a new original equipment manufacturer AFV, excluding electric vehicles, or converting to a vehicle to operate on an alternative fuel. The state also will offer a tax credit of 10% of the total vehicle cost, up to $1,500, if the incremental cost of the new AFV cannot be determined, or when it is sold (as long as the tax credit has not previously been used on the same vehicle). The eligible fuels for the tax credit are natural gas, liquefied natural gas, hydrogen, and propane. The tax credit may be carried forward for up to five years.  

On June 28, Governor Fallin announced plans to combine the posts of the Secretary of Energy and the Secretary of the Environment into the Secretary of Energy and the Environment. The officer shall be in charge of a host of environmental and energy issues from air quality to energy efficiency and renewables. The move was supported by the notion that energy matters are environmental matters and vice versa. This merger finally took place on December 20, 2013. 

Moreover, the State of Oklahoma’s energy utilities promote a portfolio of energy efficiency programs. In early 2013, OG&E received approval for their electric and natural gas efficiency programs pursuant to the Oklahoma Corporation Commission (OCC)’s specifications. The OG&E agenda is responsible for the administration and implementation of a demand portfolio of energy efficiency and demand response programs in its service territory. The programs have specific targets for residential and commercial customer classes while many large industrial customers opted out of the programs. OG&E will be working with a significantly larger budget from 2013-2015, and savings as a percentage of sales are expected to double.

In January 2013, Oklahoma Natural Gas also requested approval for its proposed energy efficiency programs from 2014-2016, as well as for an increased program administration budget. In June 2013, CenterPoint Oklahoma similarly requested approval for its energy efficiency programs for 2014-2016. Additionally, all the utilities may earn an incentive for successfully implementing energy efficiency programs.

Moreover, throughout the year, the Oklahoma Municipal Power Authority (OMPA) offers rebates of HVAC energy efficient equipment through its “Ways I Save Electricity” (WISE) Program. The program encourages the use of energy efficient heating and cooling equipment by offering rebates on various air conditioners, air-source heat pumps, dual fuel heat pumps, and geothermal heat pumps. OMPA will meet 50% of the costs for eligible upgrades through money allocated from ARRA.
For the year 2013, as a part of the property tax incentive for wind generators, owners of wind generation facilities were reimbursed $17,373,296, constituting 38% of the total ad valorem reimbursement fund.  

OREGON

1977: Renewable Energy

Oregon creates the Oregon Residential Tax Credit program, offering tax credits for household use of solar heating, geothermal heating systems and wind power generation. The state added other opportunities for tax credit until 2011, when the program was replaced in 2012 by the Energy Incentives Program.


Oregon creates its Business Energy Tax Credit Program, offering tax credits for improvements in energy efficiency, recycling, use of renewable energy sources, creating fewer GHG emissions in transportation (both of product and of employees) and building sustainably. The program was retired in 2011 and replaced in 2012 by the Energy Incentives Program.

1993: Greenhouse Gas Reduction

In 1993, the Oregon Public Utilities Commission mandated that regulated electric utilities analyze the impact of carbon adders from $10 to $40 (in 1990 dollars) per ton of CO₂ in their integrated resource plans.

1997: Greenhouse Gas Reduction

Oregon became the first state in the union to pass a bill targeted at reduction of greenhouse gas emissions with House Bill 3283. House Bill 3283 required that new power plants emit seventeen percent fewer GHGs, either by direct reduction or by
acquiring credit for investing in non-profit organizations that would use the invested monies to reduce atmospheric GHGs.\(^ {3865}\)

**2000: Green Building and Energy Efficiency**

Governor John Kitzhaber announced the ambitious goal of statewide sustainability by 2025.\(^ {3866}\) To achieve this goal, he called on state agencies to consider sustainability at every level of their decision-making, emphasized the importance of setting measurable goals, and vested leadership responsibility in the Department of Administrative Services to reshape practices within state agencies.\(^ {3867}\) The Strategy also required that all new state building projects meet or exceed Leadership in Energy & Environmental Design (“LEED”) silver building standards, and state agencies were to begin factoring life-cycle costs and sustainability issues into their purchasing decisions, Oregon dedicated its first state park with sustainability as a primary objective.\(^ {3868}\)

**2001: Greenhouse Gas Reduction and Green Building**

The 2001 Oregon Sustainability Act established a comprehensive statutory framework for sustainability work within the state.\(^ {3869}\) The Act authorized the creation of a Sustainability Board\(^ {3870}\) under the Governor and comprised of representatives with expertise in the business and small business sectors, as well as natural resource conservation, sustainable development, health, and economics.\(^ {3871}\) Like the Executive Order 00-07 described supra, the Sustainability Act calls on state agencies to consider sustainability at every level – from purchasing through to facilities management.\(^ {3872}\) The Act also established an Institute for Natural Resources (“INR”) to act as a research clearinghouse, to provide information to the public, and to and work with state agencies striving to meet sustainability-related mandates and goals, under the supervision of Oregon State University.\(^ {3873}\)

Oregon’s Energy Facility Siting legislation, enacted in 2001 as an amendment to pre-existing siting legislation, required new facilities to limit CO\(_2\) emissions to seventeen percent below emissions of the most efficient and commercially viable combustion

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\(^ {3865}\) H.B. 3283, 69th Leg., Reg. Sess. (Or. 1997).
\(^ {3866}\) Or. Exec. Order No. 00-07 (2000), http://archivedwebsites.sos.state.or.us/Governor_Kitzhaber_2003/governor/legal/execords/eo00-07.pdf
\(^ {3867}\) Id. As a result of this and Governor Ted Kulongoski’s subsequent Executive Orders, twenty state agencies had developed sustainability plans and ongoing monitoring regimes by 2006. See Or. Exec. Order No. 06-02 (2006), http://www.oregon.gov/gov/pdf/eo0602.pdf.
\(^ {3869}\) OR REV. STAT. §184.421 (2012); id. at § 184.423 (2012).
\(^ {3870}\) OR REV. STAT. §184.427 (2012); id. at § 184.429 (2012).
\(^ {3871}\) Id. § 184.429(1)(a)-(e) (2012).
\(^ {3872}\) Id. at § 184.423(1)-(2) (2012).
turbine natural gas-fired energy facility operated in the United States.\textsuperscript{3874} Oregon’s facility siting statutes also established specific standards for determining compliance, a streamlined permitting process (allowing for potential conflicts with state and local ordinances to be assessed in one step), public comment periods at the outset of the review process, and the opportunity for direct appeal to the Oregon Supreme Court.\textsuperscript{3875}

**2004: Greenhouse Gas Reduction**

In 2004, Oregon published its Strategy for Greenhouse Gas Reductions (“Oregon Strategy”), with quantitative targets for greenhouse gas reduction and an implementation plan. The Oregon Strategy was crafted by the newly appointed (2004) Governor’s Advisory Group on Global Warming, which continues to exist and consists of twenty members representing citizens, interest groups, and public officials.\textsuperscript{3876}

**2005: Political Action**

Oregon passed nonbinding legislation prohibiting agencies from imposing requirements related to greenhouse gas emissions.\textsuperscript{3877}

**2006: Greenhouse Gas Reduction, Political Action, Climate Change Agreements, Renewable Energy, and Transportation/Fuels**

In May 2006, Oregon Governor Ted Kulongoski established the Governor’s Climate Change Integration Group.\textsuperscript{3878} He also established the Integration Group to continue and expand on the work of the Governor’s Advisory Group on Global Warming, which prepared the Oregon Strategy for Greenhouse Gas Reductions in 2004.\textsuperscript{3879} The Governor’s charge to the Climate Change Integration Group is to continue and expand on the work of the Global Warming Advisory Group to develop a climate change strategy for Oregon that provides long-term sustainability for the environment, protect public health, consider social equity, create economic opportunity, and expand public awareness.\textsuperscript{3880} Oregon’s goal is to reduce greenhouse gas emissions to 1990 levels by 2010, ten percent below 1990 levels by 2020, and seventy-five percent below 1990 levels by 2100.

\textsuperscript{3874} OR. REV. STAT. § 469.501 (2012) See also Chapter 7, supra.
\textsuperscript{3877} H.R. Res. 3, 73d. Leg., Reg. Sess. (Or. 2005).
\textsuperscript{3879} Id.
\textsuperscript{3880} Id.
In 2006, Oregon mandated broad-based net power metering. Under this Act, all Oregon utilities providing commercial and residential power are required to provide net metering for customer-generators with up to 25kW capacity.\textsuperscript{3881} (The Public Utility Commission may increase this limit for customers of public utilities.)\textsuperscript{3882} Metering is performed at the utilities’ expense.\textsuperscript{3883} The list of qualifying alternative fuel sources includes solar power, wind power, fuel cells, hydroelectric power, landfill gas, digester gas, waste, dedicated energy crops available on a renewable basis, and nontoxic biomass based on solid organic fuels from wood, forest, or field residues.\textsuperscript{3884} At the end of the year, unused credits are either credited to the customer generator, distributed to customers enrolled in the utility’s low-income assistance programs, or dedicated for other uses following notice and opportunity for public comment.\textsuperscript{3885}

In December 2006, Oregon’s Utility Commission signed onto the Western Public Utility Commissions’ Joint Action Framework on Climate Change, an inter-state agreement with the public utility commissions of California, New Mexico, and Washington. The utility commissions agreed to work together to recommend ways to identify, develop, and implement greater energy efficiency, demand response capability, low-carbon technologies, and GHG standards.

Under new Oregon tax provisions, value added to real property by installation of a qualifying renewable energy system was no longer to be included in the assessment of a property’s value for tax purposes.\textsuperscript{3886} Special provisions enabled renters to install alternative energy equipment (e.g., photovoltaics) without the equipment becoming a ‘fixture’ and thereby the credit-worthy property of the landlord.\textsuperscript{3887} Oregon also encouraged solar power use by allowing municipalities to enact statutes protecting access to the south face of buildings during solar heating hours (through height and setback requirements for new buildings, restrictions on type and placement of new trees, etc.).\textsuperscript{3888}

In 2006, Oregon began offering Small Scale Local Energy Project Loans in support of initiatives to produce or deliver alternative/low-emission fuels or conserve energy by, for instance, modifying vehicles to run on alternative fuels.\textsuperscript{3889}

The Oregon Department of Energy also offered the Business Energy Tax Credit (BETC) for businesses investing in Alternative Fuel Vehicles (AFV), Hybrid Electrical Vehicles (HEV), or other alternative fuel or transportation-related conservation

\textsuperscript{3881} OR. REV. STAT. § 757.300 (2012).
\textsuperscript{3882} Id.
\textsuperscript{3883} Id.
\textsuperscript{3884} Id.
\textsuperscript{3885} Id.
\textsuperscript{3886} Id. at § 307.175.
\textsuperscript{3887} Id. at § 90.265.
\textsuperscript{3888} Id. at §§ 227.190, 227.195, 215.044, 215.047.
\textsuperscript{3889} Id. at §§ 470.050-470.080 (2012).
Eligible businesses received a tax credit of 35% of the incremental cost of the equipment over five years. Private consumers could take up to $1,500 in tax credits against their state income taxes for the purchase of qualifying AFV’s or HEV’s and also received credits for the cost of conversion to an alternative fuel system. Contractors could take a business tax credit of up to $750 for the construction or installation in a dwelling of a fueling station needed to operate an AFV. Electric and natural-gas-driven vehicles were excluded from the requirements for certified pollution control systems.


In February 2007, Governor Kulongoski with the governors of California, New Mexico, Oregon, and Washington established the Western Regional Climate Action Initiative (WCI) in order to reduce greenhouse gas emissions and address climate change. On August 22, 2007, the WCI set a regional greenhouse gas emission reduction goal of 15% below 2005 levels by 2020, or approximately 33% below business-as-usual levels. This regional target was compatible with and did not replace the states’ individual greenhouse gas reduction targets. British Columbia (Canada), joined in April 2007, followed by Utah in May, Manitoba in June, and then by Montana, Quebec (Canada) and Ontario (Canada) in 2008.

Oregon’s Governor Kulongoski and British Columbia’s Premier Campbell signed a memorandum of understanding on October 23, 2007, formalizing their commitment to addressing climate change. Together they advocated the continued efforts of the WCI, and urged the adoption of policies to reduce greenhouse gas emissions, curb tail pipe emissions, and support the development of hydrogen-fuel vehicles.

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3891 Id.
3893 Id. at §§ 317.115, 469.165-.170.
3894 Id. at §§ 815.295-.300, 468A.365.
3895 See also 2011: WCI, infra.
3898 Id.
In May 2007, Oregon and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

On October 29, 2007, Oregon joined a new coalition called the International Carbon Action Partnership, formed of nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces, embracing ICAP’s goal of combating global warming. ICAP provides a forum for governments to share information regarding cap-and-trade systems and works to ensure that market programs are compatible. In addition, ICAP promotes low-carbon products and services, innovations, and cost effective reductions.

Governor Kulongoski signed S.B. 838 in July 2007, creating a renewable electricity portfolio standard that requires Oregon utilities to generate five percent of their electricity load from renewable energy by 2011, fifteen percent by 2015, twenty percent by 2020, and twenty-five percent by 2025. Eligible renewable energy sources must be in operation on or after January 1, 1995, and include wind, solar, wave, geothermal, biomass, new hydro not located within environmentally protected areas, or efficiency upgrades to existing hydro facilities.

The law does not require compliance if it will result in a greater than four percent cost increase for the utility, and utilities with no cost-effective options for compliance may make an “Alternative Compliance Payment,” which will be later used for obtaining renewable energy, conservation, research, or development.

The legislation exempts utilities contributing less than three percent of the state’s electricity load from meeting the twenty-five percent by 2025 standard unless they invest in coal-fired generation. However, these utilities must meet either the five percent by 2011 or fifteen percent by 2015 standard.

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3903 Id.
3904 Id.
3905 S.B. 838, 74th Leg., Reg. Sess. (Or. 2007).
3906 Id.
3907 Id.
3908 Id.
3909 Id.
Later, in July 2007, Governor Kulongoski signed into law H.B. 2210, biofuel legislation that establishes tax incentives for consumers and producers of biofuels and a renewable fuel standard. ³⁹¹⁰ In particular, the legislation requires that, subsequent to the state’s ethanol production reaching 40 million gallons per year, all gasoline sold in state be blended with 10% ethanol. ³⁹¹¹ Additionally, when Pacific Northwest biodiesel fuel production reaches 5 million gallons per year, the law requires that diesel fuel sold in Oregon be blended with 2% biodiesel, increasing this requirement to 5% when biodiesel production reaches 15 million gallons per year. ³⁹¹² The legislation also contains tax incentives for producers or collectors of biofuels feedstock and biofuels consumers, as well as a business energy tax credit for biofuels refineries and farm-based equipment. ³⁹¹³

Also in July 2007, Governor Kulongoski signed H.B. 3201b, which increases the business energy tax credit for renewable energy projects from thirty-five to fifty percent of qualified costs over five years and increases the maximum amount eligible for a tax credit from ten million to twenty million dollars. ³⁹¹⁴ Additionally, H.B. 3201b increases the maximum tax credit for wind generation and fuel cells from $1,500 to $6,000 and creates a tax credit of up to twenty-five percent of the cost of re-powering a diesel engine or fifty percent of the cost of retrofitting a diesel engine. ³⁹¹⁵ In March 2008 the Bill was amended by H.B. 3619, which extends the amount of credit to forty million dollars for manufacturers of renewable energy equipment. ³⁹¹⁶

House Bill 2272 grants new authority to the Environmental Quality Commission to set emissions standards, enables the Department of Transportation to deny registration to vehicles not meeting those standards, and provides additional strength for EQC enforcement of tail-pipe emissions standards promulgated in June of 2006. ³⁹¹⁷

Governor Kulongoski signed H.B. 3543 into law. Titled the “Climate Change Integration Act,” on August 7, 2007, ³⁹¹⁸ the three-pronged Act:

- Requires reduction of greenhouse gas emissions to ten percent below 1990 levels by 2020 and seventy-five percent below 1990 levels by 2050.
- Establishes the Oregon Global Warming Commission, which is charged with evaluating cap-and-trade programs and other market-based devices for reducing greenhouse gas emissions, recommending cost-effective policies to meet the state’s greenhouse gas reduction goals, tracking statewide greenhouse gas

³⁹¹⁰ H.B. 2210, 74th Leg., Reg. Sess. (Or. 2007).
³⁹¹¹ Id.
³⁹¹² Id.
³⁹¹³ Id.
³⁹¹⁴ H.B. 3201b, 74th Leg., Reg. Sess. (Or. 2007).
³⁹¹⁵ Id.
³⁹¹⁷ H.B. 2272, 74th Leg., Reg. Sess. (Or. 2007).
³⁹¹⁸ H.B. 3543, 74th Leg., Reg. Sess. (Or. 2007).
emissions, and evaluating the state’s greenhouse gas reduction progress and climate change impacts in Oregon.\textsuperscript{3919}

- Creates and funds the Oregon Climate Research Institute, which is tasked with housing the state’s climate change information and supporting the Oregon Global Warming Commission.\textsuperscript{3920}

**2008: Greenhouse Gas Reduction, Climate Change Agreements, Renewable Energy, Energy Efficiency, and Transportation/Fuels**

In March 2008, Governor Kulongoski traveled to Amsterdam and Israel to meet with European Union officials and industry representatives to discuss carbon cap-and-trade issues and alternative energy technologies.\textsuperscript{3921}

The WCI announced draft essential requirements for the reporting of greenhouse gas emissions in July 2008.\textsuperscript{3922} It also released “Design Recommendations for the WCI Regional Cap-and-Trade Program” on September 23, 2008.\textsuperscript{3923} The Design Recommendations for the WCI Regional Cap-and-Trade Program recommends that carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions should all fall under the cap-and-trade scheme.\textsuperscript{3924} Regulated sources are electricity generation, combustion at industrial and commercial facilities, industrial process, fuel combustion from industrial, residential and commercial sources that are below the threshold for direct regulation, and transportation combustion of gasoline/diesel (excluding biofuels).\textsuperscript{3925} Each of these sources must emit at least 25,000 metric tons of carbon dioxide equivalent annually in order to participate in the trade.\textsuperscript{3926} The first compliance periods begins in 2012 and includes half of the economy-wide regulated emissions from the Initiative’s member jurisdiction for the electricity generation, industrial combustion and industrial process sectors.\textsuperscript{3927} The second compliance period begins in 2015, adding the other regulated sectors and includes 90% of the economy-wide regulated emissions.\textsuperscript{3928}

\textsuperscript{3919} Id.
\textsuperscript{3920} Id.
\textsuperscript{3922} Id.
\textsuperscript{3923} Id.
\textsuperscript{3925} Id. at 8-9.
\textsuperscript{3926} Id. at 10.
\textsuperscript{3927} Id. at 24.
\textsuperscript{3928} Id.
On December 17, 2008, Governor Kulongoski signed Executive Order 08-26 creating the Oregon Energy Planning Council (OEPC). OEPC is charged with providing a report to the governor by the end of 2010 that addresses current energy usages and needs, future needs and supply gaps, and alternatives for short, medium and long term energy plans.

In March 2008, H.B. 3612 was signed into law. This legislation requires any state agency that is authorized to finance construction, purchase or renovation of structures used by the state to reduce the amount of energy the agency uses by at least 20% by June 30, 2015.

H.B. 2620, which requires that public entities spend 1.5% of the total contract price of a public improvement contract for new construction or major renovation of a public building on solar energy technology, took effect on January 1, 2008. Public entities include, but are not limited to, state agencies, universities, community colleges, school districts and education services districts, and local government.

In July 2008, the Oregon Energy Facility Siting Council (EFSC) approved a site certificate for a new 908 MW wind farm. Estimates concluded that the Shepherds Flat Wind Farm would double Oregon’s wind energy capacity. In a Department of Environmental Quality action to reduce greenhouse gas emissions, the Agency promulgated a rule requiring businesses to report greenhouse gas emissions. This rule, approved on October 23, 2008, will regulate businesses emitting 2,500 metric tons of carbon dioxide equivalent.

In April 2008, Governor Ted Kulongoski charged his Transportation Vision Committee with developing a series of recommendations for how Oregon can make improvements within the transportation infrastructure while simultaneously reducing greenhouse gases. The Committee is tasked with incorporating climate change into

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3931 Id.
3933 Id.
3934 H.B. 2620, 74th Leg., Reg. Sess. (Or. 2007).
3935 Id.
3938 Id.
3939 Press Release, Governor Ted Kulongoski, Governor Outlines Sustainable Transportation Initiatives for 2009 (July 30, 2008),
four areas of transportation planning: low carbon fuels; vehicle technology improvement; reducing vehicle miles traveled; and improving transportation system efficiency.\footnote{3940}

On November 19, 2008, Governor Ted Kulongoski announced a partnership between Oregon, Nissan, and Portland General Electric, to provide for a fleet of state government electric vehicles in 2010.\footnote{3941} Nissan was scheduled to release its electric vehicle during that model year, and PGE was developing a model charging station infrastructure.\footnote{3942} The initiative aligned with Kulongoski’s 2009 legislative proposal to shift tax credits from hybrids to plug-in hybrids and all electric vehicles, discussed \textit{infra}.\footnote{3943}

On October 27, 2008, Governor Kulongoski proposed that a series of climate change legislation be considered during the 2009 legislative session.\footnote{3944} The agenda focused on four areas: greenhouse gas reductions, energy efficiency, renewable energy and sustainable transportation.\footnote{3945} In the greenhouse gas reductions area, Kulongoski focused on authorizing participation in a cap-and-trade program (presumably the Western Climate Initiative), establishing greenhouse gas reduction standards and strengthening greenhouse gas regulatory tools.\footnote{3946} The energy efficiency area included programs for net zero emissions buildings, energy performance certificates for new buildings, and financial tools for residential energy efficiency efforts. The renewable Energy area included expanding solar projects, strengthening strategies towards the government’s goal of achieving 100\% renewable energy use as well as strengthening the Business Energy Tax Credit. Finally, the sustainable transportation area included encouraging low carbon fuels, setting mile reduction goals and encouraging commercialization of electrical vehicles.\footnote{3947}
In furtherance of its cap-and-trade program, the Western Climate Initiative released the third draft of the “Background Document and Progress Report for Essential Requirements of Mandatory Reporting For the Western Climate Initiative” on January 6, 2009 for public comment. The reporting threshold was set at 10,000 metric tons of CO₂ in a year, well below the 25,000 metric ton threshold for participation in the cap-and-trade program. It recommended that stationary combustion sources be subject to the reporting requirement as well as the sources listed in Table 1 of the document. These listed sources must report combustion and non-combustion emissions. The WCI recommended that reporting begin in 2011 for facilities that operated prior to 2010. This was in preparation for the commencement of the cap-and-trade program in 2013.

In July 2009, the Western Climate Initiative (WCI) issued an Offsets Whitepaper for comments to its stakeholders. The paper is the initial phase in development of the definition of an offset and a major focus of the paper is additionality. WCI’s Cap Setting and Allowance Distribution Committee released its Draft Statement of Principles on Competitiveness and the Review of Proposed Options for Addressing Industrial Competitiveness Impacts in August 2009. The purpose of the draft was to “guide the process by which WCI will evaluate competitiveness effects of a regional cap-and-trade program,” and also reviewed how other cap-and-trade programs address this issue.

Oregon along with twenty-nine other states formed the Governors’ Energy & Climate Coalition on May 21, 2009. The bipartisan group was created to “assist the federal government as it builds out a national energy policy that creates jobs and protects consumers and the environment.” Governor Kulongoski also signed an agreement to

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3948 WCI Documents, WESTERN CLIMATE INITIATIVE, http://www.westernclimateinitiative.org (follow “Documents & Resources” hyperlink; then “Search for Files” for “Background Document”).
3949 Id at 10.
3950 Id at 11.
3951 Id at 16.
3953 Id.
3955 Id.
support federal climate change legislation.\textsuperscript{3958} The agreement contains two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\textsuperscript{3959}

Governor Kulongoski and eleven other governors signed a letter to President Obama urging him to form a strong state/federal leader partnership in administrating a initiating a national climate change program.\textsuperscript{3960} This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believe that their states have played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.”\textsuperscript{3961} The letter also contains suggestions for how a national climate change program should be implemented. One of these suggestions is for the national government to recognize the private investments that have been made in current cap-and-trade programs and to preserve the clean energy plans that are funded by the proceeds from these programs.\textsuperscript{3962}

On May 19, 2009, Governor Kulongoski commended the Obama Administration for its announcement that EPA would adopt federal clean tailpipe standards.\textsuperscript{3963}

According to the Pew Charitable Trust’s June 2009 Clean Energy Economy Fact Sheet for Oregon, Oregon’s clean energy economy jobs grew by 19,340 jobs and 1,613 businesses from 1998 to 2007.\textsuperscript{3964} Between 2006 and 2009, Oregon attracted over $70 million in capital investment in clean energy.\textsuperscript{3965}

\begin{footnotes}
\footnotetext[3958]{\textit{Id.}}
\footnotetext[3960]{Letter from Arnold Schwarzenegger, Governor, California; M. Jodi Rell, Governor, Connecticut; Charlie Crist, Governor, Florida; Kathleen Sebelius, Governor, Kansas; Martin O'Malley, Governor, Maryland; Deval Patrick, Governor, Massachusetts; John S. Corzine, Governor, New Jersey; Bill Richardson, Governor, New Mexico; David Paterson, Governor, New York; Theodore R. Kulongoski, Governor, Oregon; Christine O. Gregoire, Governor, Washington; Jim Doyle, Governor, Wisconsin, to Barack Obama, President, United States of America (Jan. 29, 2009), http://web.archive.org/web/20100306193106/http://www.wisgov.state.wi.us/docview.asp?docid=15821.}
\footnotetext[3961]{\textit{Id.} at 1.}
\footnotetext[3962]{\textit{Id.} at 2.}
\footnotetext[3964]{PEW CHARITABLE TRUST, CLEAN ENERGY ECONOMY FACT SHEET, http://www.pewenvironment.org/uploadedFiles/PEG/Publications/Fact_Sheet/Fact%20Sheet%20Clean%20Energy%20Economy%20All%20%2050%20States.pdf}
\footnotetext[3965]{\textit{Id.}}
\end{footnotes}
On March 12, 2009, the U.S. Department of Energy announced that Oregon was eligible for $42,182,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).\textsuperscript{3966}

On November 24, 2009, Governor Kulongoski announced that Oregon, Idaho, Washington, Montana and Wyoming had received a total of $88M in ARRA funding for smart grid investment.\textsuperscript{3967} The funding provided for 50% of the costs associated with the project; project participants invested the other half.\textsuperscript{3968} An estimated 60,000 consumers were to be linked to the smart grid.\textsuperscript{3969}

In October 2009, Oregon was selected to receive over $9.5 million for energy efficiency and conservation projects under Oregon’s Energy Efficiency and Conservation Block (OEECB) program.\textsuperscript{3970} Among the projects benefiting from the funds is Oregon Dept. of Transportation (ODOT) solar highway project.\textsuperscript{3971} ODOT’s solar highway project installs solar panels along the highway to light major intersections.\textsuperscript{3972} Portland Community College will also receive $1 million in grant money for the initial phase of its Energy Net Zero project.\textsuperscript{3973} The ultimate goal of the Energy Net Zero project is achieving a completely self-sufficient campus “where carbon emissions are eliminated and all energy needs are met with renewable energy generated on-site.”\textsuperscript{3974}

Along with H.B. 2186, the low carbon fuel standard, Governor Kulongoski signed into a law a series of other climate change bills.\textsuperscript{3975} The legislation included bills expanding reporting requirements for greenhouse gas emissions,\textsuperscript{3976} increasing energy efficiency requirements in building codes\textsuperscript{3977} and creating solar energy pilot programs.\textsuperscript{3978}

\begin{thebibliography}{99}
\bibitem{3968} Id.
\bibitem{3969} Id.
\bibitem{3971} Id.
\bibitem{3972} Id.
\bibitem{3974} Id.
\bibitem{3975} Id.
\bibitem{3976} S.B. 38, 75th Leg., Reg. Sess. (Or. 2009).
\bibitem{3977} S.B. 79, 75th Leg., Reg. Sess. (Or. 2009).
\end{thebibliography}
Similar to legislation enacted in Washington and California, S.B. 101 “requires that new electricity sources must be as least as clean as natural gas plants, effectively blocking new development of conventional coal.”

While applauding the new federal standards, he encouraged his own state legislature to enact a proposed low carbon fuel standard bill, stating “[it] is the perfect complement to a federal clean tailpipe standard . . . [n]ot only will gas mileage improve, but every car will use cleaner burning fuel, emitting fewer greenhouse gas emissions on every road in the state.” Subsequently, the Senate passed the legislation on June 24, 2009 and Kulongoski signed it on July 22, 2009.

In early April 2009, Governor Kulongoski test drove an electric car manufactured by Norwegian automaker Think. The company was considering Oregon as the location of its new manufacturing center. To facilitate the electric vehicle market, Kulongoski encouraged the legislature to pass two proposals: one that created tax credits for electric vehicle manufacturers; and another that transitioned hybrid tax credits to incentivize purchases of zero emission vehicles. He also announced a partnership with Mitsubishi and Portland General Electric to create an electric vehicle charging network.

In August 2009, Oregon continued to bolster its electric vehicle initiatives. Governor Kulongoski announced that Oregon was selected as one of five test markets to
received federal stimulus money for the deployment of electric vehicles.3987 The project’s goal is provide data on the use of electric vehicles and charging stations that will guide similar deployments nationwide.3988 Later that month, Kulongoski toured two start-up electric vehicle companies in Oregon and commended their contribution to sustainability and investment in the state.3989

In June 2009, Oregon required all school buses to be retrofitted with more efficient engines and fine-particulate filters, effective January 2017.3990


On January 20, 2010, Governor Kulongoski announced that Oregon was awarded $5.3 million in ARRA grant money from the U.S. Dept. of Labor for green jobs training and job placement.3991

In June 2010, Oregon announced plans to establish a green jobs training center. Funded by a $1 million American Recovery and Reinvestment Act (ARRA) grant, the center’s focus was to be on energy efficient retrofitting and weatherization services.3992

The Oregon Department of Energy awarded more than $45 million in ARRA funds for 292 energy projects in November 2010, as part of the State Energy Program and the Energy Efficiency and Conservation Block grants available for energy efficiency and renewable energy projects.3993

3988 Id.
3990 H.B. 2795, 75th Leg., Reg. Sess. (Or. 2009).
Oregon received $3 million in ARRA funds for three biomass energy projects including co-generation and anaerobic digester facilities. Governor Kulongoski praised the grants because they support localized energy generation and create local jobs.\textsuperscript{3994}

In February 2010, Governor Kulongoski commended the Oregon House of Representatives for its passage of Business Energy Tax Credit (BETC) and biomass legislation. The latter will recognize pre-1995 biomass facilities “as part of Oregon’s Renewable Portfolio Standard.”\textsuperscript{3995}

In December 2010, the Oregon Department of Energy announced that it would launch an Energy Advisory Committee, with the broad mission of providing input into new policy recommendations and providing stakeholders with opportunities to engage in energy policy that affects Oregonians. The Advisory Committee planned to meet regularly and was to be comprised of representatives from around the state.\textsuperscript{3996}

Also in July 2010, Oregon became the site of the world’s largest solar nanotechnology manufacturing plant on July 21. Solexant Corp. announced its selection of Gresham, OR as the site of its new facility will produce ultrathin photovoltaic film. The company received a tax credit of $18.75 million from the Oregon Department of Energy and a $25 million loan from the State of Oregon Energy Loan Program.\textsuperscript{3997}

On April 1, 2010, Governor Kulongoski commended the EPA and the Obama Administration on their nationwide extension of clean car emissions standards already employed in Oregon and thirteen other states.\textsuperscript{3998}

Governor Kulongoski signed Executive Order 10-09 to create the Transportation Electrification Executive Council. The Council will be a central point of coordination of electric vehicle strategy, development, and deployment for the state. Specifically, the Council shall: (a) develop a work plan on how Oregon can be the leader in the new emerging vehicle technologies (b) provide a (sic) initial point of contact for companies


that are looking to invest in Oregon (c) collaborate on existing efforts to ensure Oregon’s leadership in electric vehicles (d) enhance state, regional, and local strategic efforts to deploy electric vehicle infrastructure (e) facilitate development of public education and acceptance outreach and (f) identify opportunities and barriers to adoption and recommend policy.  

A $700,000 federal stimulus grant will support the construction of eight electric vehicle fast-charging stations along the I-5 corridor between Portland and Eugene. The stations will deliver an estimated 80% recharge within 20-30 minutes. ECOtality, a San Francisco-based company, will lead the infrastructure development.

Oregon received a $2 million grant from the U.S. Department of Transportation to build up to 24 “DC fast charge” electric vehicle charging stations. The fast charge stations will be deployed in communities throughout northwest Oregon, including small cities throughout the region as well as communities on major travel corridors and key destinations, including US 26, I-84, US 20, OR 18, OR 99W, and US 101.

Governor Kulongoski also renewed Oregon’s partnership with Mitsubishi Motors in May 2010. The partnership aimed to advance electric vehicles and electric vehicle infrastructure throughout the state. Initial testing was to be and has been conducted along the I-5 corridor.

In November 2010, the Electric Drive Transportation Association presented Oregon with its E-Visionary Award at the 2010 Electric Vehicle Symposium and Exposition in Shenzhen, China. The award recognizes the state’s extraordinary leadership in transitioning to an electrified transportation system. Oregon is the first state to ever receive the industry award.

On March 17, 2011, the Oregon Global Warming Commission delivered its 2011 Report to the Legislature, including a status report on Oregon’s progress toward meetings its climate change goals, as well as recommendations on forty key actions that Oregon

can further take to achieve those goals.\footnote{Press Release, Or. Dep’t of Energy, Oregon Global Warming Commission recommends 40 key actions (Mar. 17, 2011), http://www.oregon.gov/ENERGY/Pages/news/1125OGWC.aspx.} The Commission reported that Oregon has made significant progress in preparing for and adapting to the impacts of climate change, and also found that the state’s goal of arresting greenhouse gas emissions by 2010 appears to be on track. However, the Commission was uncertain as to whether the state is on track to meet its 2020 and 2050 goals of reducing emissions by 10% and 75% below 1990 levels, respectively. In addition, the Commission initiated a “Roadmap to 2020” project to develop recommendations to help Oregon meet its greenhouse gas reduction goals.\footnote{Id.}

\textbf{2011: Climate Change Agreements, Cap & Trade, Greenhouse Gas Reduction, and Renewable Energy}

In November 2011, Oregon and five other states exited from the Western Climate Initiative in order to join North America 2050, an organization which promotes carbon dioxide capture and sequestration techniques, offset projects for emissions trading programs and a focus on sustainable biomass in order to achieve meaningful emissions reductions.\footnote{Geoffrey Craig, \textit{Six US states leave the Western Climate Initiative}, ELECTRIC UTILITY WEEK, Nov. 28, 2011, \url{http://www.platts.com/RSSFeedDetailedNews/RSSFeed/ElectricPower/6695863}; NORTH AMERICA 2050, na2050.org.}

On May 18, 2011, Governor Kitzhaber announced that the Oregon Department of Energy awarded grants to three companies through the Forest Products Energy Project, which is designed to develop renewable energy, encourage investment in forest product mills, and retain and create jobs in the wood products industry.\footnote{Press Release, Governor John Kitzhaber, Governor Kitzhaber Announces Grants to Promote Biomass, Energy and Rural Economic Development (May 18, 2011), http://www.oregon.gov/gov/media_room/pages/press_releases2011/press_051811.aspx.} Two of the selected projects will focus on studying the feasibility of developing combined heat and power at lumber mills, while the third will study the expansion of thermal energy production, also at a lumber mill.\footnote{Id.}

As part of Oregon’s Business Energy Tax Credit program, the Oregon Department of Energy announced that on October 12, 2011, it would work with the Oregon Department of Revenue on a tax credit auction. Revenue from the auction would be used to fund grants for renewable energy projects. This program is being implemented pursuant to H.B. 3672.  

The Oregon Department of Energy’s Small-Scale Energy Loan Program announced in April 2011 that it would offer low-interest loans to public K-12 schools to fund energy efficiency projects.  

**2012: Energy Efficiency, Renewable Energy, and Transportation/Fuels**  

On October 19, 2012, NOAA announced that Oregon’s South Slough National Estuarine Research Reserve was awarded $546,826 for the reserve to study socioeconomic and environmental conditions that may indicate climate change in the Coos Sanctuary. The research project is designed to make coastal communities understand and adapt to the coastal effects of global climate change.  

Governor Kitzhaber announced the final version of the Ten-Year Energy Action Plan for Oregon in December 2012. The three pillars of the Plan include meeting new electric load needs entirely with energy efficiency and conservation efforts, streamlining financial and regulatory barriers to the clean energy infrastructure process in order to attract new investment and technology, and improving energy efficiency in the state’s transportation sector. The plan also identifies state facility retrofitting as a key strategy.  

On January 1, 2012, the Biomass Producer or Collector Tax Credit became effective and covers most biofuels that are made and consumed within the state, with a few exceptions. The tax credits issued are based on the amount of biomass produced

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4014 Id.  
4015 Id.  
4017 Id.  
4018 Id.  
or collected. The tax credit may be transferred to another taxpayer, but only up to ninety percent of the value of the credit.

In January 2012, the Oregon Department of Energy sought applicants for its Conservation Energy Incentive Program for Small Premium Projects. Eligible projects may not exceed $20,000, and the maximum tax credit available per project is $7,000 available on a first-come, first-served basis.

In August 2012, Oregon replaced its Business Energy Tax Credits program with new rules promulgated under the Energy Incentives Program, as authorized by H.B. 3672 (2011) and H.B. 4079 (2012). Under the new rules, an Oregon business that installs a renewable energy system may qualify for a grant of up to $250,000, provided the grant does not exceed thirty-five percent of the total project cost. The regulations explain the application procedure, the application prioritization process, and performance agreement conditions. The Energy Incentives Program also encompasses the Alternative Fuel Vehicle Infrastructure rules, which contain application procedures, and allocation and issuance of tax credits for facilities that mix, store, compress or dispense fuels for alternative fuel vehicles.

On December 20, 2012, the Oregon Department of Energy announced new regulations for the Small Scale Energy Loan Program. The new rules clarify the loan approval process, and describe the procedures for loan amendments, forbearance and delinquent accounts. Applicants now also must obtain a favorable land use decision from the municipality where the energy project will be implemented.

Federal stimulus funds helped the Oregon Department of Energy’s State Energy Efficiency Appliance Rebate Program award over $3 million to Oregonians to replace

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4020 Id. at 330-170-10050.
4021 Id. at 330-170-10070.
4023 Id.
4025 Id.
4026 Id.
4029 Id.
4030 Id.
inefficient appliances in 2012.\footnote{Press Release, Or. Dep’t of Energy, 3,212 low-income Oregon households aided by stimulus funds (Nov. 19, 2012), http://www.oregon.gov/energy/Pages/2012-66-SEEARP-impact.aspx.} Among other appliances, 1,012 air-source heat pumps, 867 refrigerators and 597 gas furnaces were replaced with more energy efficient models over the course of the program.\footnote{Id.} The rebates provided aid to many low-income Oregonians who could not benefit from the Residential Energy Tax Credit program because of limited tax liability.\footnote{Id.}

In 2011 and 2012, ARRA funds helped 700 Oregon households to replace inefficient, uncertified wood stoves with new, certified woodstoves, fireplace inserts, pellet stoves or heat pumps, allowing a yearly reduction of about 23 tons of particulate matter.\footnote{Press Release, Or. Dep’t of Energy, Woodstove replacement program helps about 700 homeowners (June 13, 2012), http://www.oregon.gov/energy/Pages/news/2012-34-Woodstoves.aspx.} In addition to the woodstoves and other appliances provided, the Department of Energy program paid for 6,583 hours of installation.\footnote{Id.}

On December 26, 2012, the Oregon Department of Energy updated the Residential Energy Tax Credit program in order to keep current with technologies and efficiency standards.\footnote{Press Release, Or. Dep’t of Energy, Permanent rules filed for RETC program (Dec. 26, 2012), http://www.oregon.gov/energy/Pages/2012-73-RETC-rules.aspx.} The amendments address, among other changes, ineligible costs, the use of uncertified woodstoves, and the requirements for ground source heat pump compressor upgrades.\footnote{Id.} On December 27, 2012, the Oregon Department of Energy issued new rules to interpret S.B. 1533.\footnote{Press Release, Or. Dep’t of Energy, New rules for Transit, Conservation, and Compliance and Pass-through (June 22, 2012), http://www.oregon.gov/energy/Pages/news/2012-38-EIP-Rules.aspx.} H.B. 2620 in 2007 required new public construction projects to spend 1.5% of the contract price on solar energy sources.\footnote{Id.} S.B. 1533 allows geothermal energy sources for electricity and heating, and allows green technology to be utilized from off-site.\footnote{Id.}

In June 2012, the Oregon Department of Energy filed new permanent rules for transit, conservation, and compliance and pass-through programs, which are part of the replacement of the Business Energy Tax Credit.\footnote{Id.} The new rules detail application procedures, the allocation and issuance of the tax credits, and inspection and verification of projects and systems.\footnote{Id.}
Also in December, Oregon approved Phase 1 of the Oregon Clean Fuels Program, originally passed in 2009, which requires importers and suppliers of fuel in the state to report volumes and carbon intensity and will use lifecycle analysis to determine total emissions from fuel sources.4043

2013: Renewable Energy, Energy Efficiency, and Transportation/Fuels

On June 25, Governor Kitzhaber signed several bills in a ceremony intended to draw attention to Oregon’s 10-year Energy Action Plan.4044

- Senate Bill 692 aligns Oregon’s energy efficiency standards for household appliances with other members of the WCI (California and British Columbia).
- House Bill 2801 permits public utilities to invest public purchase charge funds in energy efficiency retrofits.
- Senate Bill 242 reduces the amount of coal in the state’s future energy resource mix.
- House Bill 2820 establishes permitting thresholds for solar fields.
- House Bill 2893 requires the Oregon Public Utility Commission to invest in research of solar generation to determine the future of solar energy in Oregon; it also extends the feed-in tariff pilot program for an additional two years.
- House Bill 2105 asks the Energy Facility Siting Council to identify and reduce barriers to energy development in the state.
- House Bill 606 promotes responsible Aeolian and wave energy in the Oregonian Territorial Seas.

In March 2013, in conjunction with the U.S. Forest Service, the Oregon Department of Energy awarded grants to six Eastern Oregon communities to study the feasibility of developing biomass energy facilities.4045

On October 15, Oregon DoE completed the Pacific Northwest’s first commercial-food-waste-to-electricity plant, funded partially by ARRA.4046

In 2012, the Department launched the Wood Energy Cluster Pilot Project to encourage the use of renewable energy and to concurrently support the state’s timber industry.4047

In January 2013, the Oregon Land Conservation and Development Commission adopted regulations for the siting of marine renewable energy development projects.\footnote{Id.} The regulation amends the Oregon Territorial Sea Plan and identifies four Renewable Energy Suitability Study Areas where wave energy will be encouraged, taking into account the protection of ecological resources, fishing, other existing uses and viewsheds.\footnote{Id.} Ocean Power Technologies plans to implement the nation’s first federally-licensed commercial wave device near Reedsport.\footnote{Id.}

On May 14, 2013, Governor Kitzhaber praised the International Brotherhood of Electrical Workers Local 280, Portland Electric, Nissan, and others for their partnership leading to the installation of electric vehicle charging stations at the Oregon State Capitol.\footnote{Id.}

On October 24, Oregon in conjunction with 7 other states that together comprise nearly one quarter of the United States vehicle market\footnote{California, Connecticut, Maryland, Massachusetts, New York, Rhode Island, and Vermont.} announced its intention to have 3.3 million zero-emission vehicles on the roads by 2025\footnote{Id.}. The memorandum of understanding also included state intentions to align building codes for charging stations, to incorporate zero-emission vehicles into public fleets, to identify and implement incentives to encourage greater private use of zero-emission vehicles, to analyze the practicability of lower electricity rates for home charging of low-emission vehicles, and to develop consistent signage relating to low-emission vehicle use.\footnote{Id.}

**2014: Energy Efficiency, Renewable Energy, and Transportation/Fuels**

Leading by example, Oregon’s residence for governors was renovated to incorporate high-efficiency best practices such as improved insulation, sealed air leakages, energy-saving lighting and heating, all while preserving the heritage of the building. The successful completion of the project was announced in January 2014.\footnote{Id.}
In February, Oregon was ranked sixth in the U.S. Green Building Council’s assessment of leadership in environment and energy design projects, on the basis of 2010 census figures and LEED certification of buildings.  

Governor Kitzhaber with Interior Secretary Sally Jewell and the director of the Bureau of Ocean Energy Management announced on February 5 that a Seattle-based company would begin plans to develop an off-shore wind farm, including five floating units equipped with 6-megawatt turbines.

On February 13, 2014, Governor Kitzhaber announced the creation of a new Clean Fuels Work Advisory Committee, in an effort to revive the state’s Clean Fuels Program, which was originally passed in 2007. The committee is composed of business and labor leaders charged with answering questions as to how best to implement the Clean Fuels Program in Oregon at an accelerated pace.

PENNSYLVANIA


During the 1990s, Pennsylvania formed four sustainable energy funds with its five major distribution utilities. These funds provide incentives to promote alternative energy and energy efficiency projects via loans and grants. They are funded by each utility’s distribution rates.

2003: Greenhouse Gas Reduction

In June 2003, the Pennsylvania Department of Environmental Protection (DEP) released a greenhouse gas (GHG) inventory detailing emissions for Pennsylvania.
The inventory provided provisional estimates for two years, 1990 and 1999, as well as background data on GHG emissions.\textsuperscript{4064}

**2004: Renewable Energy and Transportation/Fuels**

In 2004, Pennsylvania established an Alternative Energy Portfolio Standards Act with a goal of 18\% alternative energy resources by compliance year 2021.\textsuperscript{4065}

In 2004, Pennsylvania instituted an Alternative Fuels Incentive Act to provide financial assistance for the use of hybrid vehicles, alternative fuel vehicles, alternative fuels, and advanced vehicle technology research and development.\textsuperscript{4066} It supported the fund by 0.25 mills of the gross receipts tax levied on electric utilities.\textsuperscript{4067} Eligible applicants included schools, government agencies, and private for profit and nonprofit organizations.\textsuperscript{4068}

**2006: Transportation/Fuels**

In 2006 Pennsylvania adopted California’s GHG emission standards for motor vehicles, and these standards began affecting motor vehicles starting in model year 2008.\textsuperscript{4069}

**2007: Greenhouse Gas Reduction, Market-Based Solutions, and Renewable Energy**

In May 2007, Pennsylvania and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{4070} Pennsylvania also participates in the Regional Greenhouse Gas Initiative (RGGI), a cap-and-trade scheme between several northeastern states, as an observer.\textsuperscript{4071}

In June 2007, the Pennsylvania Environmental Council released the *Pennsylvania Climate Change Roadmap*, which inventoried and forecasted the state’s GHG emissions, determined appropriate emission goals and targets, and presented 40 recommendations

\begin{footnotes}
\textsuperscript{4064} Id.
\textsuperscript{4065} 73 PENN. STAT. §§ 1647.1-7 (2014).
\textsuperscript{4066} 2004 Penn. Laws 178.
\textsuperscript{4067} Id.
\textsuperscript{4068} Id.
\end{footnotes}
for reducing GHG emissions. The Roadmap suggested that Pennsylvania should set a goal of reducing GHG emissions to 25% below 2000 levels by 2025. The Roadmap’s recommendations included expanding the state’s alternative energy portfolio standard; implementing a portfolio of energy efficiency policies; creating incentives for green building; establishing a renewable fuel standard of 25% by 2025; and becoming involved in shaping a national cap-and-trade program (the National Climate Registry) and an emissions reporting system.


In July 2008, Governor Ed Rendell signed into law three bills relating to energy efficiency and alternative energy. The Alternative Energy Investment Act allocated $600 million in grants and loans for renewable energy projects, including biofuel, solar, wind, and geothermal. The Biofuel Development and In-State Production Incentive Act established that diesel and gasoline sold in the commonwealth must have minimum levels of biodiesel, a percentage intended to rise as biodiesel production in Pennsylvania increased. Once in-state production of biodiesel reached 400 million gallons, all retail diesel fuel would be required to contain 20% biodiesel. Likewise, once in-state ethanol production reached 350 million gallons, all retail gasoline would be required to contain 10% ethanol. The last bill passed in this set of energy legislation was the Alternative Fuels Incentive Act. It provided funding opportunities, including a rebate program for alternative fuel vehicles and a production incentive of 75¢ per gallon for biomass-based diesel produced in Pennsylvania.

Also in July 2008, Pennsylvania enacted a series of laws addressing climate change and energy efficiency. The Pennsylvania Climate Change Act, which Governor Rendell signed into law on July 10, was the first climate change legislation enacted in the commonwealth. It required the Pennsylvania DEP to conduct annual inventories of GHGs for all sources and establish a baseline for emissions. It also required the DEP to create a voluntary registry for businesses and industry, where entities could track their emissions.

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4073 Id.
4074 Id.
4077 Id.
4079 Id.
emission levels. It provided for the formation of a Climate Change Advisory Committee, which it tasked with developing a state plan to reduce GHG emissions. Finally, it required the DEP to report on potential climate change impacts and monitor national legislation relating to climate change.\textsuperscript{4081}

On October 3, 2008, in furtherance of the Climate Change Act, the DEP adopted The Climate Registry for businesses to voluntarily track their GHG emissions.\textsuperscript{4082} The DEP also designated three organizations as offset registries: the Climate Action Reserve, the Voluntary Carbon Standards, and the Gold Standard.\textsuperscript{4083} In keeping with the state policy to reduce carbon dioxide emissions, Governor Rendell signed House Bill (H.B.) 2200 on October 15, 2008.\textsuperscript{4084} This Bill promoted energy efficiency by requiring utility providers to assist customers in decreasing their electricity consumption by 1% in 2011 and by 3% in 2013.\textsuperscript{4085} This was projected to bring statewide savings of $500 million over by 2013.\textsuperscript{4086}

Governor Rendell announced a $44 million investment in recreation and conservation projects on November 18, 2008.\textsuperscript{4087} Projects included preservation of 4,341 acres of open space, 135 community parks, and numerous greenway preservation projects. Regarding another state funded, pollution-reducing program, Rendell announced that 81 businesses would use over $454,000 in state investments under the Small Business Advantage Program.\textsuperscript{4088} Under this program, businesses could receive matching grants up to $7,500 for purchasing equipment that reduced energy consumption and thus emissions.

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector.\textsuperscript{4089}

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Specifically, these states expressed their intent to incorporate a Low Carbon Fuel Standard (LCFS), which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.  


At the Pennsylvania Farm Show on January 15, 2009, Governor Rendell announced that all on-road diesel sold in Pennsylvania would contain at least 2% biodiesel within the next year.  

Showing further support of increasing energy efficiency in the transportation sector, he publicly supported President Obama’s directive to the U.S. EPA to reconsider the California Clean Air Act Waiver on January 26, 2009.  

Also on that day, Rendell announced the launch of the Renewable Energy Program to expand Pennsylvania’s homegrown energy production. This program provided $25 million for businesses, non-profits, economic development organizations, and political subdivisions to develop wind and geothermal projects.

Governor Rendell announced state grants through existing clean energy programs on January 29, 2009. These grants consisted of $7.2 million through the Energy Harvest Program and $6.5 million through the Alternative Fuels Incentive Grant Program. Rendell estimated that these grants would leverage $53.1 million in private investments in clean fuels and technologies, create 77 jobs, reduce carbon dioxide emission by 2.5 million tons, and save consumers’ energy costs by $46 million per year.

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Pennsylvania is eligible for $99,684,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA). After certifying that the state would accept these funds, Governor Rendell urged local governments to take advantage of the funding.

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Id. at 1.  


4090
and announced that the Pennsylvania DEP would provide webinars for local leaders to guide them through ARRA and assist them in the application process.\footnote{Governor Rendell Urges Municipalities to Take Advantage of Stimulus Funds to Conserve Energy, Lower Costs, PR NEWSWIRE (Apr. 2, 2009) \url{http://www.prnewswire.com/news-releases/governor-rendell-urges-municipalities-to-take-advantage-of-stimulus-funds-to-conserve-energy-lower-costs-61708762.html} (original press release not found).}

In May 2009, under the Alternative Energy Investment Fund, Governor Rendell announced a solar rebate program to reimburse homeowners and small businesses for up to 35\% of the costs of investing these systems.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Opens Solar Energy Rebate Program for Homeowners, Small Business (May 18, 2009), \url{http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=2213&typeid=1}.} The Pennsylvania Department of Transportation would also provide $59.2 million for Smart Transportation-related projects to increase the energy efficiency of transportation systems and $16.8 million for Safe Routes to School projects to encourage walking and biking to school.\footnote{Press Release, Dep’t of Transp., Governor Rendell Announces $76 Million to Create Green Jobs, Sustainable Communities (May 28, 2009), \url{http://www.dot.state.pa.us/penndot/districts/district2.nsf/a49f8addf0b73b1585256863004ed760?4c1670a3398287a8525783f00624f797OpenDocument}.} The state also applied for $8 billion from ARRA for high-speed rail lines\footnote{Press Release, Office of the Governor, Pennsylvania Identifies Potential High-Speed Rail Projects for $8 Billion in Recovery Funding (July 16, 2009), \url{http://www.portal.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_133877_6016_795529_43/http%3B//pubcontent.state.pa.us/publishedcontent/publish/marketing/sites/recovery_pa_gov/content/announcements/announcements_list/rls_gov_arra_hsrpre_app_071609.pdf}.} and received $38.8 million in federal stimulus funds for its state energy plan, which aims to support investments in sustainable energy projects.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Announces Federal Recovery Funds for State Energy Plan (July 20, 2009), \url{http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=2290&typeid=1}.} Rendell then announced a new Alternative Energy Production Tax Credit for up to 15\% of the net cost of various types of alternative energy production projects.\footnote{Press Release, Geoergtown Climate Ctr., Governors’ Energy and Climate Coalition Calls for Action on Climate, Energy Legislation (May 21, 2009), \url{http://web.archive.org/web/20100116190854/https://www.law.georgetown.edu/gcc/News/documents/Coalitionrelease.pdf}.}

In July 2009, the state legislature passed the Pennsylvania State-Funded Building Standards Act to create energy efficiency standards for the construction, rehabilitation, and maintenance of buildings.\footnote{4104}

The Pennsylvania Energy Development Authority (PEDA) announced a total of $20.7 million in investments in 25 alternative energy and energy efficiency projects throughout the state in August 2009.\footnote{4105} The state’s weatherization plan would also receive $101 million in ARRA funds from the federal government.\footnote{4106} The state also received $5.3 million in stimulus funding for twelve clean energy projects throughout the state.\footnote{4107} Green Energy Works!, a program funded by ARRA, announced that it would accept applications for $11 million to go towards combined heat and power projects in September.\footnote{4108} Pennsylvania would also provide $1.2 million in Recycling Market Infrastructure Development grants to four companies to increase the use of recycled materials in their finished products.\footnote{4109} That same month, the state also hosted the Clean Energy Economy Forum, where Governor Rendell emphasized the desirability of encouraging clean energy technologies to top Obama administration officials.\footnote{4110} Later that month, Rendell announced the availability of $5 million for biogas energy projects through the Green Energy Works! program.\footnote{4111} He also announced that the state received $1.5 million to support clean diesel emerging technologies.\footnote{4112} Two days later, the

\begin{thebibliography}{99}
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\item 4104 H.B. 444, 2009 Leg., Reg. Sess. (2009),
http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=HTM&sessYr=2009&sessId=0&billBody=H&billTyp=B&billNbr=0444&pn=2416.
\item 4106 Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Says Obama Administration Approves PA’s Weatherization Plan, Will Receive $101 Million (Aug. 25, 2009),
http://www.revenue.state.pa.us/portal/server.pt/gateway/PTARGS_0_2_60658_0_0_43/http%3B/pubcontent.state.pa.us/publishedcontent/publish/marketsites/recovery_pa_gov/content/announcements/announcements_list/stimulusweatherizationapprovedrel082509.pdf.
\item 4108 Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Announces Federal Funding Diverse, Renewable Energy Technologies (Sept. 8, 2009),
\item 4109 Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Awards $1.2 Million to Help Businesses Increase use of Recyclable Materials in Finished Products (Sept. 9, 2009),
\item 4110 Press Release, Pa. Dep’t of Envtl. Prot., White House Forum Explores the Role of Green Energy in Revitalizing the U.S. Economy (Sept. 17, 2009),
\item 4111 Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Announces that Federal Recovery Funding is Available for Biogas Energy Projects (Sept. 22, 2009),
\item 4112 Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell: PA to Receive $1.5 Million Clean Diesel Emerging Technology Grant (Sept. 24, 2009),
\end{thebibliography}
electric vehicle technologies company, CT&D Co. Ltd., announced its plan to open two production and distribution facilities in Pennsylvania.4113

After the G-20 Summit was held in Pittsburgh, Governor Rendell attended a September 2009 meeting with representatives from various environmental advocacy organizations based in Washington, D.C. and emphasized that Pennsylvania should be used as an example in a federal effort to combat climate change.4114 The next month, Rendell advocated for the potential of hydropower to meet Pennsylvania’s energy needs.4115

Pennsylvania released its draft climate action plan for public comment in October 2009.4116 It created an emission reduction goal of 30% below 2000 levels by 2020.4117 The plan set out 52 recommendations for lowering emissions. These included the Re-Light Pennsylvania program to increase the use of energy efficient lighting, the Eco-Driving program to provide incentives to drive less, and an urban forestry program to plant more trees in cities.4118

The American Wind Energy Association ranked Pennsylvania second among all of the states in wind energy generation growth after the state’s wind energy generation capacity increased 30% in the third quarter of 2008.4119 The state then applied for $6 million in ARRA funding for the energy sector and green jobs training.4120 Pennsylvania then received $1.1 million in ARRA funds to train its weatherization workforce.4121

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4121 Press Release, Office of the Governor, Governor Rendell Announces $1.1 Million of Recovery Act Funds to Train Weatherization Workforce (Oct. 28, 2009),
As of November 2009, the PA Sunshine Solar Program had helped to double the state’s solar generating capacity in less than six months, meeting its first incentive milestone for small business rebates – the deployment of 5 megawatts (MWs) of solar power, or enough to supply electricity to about 575 average homes in the state.\textsuperscript{4122} (Five MWs is enough to offset 5,580 tons of carbon dioxide, 16,000 pounds of nitrogen oxide, and 77,500 pounds of sulfur oxide.)\textsuperscript{4123} The program had committed $12.5 million for 625 projects by residential and small business consumers, which totaled at least $50 million in private investment.\textsuperscript{4124} The PA Sunshine Solar Program reimburses homeowners and small business owners up to 35% of the purchase and installation costs of solar energy technology. Combining the program reimbursements with 2009 federal tax credits, consumers could reduce system costs by 45%.\textsuperscript{4125}

In November 2009, Governor Rendell expected Small Business Energy Efficiency grants awarded to 165 small businesses in 43 Pennsylvania counties to decrease their energy bills by 48% and save $1.8 million annually in energy related costs.\textsuperscript{4126} The grant program awarded $2.3 million to 218 companies in 2009. These businesses were expected to save more than $2.2 million in the first year of operation and more than $22 million over the life of the new technologies they incorporated.\textsuperscript{4127} Eligible projects included purchasing and installing geothermal heat pumps, energy efficient HVAC systems, lighting and refrigeration systems, insulation, and air sealing projects.\textsuperscript{4128}

On November 17, 2009, Governor Rendell announced that he had approved more than $23 million for 36 new solar and other alternative and clean energy projects, including solar energy programs; LEED, mixed-use, high-performance building constructions; photovoltaic electricity projects; geothermal heat pump projects; and a biomass processing and densification facility.\textsuperscript{4129}

On the same day, Governor Rendell announced that Conservation Works!, a $22 million competitive grant program funded by ARRA, would help local government and

\textsuperscript{4123} Id.
\textsuperscript{4124} Id.
\textsuperscript{4125} Id.
\textsuperscript{4127} Id.
\textsuperscript{4128} Id.
non-profit organizations improve energy efficiency, curb energy consumption, and reduce energy costs by at least 25%. This program was expected to save more than 570 million kilowatt hours of electricity, generate an additional 14.4 million kilowatt hours, and reduce natural gas use by 2.1 million thousand cubic feet over the lifetimes of the projects it funded. More than $15.3 million would be distributed to 99 local government projects in 48 counties with the remainder going to non-profit organizations. Five projects would use solar and wind technology to generate enough electricity to power more than 1,400 homes for one year. Conservation Works! provided grants of up to $250,000 to individual local government and non-profit entities and $500,000 for combined government projects to conserve or reduce energy use. The program covered Pennsylvania boroughs, towns, and cities with fewer than 35,000 residents and counties with fewer than 200,000 residents.

Nine new large-scale heat and power projects were approved in December 2009, receiving $12 million from ARRA through Pennsylvania’s Green Energy Works! program. The combined heat and power (CHP) projects were expected to create nearly 15 MWs of power capacity and generate more than 1.8 million MW hours of electricity over their lifetime and reduce carbon dioxide emissions by more than 1.1 million tons. Putting the generated power to more efficient use onsite would reduce electricity draws and increase the stability of local power distribution networks. Heat is a byproduct of conventional power generation but that heat is often wasted, but CHP projects recycle that thermal energy and put it to beneficial use such as heating buildings and water, processes that would typically require the use of additional forms of energy.

According to the American Wind Energy Association, Pennsylvania ranked second in the nation for wind industry growth during the second and third quarters of 2009. In December 2009, Governor Rendell announced that the Green Energy Works! Wind program was open to projects located in Pennsylvania using grant funds matched with private investments for wind energy systems of at least 3 MWs of capacity and using Pennsylvania goods and services to the greatest extent possible. ARRA funding of $19.8 million was available for large-scale wind projects for purchasing and installing

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4131 Id.
4132 Id.
4133 Id.
4134 Id.
4135 Id.
4136 Id.
4138 Id.
4139 Id.
4140 Id.
4142 Id.

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equipment for producing wind energy or distributing energy by covering interconnection costs and network upgrades.\textsuperscript{4139}

Also in December 2009, more than $10 million were awarded for twelve new solar energy projects in Adams, Allegheny, Chester, Cumberland, Dauphin, Luzerne, Montgomery, and Philadelphia Counties.\textsuperscript{4140} The total installed capacity of the planned projects was about 9.1 MWs, or enough to power approximately one thousand homes.\textsuperscript{4141}

Investments for six projects, totaling $15 million, were awarded through the PEDA with funds made available through the settlement of a ratepayer case between Duquesne Light Company and the Public Utility Commission (PUC).\textsuperscript{4142} The six grants would generate more than 20.3 million kilowatt hours of electricity and reduce carbon emissions by more than 1,330 tons per year.\textsuperscript{4143}

Governor Rendell announced in December 2009 that $5 million in grants would go to eight innovative alternative energy projects using biological materials, such as sewage and animal and food processing waste, to generate enough energy to power more than 80,000 homes.\textsuperscript{4144} ARRA funds and $22 million in private investments supported the Green Energy Works! Biogas initiative. The eight projects receiving grants were expected to generate more than 470,000 MW hours of electricity over their lifetimes (the equivalent of 3,183 million cubic feet of natural gas) and reduce the amount of GHGs emitted by 237,000 tons of carbon dioxide.\textsuperscript{4145}

Green Energy Works! also provided funding to other projects in December 2009. Schreiber Foods Inc. received $1,250,000 to install a 1.1 MW biogas-powered energy recovery system at a dairy plant expansion project to increase its food processing production waste up to three times its current level and generate electricity for internal use.\textsuperscript{4146} The Derry Township Municipal Authority received $500,000 to use excess biogas from an anaerobic digester to fuel an internal combustion engine and generate electricity to heat buildings at the plant.\textsuperscript{4147} Anergy Inc. received $254,382 to construct anaerobic digesters and improve manure management at three small dairy farms and the biogas produced by the digesters would be used to generate electricity for on-farm

\textsuperscript{4139} \textit{Id.}
\textsuperscript{4141} \textit{Id.}
\textsuperscript{4142} \textit{Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Announces $1.5 Million in Grants to Fund Innovative Green Energy Projects} (Dec. 18, 2009), \url{http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=2461&typeid=1}.
\textsuperscript{4143} \textit{Id.}
\textsuperscript{4145} \textit{Id.}
\textsuperscript{4146} \textit{Id.}
\textsuperscript{4147} \textit{Id.}
The Hermitage Municipal Authority received $350,000 to expand the average monthly capacity of the Bobby Run Water Pollution Control Plant and upgrade the existing anaerobic digester to allow acceptance of alternative feedstock such as restaurant and grocery store waste, grease trap waste and septage and the increase in biologically derived methane gas would be harnessed to produce electricity. Furmano Foods Inc. received $850,000 to expand the company’s wastewater treatment plant to use methane gas produced from organic waste to generate electricity and supply a portion of the facility’s electrical needs. Ideal Family Farms LLC received $433,716 to install an anaerobic digester to capture biogas from animal manure to fuel an internal combustion engine and produce electricity for use in barn heaters during the winter as a replacement for propane gas. NativeEnergy Inc. received $893,752 to construct biodigesters on five dairy farms; the resultant biogas would be used for power and thermal energy production. The York City Sewer Authority received $500,000 to replace an obsolete internal co-generation system with a more efficient micro-turbine system. The methane naturally produced during the wastewater treatment process would power a generator and produce electricity for plant operations.

During the 2009-2010 program year, the Department of Public Welfare expected to assist approximately 600,000 families with cash grants (averaging $326 per family) from the Low-Income Home Energy Assistance Program (LIHEAP), a program designed to keep low-income families warm by helping pay eligible households’ heat during the winter months. Crisis grants were offered to resolve heating emergencies, such as furnace failures or unexpected fuel shortages. In addition to proof of income and household size, applicants were required to provide a recent bill or a statement from their fuel dealer verifying their customer status and the type of fuel used.

2010: Renewable Energy, Energy Efficiency, Market-Based Solutions, Renewable Portfolio Standards, and Transportation/Fuels

In January 2010, Governor Rendell announced that eight large-scale solar projects totaling more than 10 MWs of generation capacity would be funded via the Green Energy Works! Solar program and with $9.5 million funding from ARRA. Additionally, the Department of Labor & Industry and Workforce Investment Boards, in partnership with employers and other workforce development professionals, would use a $6 million grant...


A February 2010 study showed that two Pennsylvania General Assembly proposals – H.B. 80 and S.B. 92 \footnote{H.B. 80, 2009 Leg., Reg. Sess. (2010), http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2009&sessIn d=0&billBody=H&billTyp=B&billNbr=0080&pn=2413. S.B. 92, 2009 Leg., Reg. Sess. (2010), http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2009&sessIn d=0&billBody=S&billTyp=B&billNbr=0092&pn=0683.} would increase the Pennsylvania Alternative Energy Portfolio Standard (AEPS) law’s clean energy requirements from 8 to 15% from 2021 through 2026 and would require 3% of electricity to come from solar photovoltaic panels by 2026.\footnote{New Study Shows Greater Clean Energy Use Will Create Jobs, Save Consumers Billions, PR NEWSWIRE (Feb. 3, 2010), http://www.prnewswire.com/news-releases/governor-rendell-new-study-shows-greater-clean-energy-use-will-create-jobs-save-consumers-billions-83486717.html (original press release not found).} The proposals would also require that 3% of energy purchased by electric distribution companies come from coal-fired power plants that can connect to carbon sequestration facilities and use the latest technology to reduce emissions.\footnote{Id.}

Thirteen new solar energy projects received investments of more than $5 million from the Alternative Energy Investment Fund in February 2010, which was expected to generate enough electricity to power approximately 500 homes.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., New Solar Energy Investments to Help Businesses, Municipalities Conserve Energy, Cut Expenses (Feb. 22, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=9282&typeid=2.} The thirteen recipients included: Terradime; VS Solar LP; SEC BESD Solar One LLC; Integrys Energy Services; West Chester Borough; Allen Distribution LP; UGI Development Co.; Axion Power Manufacturing Inc.; Montoursville Area School District; Orion Energy Systems Inc.; Sterman Masser Inc.; and Positive Energy Pennsylvania 1 LLC.\footnote{Id.} The Reinvestment Fund (TRF), a financial management firm with a successful track record of investing in green technologies and sustainable forms of energy, was
chosen to manage the Green Energy Revolving Loan Fund to support cost-effective, energy conservation, and renewable energy projects in existing, non-residential buildings.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Says Proven Investment Firm Selected to Manage New Green Energy Revolving Loan Fund (Feb. 24, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=9332&typeid=1.} ARRA would provide $12 million for the Green Energy Revolving Loan Fund on the condition that any firm applying provide a minimum match of $18 million in private funds. TRF committed to investing $36 million, raising the total in the fund to $48 million.\footnote{Id.}

Six projects were approved to receive $5 million in funding in March 2010 from the Commonwealth Financing Authority. The projects were to be built in counties across the state, and included three geothermal system installations, two biofuel projects, and one study of the feasibility of mixed-income housing in Pittsburgh that could reduce utility consumption by up to 90% for its occupants.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., State Investments Helping to Replace Inefficient Systems, Foreign Oil with Cleaner Geothermal, Biofuel Alternatives (Mar. 31, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=10184&typeid=2.}

Also in March 2010, Small Business Advantage Grants provided small businesses (fewer than one hundred employees) with 50% matching reimbursement grants of up to $7,500 for projects saving at least 20% annually in pollution prevention or energy-related costs.\footnote{Grants Will Help 202 Small Businesses Save Nearly $2 Million Annually on Pollution, Energy Costs, PR NEWSWIRE (Mar. 31, 2010), http://www.prnewswire.com/news-releases/governor-rendell-grants-will-help-202-small-businesses-save-nearly-2-million-annually-on-pollution-energy-costs-89598012.html (original press release not found).} More than 200 small businesses were eligible for projects like HVAC and boiler upgrades; high-efficiency lighting; solvent recovery and waste recycling systems; and auxiliary power units that help large trucks reduce time spent with idling engines.\footnote{Id.}

Opening April 21, 2010, the Pennsylvania Home Heating Equipment Rebate Program was expected to help as many as 33,000 households to purchase ENERGY STAR® rated, non-electric residential hot water heaters, furnaces, and boilers through a new rebate program.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell New Home Heating Equipment Rebate Program to Open April 21 Details Now Available Online (Apr. 6, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=10411&typeid=1.} The $11 million program was funded through ARRA, and the rebates available ranged from $100 to $500, depending on the equipment’s efficiency rating.\footnote{Id.}

projects would produce 5.8 million gallons of biofuel. As a result of these innovative projects, Pennsylvania expected carbon dioxide emissions to decrease by 34.4 million pounds annually.\footnote{Id.}

In July 2010, the Ben Franklin Technology Development Authority approved a total of $27 million in investments. These investments included an annual allocation from the Alternative Energy Development Program to the four Ben Franklin Technology Partners.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Says Latest Round of Investments Will Support Alternative Energy, Early-Stage Businesses and Entrepreneurs (July 22, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=13042&typeid=2.} The allocation is part of the $650 million Alternative Energy Investment Fund agreement that Governor Rendell signed in July 2008. Each partner was scheduled to receive $10 million by 2015.\footnote{Id.}

On November 16, 2010, the Commonwealth Financing Authority approved nearly $7.9 million in grants and loans for twelve projects in ten counties that use energy-efficient technologies like cogeneration energy plants and alternative forms of power such as wind, geothermal, and biomass. In total, the projects accounted for $34.2 million in private investments and, once completed, would save citizens, businesses, and local governments nearly $2.7 million annually in energy costs.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., New PA Investments in Alternative, Clean Energy Saving Businesses, Consumers in 10 Counties $2.7 Million (Nov. 16, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=15245&typeid=2.}

Also in November 2010, the Pennsylvania DEP noted that the National Renewable Energy Laboratory’s latest photovoltaic survey ranked Pennsylvania as third in the nation for the number of operating solar projects and fourth in terms of installed capacity.\footnote{Id.} More specifically, the survey showed that Pennsylvania had 2,434 projects producing up to 38.5 MWs of electricity, putting it behind only California and New Jersey. Pennsylvania had met its goal of becoming a top-five solar state ahead of schedule.\footnote{Press Release, Pa. Dep’t of Envtl. Prot., New Figures Show PA Exceeds its Goals for Solar Among National Leaders in Solar Projects, Energy Capacity (Nov. 23, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=15417&typeid=1.}

On December 2, 2010, the PUC approved an updated time-of-use rate for Pennsylvania Power and Light residential and small business consumers. The voluntary program would assess a higher rate for peak usage and a lower rate for off-peak electricity use.\footnote{Id.}

On December 16, 2010, the Pennsylvania DEP announced that ninety small businesses across Pennsylvania would receive more than $560,000 in grants with an additional $1.1 million in leveraged private investments to fund energy-saving projects. The grants were made possible by the Small Business Advantage Program, which

\footnotesize{\begin{itemize}
\item \footnote{Press Release, Pa. Dep’t of Envtl. Prot., Governor Rendell Says Latest Round of Investments Will Support Alternative Energy, Early-Stage Businesses and Entrepreneurs (July 22, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=13042&typeid=2.}
\item \footnote{Press Release, Pa. Dep’t of Envtl. Prot., New PA Investments in Alternative, Clean Energy Saving Businesses, Consumers in 10 Counties $2.7 Million (Nov. 16, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=15245&typeid=2.}
\item \footnote{Press Release, Pa. Dep’t of Envtl. Prot., PUC Approves Updated Time-of-Use Rate (Dec. 2, 2010), http://www.portal.state.pa.us/portal/server.pt/community/newsroom/14287?id=15414&typeid=2.}
\end{itemize}}
matches 50% of a project’s cost by providing up to $7,500 in grants.\textsuperscript{4178}

\textbf{2011: Renewable Energy, Energy Efficiency, and Transportation/Fuels}

The Pennsylvania DEP announced in April 2011 that it had awarded more than $538,000 in Environmental Education Grants to 102 non-profit organizations, schools, universities, and conservation districts. The Environmental Education Act of 1993 established the grant program. Projects included hosting sustainability workshops and holding nature programs for children.\textsuperscript{4179}

The Pennsylvania DEP’s Alternative Fuels Incentive Grant Program began accepting applications for projects in April 2011. Eligible projects used or produced biofuels, alternative fuels, and alternative fuel vehicles, or deployed fuel-saving technology in the transportation sector. Eligible recipients included school districts, municipal authorities, nonprofit entities, and others.\textsuperscript{4180}

On May 7, 2011, adopting a widely replicated tactic to educate the public and stimulate emerging markets, Pennsylvania’s Air Quality Partnership held an event to promote alternative energy lawnmowers. One hundred and forty registrants received a $50 voucher and additional incentives from participating manufacturers. Sustainable Waste Solutions provided disposal services for old, donated lawnmowers.\textsuperscript{4181}

In October 2011, the Pennsylvania DEP awarded more than $4.4 million in Alternative Fuels Incentive Grants, funded by the state’s annual utilities gross tax receipts, to twelve projects across the state. The projects were designed to develop Pennsylvania’s natural gas and electric vehicle infrastructure and achieve emissions reductions equivalent to removing 10,000 cars from the road.\textsuperscript{4182}

The Pennsylvania DEP announced on September 18, 2011 that it would offer grants to small businesses through August 29, 2011 to help offset 50% of the cost of adopting or acquiring energy-efficient or pollution prevention equipment or processes, up to a maximum of $7,500. The grants were awarded through the DEP’s Small Business Advantage Grant program. Among other requirements, eligible projects were required to

save the business at least 25%, plus $1,000 annually in energy or pollution-related expenses.\footnote{4183}

PEDA announced in September 2011 that it had awarded $3.7 million in grants to thirteen projects across the state working to develop and implement clean energy.\footnote{4184}

Pennsylvania was one of nine states to join the Northeast Electric Vehicle Network in October 2011 to increase economic growth and help the states reduce their GHG emissions.\footnote{4185} The Network focuses on building infrastructure for clean vehicles and fuels as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont.\footnote{4186} The Network is part of the Transportation and Climate Initiative (TCI), a regional collaboration between twelve Northeast and Mid-Atlantic states that aims to reduce GHG emissions from the transportation sector and develop the clean energy economy.\footnote{4187} The TCI was launched in June 2010 and is facilitated by the Georgetown Climate Center.\footnote{4188} A nearly $1 million Electric Vehicle Readiness Grant from the DOE was awarded to New York State Energy Research and Development Authority (NYSERDA) on behalf of the TCI in September 2010 to fund the Network’s efforts to deploy electric vehicles throughout the Northeast.\footnote{4189}

In November 2011, the Department of Community and Economic Development (DCED) announced significant investments in alternative energy projects in eight counties in Pennsylvania.\footnote{4190} The projects, part of the Alternative and Clean Energy Program and the Renewable Energy Program, were administered jointly by the DEP and the DCED and were expected to spur an additional $58 million in economic investments across the state.\footnote{4191}
2012: Transportation/Fuels, Market-Based Solutions, Climate Change MOUs, Renewable Energy, and Energy Efficiency

The Pennsylvania PUC and DEP began working together to implement the Natural Gas Energy Development Program. Act 13 of 2012 authorized the DEP to distribute up to $20 million in grants to help municipal and commercial fleets convert to natural gas. The agencies solicited stakeholders’ questions online and via regional seminars and workshops in an effort to ease the transition process.

In March 2012, the Pennsylvania PUC also updated its net metering standards by allowing “operators” to include customer-generators who contract with third parties to operate the alternative energy system on the customer-generator’s property. However, such a system, operated by the third party, cannot be designed to generate more than 110% of the customer-generator’s yearly energy consumption.

Also in March 2012, Pennsylvania signed a memorandum of understanding (MOU) with several other Great Lakes States and federal agencies regarding offshore wind energy. The MOU required regulatory agencies to disclose and share their regulatory regimes for offshore wind projects to facilitate coordination.

In July 2012, the Pennsylvania DEP announced a new renewable energy source in use in the state. The Antrim Treatment Plant in Tioga County is now powered exclusively by acid mine water that passes through a hydroelectric turbine. The wastewater is the result of nearby severe acid mine drainage which had polluted Pine Creek and Babb Creek. In 2012, 400 gallons per minute of wastewater passed through the turbine, generating enough electricity to eliminate $12,000 in electricity costs.

On July 5, 2012, Governor Tom Corbett signed H.B. 807 into law, which amended the Biofuel Development & In-State Production Incentive Act of 2008. The 2012 amendments defined and described the approved biodiesel blending method and

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4193 Id.
4194 Id.
4196 Id.
4198 Id.
4200 Id.
4201 Id.
4202 Id.
specified the American Society for Testing and Materials (ASTM) standard for biodiesel blends below 6% biodiesel, between 6% and 20% biodiesel, and above 20% biodiesel. \(^{4204}\) The amendments also contained new registration requirements and enforcement provisions. \(^{4205}\)

On August 2, 2012, the Pennsylvania PUC adopted an order to implement Phase II of Act 129 of 2008, requiring utilities in the state with over 100,000 customers to adopt and implement energy efficiency and conservation measures. \(^{4206}\) Phase II set further company-specific consumption reduction targets which will become final for any covered electric distribution company unless the electric distribution utility petitions the Commission for an evidentiary hearing before August 20, 2012. \(^{4207}\) The electric distribution utilities that petitioned the Commission for an evidentiary hearing were: Peco Energy Company, PPL Electric Utilities Corporation, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power.

Pennsylvania participates in the DOE’s Wind for Schools program. \(^{4208}\) Utilizing federal funds, the Pennsylvania Wind for Schools project collaborates with Penn State University to select school districts from across the state to host wind turbines. \(^{4209}\) After the first round of applications, Northwestern Area School District in Albion, Pennsylvania was selected for a wind turbine installation in September 2012 along with three other host schools. \(^{4210}\)

### 2013: Energy Efficiency and Greenhouse Gas Reduction

The Pennsylvania DEP announced the second round of grantees under the Small Business Advantage grant program for energy efficiency and pollution-prevention grants in January 2013. \(^{4211}\) Thirty-two small business recipients in sixteen counties were awarded a total of $239,809. \(^{4212}\) The third round of grantees under the Small Business Advantage Grant program for energy efficiency and pollution-prevention grants took place in March 2013. \(^{4213}\) Spanning twenty-four counties, thirty-six businesses were

\(^{4204}\) Id. at (1), (2).
\(^{4205}\) Id. at (3).
\(^{4207}\) Id. at 120.
\(^{4209}\) Id.
\(^{4210}\) Id.
\(^{4212}\) Id.
\(^{4213}\) Id.
awarded $290,010 in grants for installation of energy efficiency improvements such as high efficiency HVAC and insulation upgrades, high efficiency lighting, and energy-efficient heat pumps auxiliary power units to reduce idling in trucks.\textsuperscript{4214} The Small Business Advantage Grant program provides 50% matching reimbursements up to $9,500 for projects that are able to save 25% per year in pollution prevention or energy costs.\textsuperscript{4215}

On May 13, 2013 Governor Corbett announced, “more than $6.7 million in Act 13 funding would be awarded to 18 companies and organizations making the switch to natural gas for their heavy-duty fleet vehicles.”\textsuperscript{4216}

On December 31, 2013, in accordance with the Pennsylvania Climate Change Act, the Pennsylvania DEP submitted to Governor Corbett and the Pennsylvania state legislature the \textit{Climate Change Action Plan Update}.\textsuperscript{4217} The Plan focused on Pennsylvania’s emission-reduction efforts including the DEP implementing new, more stringent requirements for reducing methane emissions from the natural gas industry, fuel incentives, solar rebates, energy efficiency programs, and the preservation of forests and open space.\textsuperscript{4218}

\textbf{2014: Renewable Energy and Transportation/Fuels}

Governor Corbett announced on January 28, 2014 that Pennsylvania’s Commonwealth Financing Authority (CFA) would invest more than $4.5 million in grants to advance clean and alternative energy sources.\textsuperscript{4219} The CFA approved projects include funding for six compressed gas-fueling stations, and they estimated that the investments would result in more than $16.7 million in additional economic investments.\textsuperscript{4220}

\textbf{RHODE ISLAND}

\textbf{2001: Climate Change Agreement and Greenhouse Gas Reduction}

In August 2001, Rhode Island agreed, under the auspices of the New England Governors and Eastern Canadian Premiers, to a voluntary short-term goal of reducing

\begin{footnotesize}
\begin{enumerate}
\item \textit{Id.}
\item \textit{Id.}
\item \textit{PA. DEP’T OF ENVTL. PROT., PA. CLIMATE CHANGE ACTION PLAN UPDATE} (2013), \url{http://files.dep.state.pa.us/energy/Office%20of%20Energy%20and%20Technology/OETDPortalFiles/Climate%20Change%20Advisory%20Committee/Final_Clim ate_Change_Action_Plan_Update.pdf}.
\item \textit{Press Release, Office of the Governor, New Alternative, Clean Energy Investments to Improve Environment; Encourage Domestic Energy Usage} (Jan. 28, 2014), \url{http://www.pa.gov/Pages/NewsDetails.aspx?agency=Governors%20Office&item=15225#.UyYqC_0iWDI}.
\end{enumerate}
\end{footnotesize}
regional greenhouse gas (GHG) emissions to 1990 levels by 2010 and by 10% below 1990 levels by 2020. In order to achieve these goals, the Rhode Island Department of Environmental Management and the State Energy Office organized a meeting of over thirty diverse stakeholders to create a state climate change action plan.


Since 2005, Rhode Island has offered a personal tax credit of 25% for the cost of residential alternative energy systems. Furthermore, for the purposes of local property tax assessments, solar-powered systems cannot be assessed at a value more than that of conventional electric generators. Most renewable power generators are also exempt from Rhode Island’s sales-and-use tax.

Also since 2005, Rhode Island has required utilities to disclose to their customers their power sources, including the percentage of energy sold from renewable energy generators. Utilities must also charge their customers $0.0003 per kilowatt-hour of energy to be reserved for Rhode Island’s Renewable Energy Fund, which supports renewable energy projects and incentives for alternative power sources. Finally, all utilities must sell 3% of their electricity from renewable power generators before 2008, 4.5% before 2011, and 16% before 2020.

Rhode Island also set minimum efficiency standards for 21 appliances. Some of these appliance standards were based on the voluntary U.S. EPA and DOE’s ENERGY STAR® standards and California’s appliance standards. Rhode Island also adopted sections of the California Low Emission Vehicle program applying to passenger cars, light-duty trucks and medium-duty vehicles into its own Low Emission Vehicle program in 2005.

2007: Renewable Portfolio Standards, Cap & Trade, and Greenhouse Gas Reduction

In January 2007, Governor Donald Carcieri announced that Rhode Island would join the Regional Greenhouse Gas Initiative (RGGI). As a member of RGGI, Rhode Island agreed to cap emissions at current levels between 2009 and 2015 and to reduce

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4224 Id.
4225 Id.
4227 R.I. GEN. LAWS § 39-2-1.2(b) (2005).
4228 Id. § 39-26-1 (2005).
levels by 10% by 2018. In July 2007, Governor Carcieri signed H.B. 5577, An Act Relating to Health and Safety – Implementation of the Regional Greenhouse Gas Initiative Act, which mandated that the Department of Environmental Management (DEM) create a cap-and-trade program consistent with the requirements of RGGI. The cap-and-trade regulations must ensure that 100% of the issued allowances be sold in an open auction.

In May 2007, Rhode Island and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”


The Metro Bay Partnership, a subsidiary of Rhode Island’s Coastal Management Council, addressed sea-level rise in its meeting on March 24, 2008. In its development of the Metro Bay Special Area Management Plan, the partnership considered a prediction of sea-level rise by three to five feet over the next ninety years. It found it necessary to adopt policies in anticipation of such sea-level rise.

In support of the state’s renewable portfolio standard, Governor Carcieri ordered the Rhode Island government to purchase 20% of its energy from renewable sources by 2011. In June 2008, he announced the creation of the Wind Energy Proposal Evaluation Team to choose one out of seven proposals to construct an offshore wind farm. After vetoing the General Assembly’s renewable energy bill in June 2008, he urged the Public Utilities Commission to mandate National Grid, an electric utility company, to enter into long-term contracts with renewable energy generators.

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale. Each of these allowances sold at a clearing price of $3.07, raising...

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4232 R.I. GEN. LAWS §§ 23-82-1 et seq.
4233 Id.
a total of $38,575,783. These proceeds would be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances. The second auction took place on December 17, 2008 and each of the ten states participated. All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances. The clearing price was $3.38 per allowance, raising a total of $106.5 million.

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector. Specifically, they stated their intent to incorporate a Low Carbon Fuel Standard (LCFS) into the RGGI agreement, which requires reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.


Governor Carcieri signed a joint development agreement with Deepwater Wind to construct an offshore wind farm on January 8, 2009. Once constructed, the farm will provide 15% of Rhode Island’s electricity demand. During the construction process, a manufacturing facility will be built in Quonset, generating 800 jobs with annual wages of $60 million. With construction slated to begin in 2010, the farm will be the first offshore wind farm in North America.

On February 26, 2009, Governor Carcieri certified Rhode Island’s commitment to participate in the State Energy Program under the American Recovery and Reinvestment Act (ARRA). To ensure this commitment, he sent letters to the state’s Public Utilities Commission (PUC), urging the PUC to consider actions other than current programs to encourage energy efficiency. He also sent letters to the General Assembly, urging consideration of improving building energy codes.

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4242 Id. at 1.
4243 Id.
4244 Id.
4245 Regional Greenhouse Gas Initiative, CO₂ Auctions, Auction Results, Auction Reports, http://rggi.org/co2-auctions/results/auction_1_reports.
4246 Id.
4249 Id. at 1.
4251 Id.
4252 Id.
announced that $3.22 million would go toward fourteen projects that will protect a total of 1,310.5 acres from development.\textsuperscript{4253}

On March 12, 2009, the U.S. Department of Energy announced that Rhode Island was eligible for $23,960,000 under the State Energy Program of the ARRA.\textsuperscript{4254}

The third RGGI auction was held on March 18, 2009.\textsuperscript{4255} The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse at future market prices for RGGI allowances.\textsuperscript{4256} Prices fell at the fourth auction to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.\textsuperscript{4257}

In April 2009, the Department of Environmental Management received $1.73 million in ARRA funding for its Clean Diesel Program.\textsuperscript{4258} This funding would replace or retrofit government-owned diesel equipment in order to reduce emissions. Governor Carcieri announced that it would allow the state and its cities and towns to replace or retrofit 255 vehicles, reducing emissions by 1.8 tons per year.\textsuperscript{4259}

In order to protect their state’s wind technology, Governor Carcieri and other governors wrote a May 2009 letter to Congress communicating their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\textsuperscript{4260} In another May effort to protect local industry while reducing transportation emissions and preserving open space, Governor Carcieri and the state’s Department of Environmental Management launched a program to promote locally grown crops.\textsuperscript{4261}

Also in May 2009, Governor Carcieri also signed an agreement with a coalition of


\textsuperscript{4256} Id.

\textsuperscript{4257} Regional Greenhouse Gas Initiative, Auction Results, http://www.rggi.org/co2-auctions/results.


\textsuperscript{4259} Id.

\textsuperscript{4260} Letter from Donald L. Carcieri, Governor (R.I.), Deval Patrick, Governor (Mass.), Jack Markell, Governor (Del.), John Baldacci, Governor (Me.), Martin O’Malley, Governor (Md.), John H. Lynch, Governor (N.H.), Jon S. Corzine, Governor (N.J.), David A. Paterson, Governor (N.Y.), James H. Douglas, Governor (Vt.), and Timothy M. Kaine, Governor (Va.) to Harry Reid, Majority Leader (U.S. Senate), Mitch McConnell, Minority Leader (U.S. Senate), Nancy Pelosi, Leader (U.S. House of Representatives), and John Boehner, Minority Leader (U.S. House of Representatives) (May 4, 2009), http://www.gov.ri.gov/documents/EastCoastGovsTransmissionLtr.pdf.

\textsuperscript{4261} Press Release, Governor Carcieri Encourages Rhode Islanders to GET FRESH. BUY LOCAL (May 5, 2009), http://www.ri.gov/GOVERNOR/view.php?id=8816.
other governors to support federal climate change legislation. The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.

On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

In a June 2009 effort to promote renewable energy use, Governor Carcieri signed H.B. 7606, requiring the state’s electric distribution companies to enter into long-term contracts with renewable energy producers. He stated, “Enacting this law will accelerate our efforts to be the first state in the nation to have an offshore wind farm...” Shortly thereafter, Deepwater Wind, the developer of the wind farm, agreed to 10-year leases of 117-acres of property for its offshore project.

Governor Carcieri joined other New England governors in pursuing the development of high-speed rail in this region in July 2009. He also supported renewable energy use by signing H-5461A, which authorized net metering for solar and wind at three different capacity limits.

Various stimulus grants were awarded at the end of October 2009, including $250,000 for energy auditor training and $12 million for building weatherization. The Office of Energy Resources also applied for $2.3 million to go towards weatherization of

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4264 The Western Climate Initiative dissolved in November of 2011 starting with the formal withdrawal of Arizona from the program and followed by the informal withdrawal of five other states, leaving only California and four Canadian provinces left in the agreement. Michael A. Nesternoff, The Western Climate Initiative is Dead, Long Live the WCI, Lexology (Nov. 23, 2011), http://www.lexology.com/library/detail.aspx?g=16aa30c5-63ab-406c-a3f7-100b3eae557.
4267 Id.

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homes above the low-income line.  

Deepwater Wind and National Grid signed a 20-year, power-purchase agreement subject to the review and approval of the Rhode Island Public Utilities Commission in December 2009 becoming the nation’s second power-purchase agreement (PPA) for renewable, offshore wind energy. National Grid agreed to purchase the energy generated from Deepwater Wind’s Block Island Wind Farm at 24.4¢ per kilowatt hour in the first full year of operation and escalating at 3.5% per year thereafter. Deepwater Wind planned to develop two wind projects, producing 1.32 million megawatts of power annually. The Block Island Wind Farm would be about three miles off the southeastern coast of Block Island in state waters, including up to eight turbines and providing approximately one percent of Rhode Island’s energy needs. Another large-scale wind farm, not covered by the PPA, would be placed in federal waters about 15 miles from nearest landfall with about 106 turbines.

In December 2009, the Department of Environmental Management (DEM), in partnership with the Town of Narragansett, began negotiations with Chevron Energy Solutions Co. (Chevron ES) to construct, operate, and maintain onshore wind turbines on state and/or town properties in Narragansett. In April, the state and town sent out a joint Request for Proposals (RFP) for experienced developers interested in constructing onshore wind turbine projects in Narragansett and Chevron ES was one of four responding firms. No state or municipal funds were required to site and construct the turbines under Chevron ES’s proposal, designed to provide a sustainable energy supply to meet the needs of the state and town while maximizing potential revenue over the life of the generating facility. The energy produced from these sites would power DEM facilities at the Port of Galilee and state camping and beach facilities located in Narragansett as well as the town’s sewage treatment plant and other municipal needs.

2010: American Recovery & Reinvestment Act (ARRA), Renewable Energy, Climate Change Agreement (MOU), and Energy Efficiency

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4274 Id.
4275 Id.
4276 Id.
4278 Id.
4279 Id.
4280 Id.
The Office of Energy Resources announced in January 2010 that it would accept grant applications for non-utility scale renewable energy projects. The grants, funded through ARRA, were available to residents, businesses, municipalities, non-profit organizations, academic institutions, totaling $8,395,000. The grants would help pay up to 25% of the up-front costs of renewable energy projects, including, for example, solar, wind, and hydro installations. Residents could apply for a maximum of $10,000 for up to a quarter of the project on their property. Businesses could apply up to a total of $500,000 for projects. Municipalities and institutions, with 1000 or more persons, could apply for a maximum of $750,000 for projects.

Forty-five businesses, municipalities, non-profit organizations and private citizens throughout Rhode Island received $3.3 million in ARRA funding for renewable energy projects. Examples of projects include solar, wind, geothermal, and hydro installations, as well as any other proven and accepted renewable energy systems. Residents were eligible to apply for a maximum of $10,000 of grant funding representing up to a quarter of the cost of a renewable energy project on their property. Businesses could apply for up to $500,000 for projects, and municipalities and institutions that serve or house 1000 or more persons, were eligible to apply for a maximum of $750,000.

On June 8, 2010, Governor Carcieri joined the governors of Maine, New Hampshire, Massachusetts, New York, New Jersey, Delaware, Maryland, Virginia, and North Carolina in signing a memorandum of understanding (MOU) with the U.S. Department of Interior formally establishing an Atlantic Offshore Wind Energy Consortium. This consortium was tasked with developing an action plan that sets forth priorities, goals, specific recommendations and steps for achieving the objectives outlined in the agreement. Task forces were formally established with Rhode Island, Massachusetts, New Jersey, Virginia, Delaware, and Maryland, and are in process for New York, South Carolina, and Florida.

Also in June 2010, the Rhode Island General Assembly amended legislation relating to Public Utilities and Carriers, clarifying its original intent to encourage and promote clean, independent, renewable energy through an offshore wind project. The
amendments required that a new Power Purchase Agreement (PPA) between National
Grid and Deepwater Wind be filed with the Public Utilities Commission (PUC) with a
decision rendered within 45 days, including public comment.4291 Additionally, the
legislation required the state’s Economic Development Corporation and Department
of Environmental Management to offer testimony before the PUC on the economic
development and environmental benefits of the project.4292

Deepwater Wind and National Grid signed a new 20-year PPA for electricity
generated from the Block Island offshore wind project wherein National Grid will
purchase the energy generated from Deepwater Wind’s Block Island Wind Farm at
a capped cost of 24.4¢ per kilowatt hour in the first full year of operation.4293 Proponents
expected the Block Island wind farm to provide approximately 1.3% of Rhode Island’s
electricity needs. Deepwater Wind also planned to build the aforementioned larger-scale
wind farm, with about 106 turbines, located in federal waters about 15 miles from nearest
landfall.4294 In October 2011, Deepwater Wind announced that it would begin
construction of its offshore wind farm located in Block Island sometime in 2013-2014.4295

In July 2010, Rhode Island hosted an Energy Efficient Appliance Rebate Program
funded by $442,000 from ARRA. Rebates ranging from $100 to $500 were available for
qualified energy efficient appliances and heating systems. 4296

Twenty-five businesses, municipalities, and non-profit organizations received a
total of $4.7 million funded through ARRA. The renewable energy projects included
biomass, solar, wind, geothermal, and hydroelectric installations.4297 Businesses could
apply for up to $500,000 for projects, and municipalities and institutions serving or
housing 1000 or more persons were eligible to apply for a maximum of $750,000.4298

Governor Carcieri and Massachusetts Governor Patrick signed a memorandum of
understanding (MOU) in July 2010 providing that the two states will coordinate and
collaborate in the permitting and development of offshore wind projects in a 400 square
mile “area of mutual interest” (AMI) beginning 12 miles southwest of Martha’s Vineyard
and extending 20 miles westward into Rhode Island Sound.4299 If they determine that this

4291 Id.
4292 Id.
4293 Press Release, Governor Carcieri Commends Deepwater and National Grid for New Power Purchase
4294 Id.
4295 Reuters, Deepwater to Build First Off-Shore Wind Farm, October 13, 2011),
4296 Press Release, Additional Funds for Rhode Island Energy Efficient Appliance Rebate Program (July 21,
4297 Press Release, Rhode Island Awards $4.7 Million in Recovery Act Grants for Renewable Energy
Projects to Businesses, Municipalities and Community Organizations (July 22, 2010),
4298 Id.
4299 Id.
4300 Press Release, Rhode Island and Massachusetts Sign Agreement to Collaborate on the Development of
AMI is favorable for utility-scale wind energy development, the MOU ensures approval by the governors of both states and economic benefits shared by both states on an equitable and fair basis.\(^\text{4300}\)


In March 2011, Governor Lincoln Chafee announced that the Rhode Island Economic Development Corporation (RIEDC) would provide a grant of $200,310 to fund a portion of predevelopment expenses for the proposed 10-15 megawatt solar farm in the City of East Providence.\(^\text{4301}\) Once the project is successfully developed, the city must repay the full grant amount. When operating at full estimated capacity, the solar farm would be one of the largest solar facilities in New England. It would also be built on reclaimed brownfields property.\(^\text{4302}\) As of October 2013, the project was 50% complete, with 6400 of the 12800 total panels installed.\(^\text{4303}\)

On August 18, 2011, the Bureau of Ocean Energy Management (BOEM) published a Notice of Intent (NOI) to prepare an environmental assessment (EA) for Commercial Wind Lease Issuance and Site Characterization Activities on the Atlantic Outer Continental Shelf (OCS) offshore Rhode Island and Massachusetts.\(^\text{4304}\)

Rhode Island was one of nine states to join the Northeast Electric Vehicle Network in October 2011.\(^\text{4305}\) The network aims to help the states to increase economic growth and reduce their GHG emissions. It focuses on building infrastructure for clean vehicles and fuels as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania and Vermont.\(^\text{4306}\) The network is part of the Transportation and Climate Initiative (TCI), a regional collaboration between twelve Northeast and Mid-Atlantic states that aims to reduce GHG emissions from the transportation sector and develop the clean energy economy.\(^\text{4307}\) The TCI was launched in June 2010 and is facilitated by the

\(^{4300}\) Id.


\(^{4302}\) Id.


\(^{4306}\) Id.

\(^{4307}\) Georgetown Climate Center, Transportation and Climate Initiative http://www.georgetownclimate.org/state-action/transportation-and-climate-initiative (Feb. 25, 2011).
A nearly $1 million Electric Vehicle Readiness Grant from the U.S. Department of Energy was awarded to the New York State Energy Research and Development Authority (NYSERDA) on behalf of the TCI in September 2010 to fund the network’s efforts to deploy electric vehicles throughout the Northeast.\footnote{Id.}

Also in October 2011, Rhode Island was named the fifth most energy-efficient state in the nation for 2011, tied alongside Washington and Vermont, as part of the State Energy Efficiency Scorecard published by the American Council for an Energy Efficient Economy.\footnote{Press Release, Northeast States Form Regional Electric Vehicle Network (Oct. 17, 2011), http://www.georgetownclimate.org/northeast-states-form-regional-electric-vehicle-network.}


In December 2011, Rhode Island Office of Energy Resources awarded the Department of Environmental Management (DEM) $1.5 million in federal stimulus funds to install solar panels at DEM facilities throughout the state.\footnote{Id.} The project aimed not only to save the state significant energy costs, but also to serve as an educational tool for the public through a web-based dashboard reporting system allowing interested users to follow the amount of solar electricity produced at two facilities.\footnote{Id.} Solar panels of varying specifications would be installed at Scarborough State Beach in Narragansett; Fishermen’s Memorial State Park and Campground in Narragansett; Misquamicut State Beach in Westerly; Burlingame State Park in Charlestown; Lafayette Fish Hatchery in North Kingstown; Dawley State Park in Exeter; Prudence Island Research Reserve; the Urban Edge Farm in Providence; and East Matianuck State Beach in South Kingstown.\footnote{Id.}

The Rhode Island Statewide Planning Program’s Planning Challenge Grant Program awarded nearly $1 million to fifteen state projects in February 2012 for regional
The Coastal Resources Center/Rhode Island Sea Grant program of the University of Rhode Island received $100,000 to create a comprehensive plan with the Town of Kingston that addresses climate change in relation to transportation and land use. The project would also list current projects in Rhode Island that address climate change together with transportation and land use issues in order to provide a model for other Rhode Island municipalities.


On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of $1.93. The auction generated $41.6 million in proceeds, which the RGGI participating states would invest in consumer-oriented energy efficiency initiatives.

In May 2012, the Department of Environmental Management (DEM) announced the opening of a new energy-efficient bathhouse pavilion at East Matianuck State Park. The facility employs a small wind turbine, roof-mounted solar panels, composting toilets, waterless urinals, a solar hot water system, and natural daylight and ventilation, and it is expected that the adaptations will reduce energy costs for the state by $5,200 annually. State funds, private Clean Air Act settlement funds, National Park Service Land and Water Conservation Funds, and ARRA funds financed construction of the pavilion.

The U.S. Department of Energy announced in June 2012 that Rhode Island, in collaboration with the University of Rhode Island, the Rhode Island Energy Efficiency and Resources Management Council and National Grid, had received $700,000 in funds to improve energy efficiency in state facilities. The project would inventory all state and municipal facilities and identify energy efficiency and operational enhancement opportunities.

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4317 Id.
4318 Id.
4320 Id.
4322 Id.
4323 Id.
4325 Id.
On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances.\textsuperscript{4326} The auction of the 20.9 million allowances generated $40.4 million in funds, and represented 57\% of the allowances offered for sale by all nine participating states.\textsuperscript{4327}

In July 2012, Governor Chafee announced the launch of RIEnergy.org, an online resource for residents, business owners and municipalities in Rhode Island created with the University of Rhode Island through the Renewable Energy Siting Partnership.\textsuperscript{4328} By centralizing renewable energy information and tools, RIEnergy allows users of all backgrounds to access raw data, to learn about alternative energy programs of interest, or research applicable incentives.\textsuperscript{4329}

In August 2012, the Rhode Island Economic Development Corporation (RIEDC) approved a $1 million loan guarantee to eNow Inc., which manufactures alternative energy equipment that reduces GHG emissions for trucks, buses and other heavy-duty commercial vehicles.\textsuperscript{4330} eNow qualified for the Job Creation Guaranty Program loan because it provides wages well beyond the program threshold requirement of 250\% of the minimum wage.\textsuperscript{4331} In February 2012, RIEDC had approved a similar $500,000 Renewable Energy Fund loan to Utilidata, Inc. for the company to relocate from Washington state and expand in Rhode Island.\textsuperscript{4332} Utilidata manufactures the AdaptiVolt Volt/VAR Optimization System that allows electric utilities to reduce electric demand, increase source reliability and enhance energy efficiency.\textsuperscript{4333}

On September 7, 2012, RGGI announced the results of its seventeenth quarterly auction for carbon dioxide allowances.\textsuperscript{4334} The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, which represented 65\% of the allowances offered for sale by all nine states.\textsuperscript{4335}

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In September 2012, Governor Chafee announced that $800,000 in competitive grant funds would be available for the study of the effects of climate change on marine

\textsuperscript{4327} Id.
\textsuperscript{4329} Id.
\textsuperscript{4331} Id.
\textsuperscript{4333} Id.
\textsuperscript{4335} Id.
The Rhode Island Science and Technology Advisory Council, in partnership with the National Science Foundation’s Experimental Program to Stimulate Competitive Research (EPSCoR), sought projects attempting to answer the questions of how climate change affects the stress responses and evolutionary potentials of marine life; marine cycles; and marine pathogens and parasites.

On November 19, 2012, RGGI reported that RGGI-related investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011. RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement and climate change adaptation programs.

2013: Renewable Energy, Renewable Portfolio Standards, Greenhouse Gas Reduction, Cap-&-Trade, and Climate Change Adaptation

On January 1, 2013, the Rhode Island Economic Development Corporation (RIEDC) promulgated rules and regulations for the Renewable Energy Development Fund programs for small-scale solar projects, commercial development of renewable energy, and pre-development feasibility studies. The project was funded by utility customers’ “system benefit charge” and Alternative Compliance Payments made by utilities or large energy consumers when they failed to purchase renewable energy credits under the state’s Renewable Energy Portfolio Standard. RIEDC accepted applications throughout 2013, awarding funds conditionally or outright in its discretion.

On January 15, 2013, the Bureau of Ocean Energy Management (BOEM) held a joint public information meeting on Rhode Island – Massachusetts proposed lease sale notice for offshore wind development areas.

On February 7, 2013, RGGI announced significant program improvements implemented in the Updated Model Rule after a two-year comprehensive program review. Improvements included a reduction of the 2014 regional cap by 45% from

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4337 Id.
4339 Id.
4341 Id. at 4.0.
4342 Id. at 5.0.
165 million to 91 million tons and a cap further declining by 2.5% each year from 2015 to 2020; additional adjustments to the cap from 2014 to 2020 in order to account for privately banked allowances, deemed “old” allowances starting in 2014; the creation of a cost containment reserve of allowances accessed only when the price of allowances in a given year exceeds a predetermined level; updates to the offsets program, including a protocol for forestry offsets; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year compliance period; and developing tools to track electricity imported into participating states from non-participating states in order to address those emissions.\textsuperscript{4345} Each RGGI state would implement these measures in their respective statutory regimes.\textsuperscript{4346}

On April 16, 2013, an independent market monitor of RGGI confirmed that there continues to be no material concerns regarding the auction process or the competitiveness of the secondary market for RGGI allowances.\textsuperscript{4347} During 2012, the average auction clearing price was $1.93 for carbon dioxide allowances.\textsuperscript{4348}

On June 4, 2013, the Bureau of Ocean Energy Management (BOEM) issued a revised environmental assessment (EA) for the wind energy area (WEA) offshore of Rhode Island and Massachusetts.\textsuperscript{4349} The EA indicated a finding of no significant impact (FONSI), concluding that wind lease issuance and related activities in the WEA would not significantly impact the environment.\textsuperscript{4350}

In July of 2013, Governor Chafee signed into law the Residential Property Assessed Clean Energy Program (PACE).\textsuperscript{4351} The PACE program is designed to help qualified homeowners to invest in energy efficiency and renewable energy improvements to property.\textsuperscript{4352} The PACE program addresses one of the major impediments to homeowner investment in renewable energy and energy efficiency installations, which is the access to capital funds to purchase and install the equipment needed.\textsuperscript{4353} The program functions through a special assessment on program assisted properties, the payment of which coincides with the payment of property taxes.\textsuperscript{4354}

\textsuperscript{4345}Id.  
\textsuperscript{4346}Id.  
\textsuperscript{4348}Id.  
\textsuperscript{4350}Id.  
\textsuperscript{4351}Rhode Island Residential Property Assessed Clean Energy Program, State of Rhode Island Office of Energy Resources (July 2013), http://www.energy.ri.gov/renewable/.  
\textsuperscript{4352}Id.  
\textsuperscript{4353}Id.  
\textsuperscript{4354}Id.
2014: Renewable Energy and Climate Change Adaptation

The Rhode Island Ocean Special Area Management Plan (SAMP) is a comprehensive management strategy that the state is implementing with the goal of establishing an ecosystem approach in developing public policy for Rhode Island’s offshore waters. Individual SAMPS have been established for a variety of distinct areas in Rhode Island in a collaborative effort of the state Coastal Resource Management Council, University of Rhode Island Coastal Resources Center, Rhode Island Sea Grant as well as local communities and stakeholders. Through SAMP programs, researchers are performing analysis of meteorological and seabed data as well as wind resources, wave, and storm characteristics in order to assess the areas of proposed offshore wind development off of Block Island.

The Block Island 30 megawatt offshore wind development project is currently under review from state and federal agencies and is anticipated to start construction in 2014 with an anticipated completion date of sometime in 2015.

SOUTH CAROLINA

2001: Energy Efficiency and Transportation/Fuels

The South Carolina Energy Office developed Rebuild South Carolina Partnerships (RBSC) to help bring energy efficiency to public agencies, school districts, businesses, and industry in the state. The program offers energy efficiency assistance including energy use audits, project coordination, and energy consumption monitoring. Further, a sales tax incentive in South Carolina caps the maximum tax on the sale of a manufactured home at $300 if it meets certain energy efficiency requirements.

Via a 2001 Executive Order, Governor Jim Hodges required that, whenever practical and economically feasible, all state agencies operating alternative fuel vehicles

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4356 Id.
4357 Id.
4358 Id.
4360 Id.
must use alternative fuels in those vehicles, while private businesses are encouraged to increase the use of alternative fuels in the state.\footnote{S.C. Exec. Order No. 2001-35 (2001).}

**2006: Transportation/Fuels**

In June 2006, Governor Mark Sanford signed House 4312, creating a state tax credit for individuals purchasing clean vehicles equal to 20\% of the federal tax credit for these vehicles.\footnote{2006 S.C. Acts 312.} The state also enacted production tax credits for ethanol and biodiesel, and tax credits for solar heating and cooling equipment and landfill gas systems.\footnote{2006 S.C. Acts 386.}

**2007: Climate Change Adaptation and Greenhouse Gas Reduction**

In February 2007, Governor Sanford issued an executive order that named nine members to his Governor’s Climate, Energy and Commerce Advisory Committee, charged with assessing the future impacts of climate change in the state and devising strategies to reduce such impacts. The committee’s goals included reviewing the ecological and economic impacts of climate change; creating ways to improve renewable energy use; generating recommendations for energy conservation; reviewing new energy efficiency technology compiling an emissions source list; and assessing the economic feasibility and benefits of any recommendations.

In May 2007, South Carolina and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\footnote{Press Release, The Climate Registry, Dozens of States Join The Climate Registry to Track Greenhouse Gas Emissions, http://www.theclimateregistry.org/downloads/States_Join_Press_Release.pdf}

**2008: Greenhouse Gas Reduction**

In August 2008, the Climate, Energy and Commerce Advisory Committee released its final report.\footnote{South Carolina Climate, Energy, and Commerce Committee, Final Report (2008): http://www.fws.gov/southeast/climate/policy/ClimateSCClimateActionPlan082008.pdf (March 2014).} The report set a voluntary greenhouse gas reduction goal of 5\% below 1990 levels by 2020. It contained 51 different recommendations for achieving this goal. Thirty-eight of the recommendations were analyzed for their potential cumulative effects on the environment and 33 were analyzed for their cost-effectiveness. The Commission estimated that the 38 recommendations would “come very close” to achieving the 5\% reduction goal and that 33 had an estimated cost-effectiveness of $5 per ton of reduced carbon dioxide.\footnote{Id. at EX-2.}
In an effort to reduce carbon emissions, Governor Sanford voiced his opposition to a proposal to construct a coal power plant in South Carolina. He cited the costs of construction, questions of the need for more energy, and the negative impact that the plant would have on the environment as reasons for his opposition.


In March 2009, the U.S. Department of Energy announced that South Carolina was eligible for $50,550,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA). In August 2009, Governor Sanford applauded Santee-Cooper’s decision to halt its plans to construct a coal-fired power plant, citing environmental costs as one of the reasons for his support. He then announced that KEMET would expand its facilities in the state to produce capacitors for electric vehicles and alternative energy markets.

2010: Energy Efficiency and Transportation/Fuels

In March 2010, Governor Sanford signed legislation into law aimed at increasing the energy efficiency of homes in South Carolina. The bill, S.1096, allowed energy companies to contract with homeowners who want to install efficiency upgrades to their homes and these upgrades allow homeowners to repay over time through their energy bill.

In November 2010, the South Carolina Energy Office (SCEO) announced that local governments throughout the state would install eighty electric vehicle charging stations in public spaces to coincide with the release of the Chevrolet Volt and Nissan Leaf. The projects were coordinated by Plug-In Carolina with two grants from the SCEO amounting to $480,000 and with support from utility companies. All of the charging stations were expected to be operational by January 2011.

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2011: Renewable Energy and Transportation/Fuels

In April 2011, South Carolina’s largest solar station was dedicated at Myrtle Beach. The station, which cost $1.3 million and included 1,300 photovoltaic panels, was expected to produce 311 kilowatts of energy at full capacity.4375

In May 2011 Governor Nikki Haley announced Southeast Renewable Energy would build a 15-megawatt, $50 million biomass plant in Dorchester County, which would generate twenty jobs over the next five years.4376 The company entered into an agreement with the county to use its virgin wood residue in the plant, including tree limbs and woody right-of-way clearings. The plant was expected to be completed in 2012.4377

In November 2011, the South Carolina Department of Revenue issued a private revenue ruling that extended the use of the biomass energy tax credit to individuals when a limited liability company earned the credit and passed it through to an “S” corporation that in turn passed the credit through to its individual shareholders at a value of up to $650,000 per tax year.4378

In October 2011, the South Carolina Energy Office announced that eight new electric vehicle charging stations would be installed in Charleston by Plug-In Carolina, a non-profit organization that has already installed a number of charging stations in other South Carolina cities in partnership with S.C. Electric and Gas Co. and the South Carolina Energy Office. At the time, South Carolina had 67 electric vehicle charging stations.4379

2012: Transportation/Fuels and Energy Efficiency

In May of 2012, the state legislature passes the Plug-in Hybrid Vehicles Tax Credit. The bill, “revises the definition of plug-in hybrid vehicle and provides that they must be manufactured primarily for use on public streets, roads, highways, and not be classified as low or medium speed vehicles, raises the aggregate amount of the credit available each fiscal year and delete its expiration date, provides that the credit must be allocated to eligible claimants during a fiscal year on a first-come, first-serve basis.”4380

4377 Id. The plant was later sold to a different energy company and was expected to be operational in 2013. See http://biomassmagazine.com/articles/6357/southeast-renewable-energy-sells-s-c-biomass-plants.
In July 2012, the ConserFund of the South Carolina Energy Office awarded the City of Mauldin a loan to allow the municipality to perform several energy-efficiency upgrades to city facilities. By installing energy-efficient lighting and windows, occupancy sensors, and spray-foam insulation, the city hopes to earn $54,022 in energy savings annually.

A 2012 review of South Carolina’s “Help My House” program, which provides on bill financing for energy efficiency improvements, found that the 125 participating households are projected to save an average of $400 per year and could reduce energy use by 35%.

2013: Transportation/Fuels

In March 2013, the South Carolina Budget and Control Board of the state’s Department of Energy hosted a South Carolina Electric Vehicle Awareness Day. The event was intended to “highlight different types of electric vehicles currently available to cater to differing driver styles and needs.”

2014: Energy Efficiency

In January 2014, the state legislature passed the Green Apple Day initiative. This recognizes the last Saturday of September each year as Green Apple Day of service in South Carolina. “Green Apple is an initiative of the Center for Green schools at USGBC to put all children in schools where they have clean and healthy air to breath, where energy and resources are conserved.”

SOUTH DAKOTA

Note on Renewable Energy and Transportation/Fuels

South Dakota boasts a number of production and consumption incentives for ethanol, wind and other alternative energy sources. Both ethanol and methanol enjoy protected excise tax status ($0.08 per gallon, compared to the $0.22 rate for other motor

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4382 Id.
fuels). Ethanol producers receive an outright $0.20 per gallon production incentive for fuel that is fully produced, distilled, and blended in South Dakota.

Commercial and residential property owners are eligible for property tax exemptions, based on the installation of solar/photovoltaic, wind, biomass, geothermal, ethanol, and landfill gas-based energy systems. Renewable energy facilities with less than 5 mW capacity are exempt from the first $50,000 or 70% of the assessed value for property taxes. Residential users receive a 100% tax exemption for the entire assessed cost of systems for up to three years after installation; commercial users, a 50% tax exemption on the installed cost for up to three years. (The exemption does not apply to producers of energy for sale.)

2008: Renewable Energy and Green Building

Governor Mike Rounds signed H.B. 1320 in March 2008, providing tax incentives for wind energy facilities and transmission lines. The law waives all state and local property taxes for wind energy facilities having a minimum capacity of 5 megawatts. Instead of paying property taxes, facility owners pay a tax of $3 per kilowatt of capacity and 2% of the facility’s gross receipts. Additionally, wind facility developers can earn rebates for up to 50% of the costs of installing transmission lines, underground lines, and substations.

South Dakota passed legislation in 2008 that requires all new state buildings to meet a high-performance green building standard. This standard applies to all state buildings with costs exceeding $500,000 or that exceed 5,000 square feet.

2009: American Recovery & Reinvestment Act (ARRA), Green Jobs, and Climate Change Agreements

On March 12, 2009, the U.S. Department of Energy announced that South Dakota was eligible for $23,709,000 under the State Energy Program of the American Recovery
& Reinvestment Act (ARRA) of which some was used for a rebate program for ENERGY STAR® appliances.  

According to the Pew Charitable Trust’s June 2009 Clean Energy Economy Fact Sheet for South Dakota, the state’s clean energy economy grew by 1,636 jobs and 169 businesses from 1998 to 2007.  

In October 2009, the Midwestern Governors Association, in which South Dakota participates, issued the Midwestern Energy Infrastructure Accord, which included “agreements by Midwestern governors to expand transmission capacity, adopt smart grid technologies, build new pipelines for biofuels and for the capture and storage of carbon dioxide, and deploy a refueling system for biofuels and other low-carbon transportation fuels.” The report set renewable energy goals at 10% by 2015 and 30% by 2030.  


In March 2010, South Dakota began an energy efficiency rebate program aimed at encouraging replacement of old appliances with new ENERGY STAR® appliances. ARRA funding in the amount of $772,000 supported the program. South Dakotans took advantage of the program, and by April 2010 less than 20% of the rebate funding remained.  

South Dakota filed a Motion to Intervene on March 19, 2010, in a lawsuit filed in D.C. Circuit Court against the U.S. EPA for its proposed regulation of greenhouse gases. South Dakota’s Motion to Intervene was granted, but Coalition for Responsible Regulators, Inc. v. EPA was dismissed in part and denied in part by the D.C. Circuit in 2012 and the court found the EPA’s decision was not arbitrary and capricious, the agency was required to extend permitting to major emitters, and that petitioners

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4398 Id.
4400 Id.
4401 Id.
lacked standing.\textsuperscript{4403} In October 2013, the U.S. Supreme Court agreed to review the EPA’s authority to regulate greenhouse gas emissions.\textsuperscript{4404}

In May 2010, the South Dakota Department of Labor announced awards totaling $2.5 million for green jobs training programs across the state, which would support the expansion of green business and industry.\textsuperscript{4405}

Governor Rounds announced a $1 million grant for blender-pump installations at fueling stations in June 2010.\textsuperscript{4406} These pumps allow customers to select a variety of gasoline/ethanol blends.\textsuperscript{4407} The state anticipated the installation of an additional one hundred pumps, making South Dakota the leader in blender pumps.\textsuperscript{4408} This infrastructure would support the state’s corn-based ethanol industry and facilitate the Environmental Protection Agency’s new E15 standard.

\textbf{2011: Green Building, Renewable Portfolio Standards, and Energy Efficiency}

On March 20, 2011, Governor Dennis Daugaard signed S.B. 94, adopting the International Energy Conservation Code of 2009 as the voluntary standard applying to the construction of new residential buildings.\textsuperscript{4409} The code recommended insulation specifications for dwellings based on eight unique climate zones.\textsuperscript{4410}

In December 2011, the State Public Utilities Commission adopted final rules for renewable energy credits, and renewable, recycled and conserved energy as a part of the South Dakota’s Renewable Portfolio Standard.\textsuperscript{4411} The renewable, recycles and conserved energy provisions only apply to retail providers who use conserved energy sources.\textsuperscript{4412} The amount of conserved energy shall be measured and validated using an energy efficiency impact evaluation in an annual report.\textsuperscript{4413} A retail provider of electricity may estimate value by using the deemed savings approach if projects utilize simple energy efficiency measures with “documented per-measure values.”\textsuperscript{4414} The rules

\textbf{Notes:}

\textsuperscript{4403} Coalition for Responsible Reg., Inc. v. EPA, 684 F.3d 102, 113 (D.C. Cir. 2012).
\textsuperscript{4405} Press Release, Office of Governor Dennis Daugaard, Labor Department receives $2.5 million green jobs training grant (Jan. 27, 2010), http://news.sd.gov/newsitem.aspx?id=5240.
\textsuperscript{4407} Id.
\textsuperscript{4408} Id.
\textsuperscript{4409} Id.
\textsuperscript{4413} Id. § 20:10:38:02.
\textsuperscript{4414} Id. § 20:10:38:03.
also provide for the procedure for retiring renewable energy credits.\footnote{Id. § 20:10:38:07.}

In December 2011, the City of Madison received $5,000 from Heartland Consumers Power District, a public corporation and political subdivision of South Dakota, to perform energy-efficient lighting upgrades at municipal maintenance facilities and the city power plant.\footnote{Press Release, S.D. Energy Smart, Madison receives energy efficiency grant from Heartland Consumers Power District (Dec. 2011), http://www.sdenergysmart.com/news/201112heartland.aspx.} The projects sought to reduce municipal energy consumption by over 18,000 kilowatt hours per year, resulting in over $1,500 in annual savings.

\section*{2012: Energy Efficiency and Transportation/Fuels}

In August 2012, the South Dakota Bureau of Administration awarded the first loan of a program for school energy efficiency projects administered through the State Energy Office.\footnote{Press Release, Office of Governor Dennis Daugaard, New State Energy Program Awards First School Loan (Aug. 14, 2012), http://news.sd.gov/newsitem.aspx?id=13410.} Madison Central School District claimed the $2.2 million loan and planned to install a geothermal heating and cooling system, upgrades to windows, lighting and insulation, and a digital system to enhance energy efficiency within the district’s high school.\footnote{Id.} Loan awards through the program are based on energy savings achieved, and recipients must repay loans within ten years.\footnote{Id.}

In September 2012, the City of Sioux Falls announced the launch of its Furnace Replacement Program to provide no-interest loans to help eligible households replace inefficient furnaces with furnaces of at least 95% annual fuel utilization efficiency and the installation of a digital thermostat for up to a total cost of $3,000.\footnote{Furnace Replacement Program, CITY OF SIOUX FALLS, S.D., http://www.siouxfalls.org/community-development/affordable-housing/furnace-replace-prog.aspx (last visited Apr. 3, 2013).}

The South Dakota Department of Environment and Natural Resources announced in November 2012 the fifth round of the EPA Clean Diesel Grant Program that provides partial funding for school bus replacement and full funding for installing retrofits on mid-age school buses.\footnote{Press Release, S.D. Dep’t of Env’t and Nat. Res., School Districts Eligible for EPA Clean Diesel Grant Funds (Nov. 1, 2012), http://denr.sd.gov/dfta/info/pr/pr12/nov12.aspx#School.} From 2009 through 2012, the program helped South Dakota school districts replace 62 buses and install 145 exhaust retrofits, and has reduced the amount of fine particulates and smog-forming pollution emitted around schoolchildren.\footnote{See id.}

The Heartland Consumers Power District awarded a $2,000 energy efficiency grant to the City of Volga to install LED lighting and high-pressure sodium wall packs at the city pool and park.\footnote{Press Release, S.D. Energy Smart, Volga earns energy efficiency grant from Heartland Consumers Power District (July 2012), http://www.sdenergysmart.com/news/20120712heartland.aspx.} In November 2012, Heartland awarded Power Forward energy
efficiency grants to the City of Madison and the City of Tyndall for lighting upgrades at the city airport, the fire station, and the community auditorium, respectively.\footnote{Press Release, S.D. Energy Smart, Heartland Consumers Power District awards city of Madison with energy efficiency grant (Nov. 2012), \url{http://www.sdenergysmart.com/news/2012120412.aspx}.}

**2013: Energy Efficiency and Renewable Energy**

Heartland also awarded a $2,000 economic development grant to the City of Arlington in January 2013 for the purchase and installation of an automated meter reading system that allows utilities to see real-time energy consumption data without making individual trips to consumers’ meters.\footnote{Press Release, S.D. Energy Smart, Heartland Consumers Power District awards city of Arlington (Jan. 2013), \url{http://www.sdenergysmart.com/news/20130125.aspx}.} Real-time information helps consumers to better position to manage their energy consumption.\footnote{Id.}

Legislation was passed to allow for reinvestment payment of all sales and use taxes for projects for manufacturing facilities that produce renewable energy equipment or that expand renewable energy systems or equipment upgrades to existing systems.\footnote{S.B. 235, 88th Leg. Assem., Reg. Sess. (S.D. 2013).} To be eligible, the projects to create new or expand existing facilities must cost over $20 million or equipment upgrades must exceed $2 million.\footnote{Id.}

**2014: Green Building, Renewable Energy, and Transportation/Fuels**

Governor Daugaard emphasized the need for energy efficiency in homes in the Governor’s House Program, where prisoners build homes for low-income families.\footnote{Dennis Daugaard, Building More Efficient Governor’s Houses, OFFICE OF GOVERNOR DENNIS DAUGAARD (Feb. 28, 2014), \url{http://news.sd.gov/newsitem.aspx?id=15787}.} This request resulted in the incorporation of some Passive House standards into the program.\footnote{Id.}

To support the $3.8 billion dollar ethanol industry in South Dakota, Governor Daugaard announced on March 6, 2014 that the state will begin using E15 in its vehicle fleet.\footnote{Press Release, Office of Governor Dennis Daugaard, State Of South Dakota To Incorporate E15 Into State Fleet, Fuel Sites (Mar. 6, 2014), \url{http://news.sd.gov/newsitem.aspx?id=15810}.} For a test period, the initiative will begin with making the fuel blend available at four major fuel sites across the state.\footnote{Id.} The Governor’s Office of Economic Development and South Dakota Ethanol Producers also offer funding for retail fueling stations that wish to install ethanol blender pumps.\footnote{Press Release, S.D. Official State Gov’t, Funds Available for Blender Pump Installation (July 2, 2013), \url{http://news.sd.gov/newsitem.aspx?id=14849}.} For 2014, $500,000 is available for the third round of funding for the program.\footnote{Id.}
TENNESSEE

1999: Climate Change Adaptation, Climate Change Agreements, and Renewable Portfolio Standards

The Energy Division of the Tennessee Department of Economic and Community Development completed a climate change action plan for the state in April 1999.4435

2000: Greenhouse Gas Reduction, Market-Based Solutions and Renewable Energy

In recognition of the threat of global warming, the Biobased Products for Farmers and Rural Development Act of 2000 authorized Tennessee’s Commissioner of Agriculture to promulgate rules promoting the development of biobased products.4436

2003: Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, and Renewable Energy

In order to reduce greenhouse gas emissions, Tennessee has offered a property tax exemption of two-thirds the installation cost for wind energy generators operated by public utilities since 2003.4437


In 2008, Governor Phil Bredesen issued an executive order creating an Energy Policy Task Force.4438 He charged the Task Force with creating an energy plan to make the state a national leader in energy efficiency and conservation, alternative and renewable energy resource use, and clean-energy technology development.4439 In further support of this initiative, in July 2008, Bredesen announced that the State of Tennessee was embarking on a partnership with Nissan to introduce zero-emission vehicles in the state in 2010.4440 Later that month, he announced a partnership between the University of Tennessee and DuPont to build a biorefinery and research and development facility for cellulosic ethanol in the state.4441 The General Assembly allocated $40 million to this

4435 Tenn. Dep’t of Econ. & Cmty Dev. Energy Div., http://www.state.tn.us/ecd/energy_init.htm (Sept. 7, 2006).
4437 Id. § 67-5-601.
4439 Id.

**2009: Cap-&-Trade, Energy Efficiency, Green Jobs, Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, Renewable Energy, American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels**


Governor Bredesen announced the Tennessee Clean Energy Future Act of 2009 on March 31, 2009.\footnote{Press Release, Bredesen, Lawmakers Unveil Clean Energy Future Act (Mar. 31, 2009), http://www.tennessean.com/governor/viewArticleContent.do?id=1353&page=0.} Later introduced in the legislature as S.B. 2300/H.B. 2318, the bill requires the state government to lead by example by improving the energy management of its buildings and vehicles, encouraging the growth of clean energy businesses via tax credits, and promoting energy efficiency through a statewide residential building code. Around this time, Bredesen also made his support for the solar industry in Tennessee known, proposing a solar research institute at Oak Ridge National Laboratory (ORNL) and the University of Tennessee.\footnote{Press Release, Bredesen highlights Combined Potential for Solar, Electric Vehicles (Apr. 22, 2009), http://www.tennessean.com/governor/viewArticleContent.do?id=1366&page=0.} He also invited Nissan, ORNL, and the Tennessee Valley Authority (TVA) to partner with his government in researching the development of solar-powered, electric vehicle power stations in the state.

In May 2009, Governor Bredesen signed an agreement with a coalition of governors to support federal climate change legislation.\footnote{Press Release, Governors’ Energy and Climate Coalition Calls for Action on Climate, Energy Legislation (May 21, 2009), http://www.law.georgetown.edu/gcc/News/documents/Coalitionrelease.pdf.} The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\footnote{Governors’ Energy and Climate Coalition, Statement of Principles, http://www.law.georgetown.edu/gcc/News/documents/GovernorsEnergyandClimateCoalitionUpdated.pdf.} The State Senate, however, in defiance of the governor’s support, passed a resolution stating that it would not support federal climate legislation.\footnote{SJR 0327, 106th Gen. Assem., 2009 Reg. Sess. (Tenn. 2009), http://www.capitol.tn.gov/Bills/106/Bill/SJR0327.pdf.} It further stated that if a federal cap-and-trade program were promulgated, Tennessee would not participate in it.\footnote{Id. at 2.} Reasons for this refusal included aggravation of price volatility, the federal legislature’s sole focus on the electricity sector regarding regulation, and lack of transparency.\footnote{Id. at 1.}
On September 19, 2009, the U.S. Department of Energy (DOE) announced that Tennessee was eligible for $62,482,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA). The money has been used largely to fund a comprehensive solar energy and economic development program across the state. Specifically, the funding sponsored the Tennessee Solar Institute at the University of Tennessee, which focuses on industry partnerships to improve the efficiency and economic viability of solar products. The money was also allocated to the West Tennessee Solar Farm, a five-megawatt (MW) 20-acre power generation facility that will also serve as a demonstration tool for education and economic development.

2010: Energy Efficiency, Green Jobs, Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, Renewable Energy, American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels

Governor Bredesen and Tennessee Economic announced in January 2010 that Confluence Solar had selected Clinton, Tennessee as the home of their new manufacturing, warehousing and distribution facility. The company’s HiCz™ brand products increased the efficiency of solar cells by 15% or more, helping manufacturers of solar panels generate electricity more efficiently at a cost equivalent to or better than can be done using multi-crystal silicon ingot. With its investment, Confluence Solar qualified for Tennessee incentive programs including FastTrack Job Training Assistance, FastTrack Infrastructure Development, the Tennessee Jobs Tax Credit and the Super Jobs Tax Credit among others.

In March 2010, Tennessee was selected by the National Governors Association (NGA) Center for Best Practices to participate in the Policy Academy on Shaping a New Approach to Transportation and Land Use Planning. Tennessee was chosen to develop a Corridor Management Agreement in one of its urban areas as a model to be used and applied to other state transportation corridors. The NGA Center seeks to coordinate with the state to establish new governance models that align infrastructure development and state goals; create a new planning framework that addresses the state’s unique needs and concerns for mobility, accessibility, emissions, financial stability, demographics, climate and topography; adapt new funding and financing approaches that better reflect user costs and benefits; manage demand and help pay for transportation

4455 Id.
4456 Id.
4458 Id.
system management and maintenance; and develop enhanced goals and metrics that best reflect the state’s transportation goals.\footnote{4459}

Governor Bredesen announced in September 2010 that through its participation in the national Electric Vehicle (EV) Project, Tennessee would offer a $2,500 rebate, complementing a federal tax credit of up to $7,500, on the first 1,000 electric vehicles purchased in Tennessee.\footnote{4460} Tennessee was one of six states and the District of Columbia selected to participate in the EV project, funded through a $100 million grant from the U.S. Department of Energy (DOE).\footnote{4461}

Also in September 2010, Governor Bredesen announced that more than $3.5 million in Local Parks and Recreation Fund grants would be awarded to recipients across Tennessee, providing local governments with funds to purchase land for parks, natural areas, greenways and recreational facilities.\footnote{4462}

The Tennessee Department of Economic and Community Development announced in October 2010 that it would partner with the National Energy Education Development Project to host the Tennessee Energy Management Workshop for K-12 schools.\footnote{4463} The free, one-day workshops helped schools develop multi-disciplinary energy management plans; gain a better understanding of resources available for improving energy efficiency and conservation; and provide tools, curriculum and hands-on classroom kits to help meet their specific energy goals.\footnote{4464}

\textbf{2011: Cap-&-Trade, Climate Change Adaptation, Climate Change Agreements, Energy Efficiency, Green Buildings, Green Jobs, Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, Renewable Energy, Renewable Portfolio Standards (RPS); American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels}

The Department of Economic and Community Development’s Energy Policy Office announced in January 2011 that it would accept applications for the 2011 Energy Camps through April 16, 2011. The Energy Camps are three-day educational sessions that provide K-12 teachers with information and resources to teach the science of energy and energy conservation and to guide students to become leaders in their schools.\footnote{4465}

On February 2, 2011, Governor Bill Haslam announced that the U.S. Department of
Energy (DOE) issued a Finding of No Significant Impact for the West Tennessee Solar Farm in Haywood County, clearing the way for project development to begin. Proponents expected the solar farm to produce more than 7 million kilowatt hours (kWh) of electricity annually.\textsuperscript{4466}

The Tennessee Department of Economic and Community Development (DECD) announced in September 2011 that it would begin accepting applications for a third round of Energy Efficiency and Conservation Block Grants (EECBG) starting on October 17, 2011. The grants were available to fund a variety of energy efficiency programs, including the installation of renewable energy systems. A total of $12.1 million had been awarded through the EECBG program by September 2011.\textsuperscript{4467} DECD announced in December 2011 twelve recipients of the EECBG program grants, totaling $1.1 million in awards for projects such as the installation of solar arrays, energy efficient heating, ventilation and air conditioning (HVAC) units, remote meter-reading systems, and geothermal systems.\textsuperscript{4468}


In January 2012, Deputy Governor Ramsey and others announced the launch of the Clean Tennessee Energy Grant Program to fund projects performed by businesses, municipalities and utilities that both reduce emissions and increase energy savings for consumers.\textsuperscript{4469} The project would be funded by awards from a 2011 Clean Air Act settlement with the TVA.\textsuperscript{4470} In June 2012, seventeen award recipients were named, totaling more than $2.3 million in grants.\textsuperscript{4471} The City of Covington received the maximum award of $250,000 for a Waste Biomass Gasification to Energy project using wood waste and biosolids to create electricity.\textsuperscript{4472} Greene Turbine LLC received $125,000 to develop and market their hydrokinetic underwater turbines to be used in the Mississippi River.\textsuperscript{4473} In November 2012, four recipients were awarded $780,000: the University of Tennessee at Chattanooga/The Center for Energy, Transportation and the Environment; Northeast State Community College; Tennessee Technological University; and


\textsuperscript{4470} Id.


\textsuperscript{4472} Press Release, Tenn. Dep’t of Env’t & Conservation, TDEC to Announce Statewide Clean Tennessee Energy Grant Recipients in Memphis on June 21 (June 19, 2012), http://news.tn.gov/node/9065.

\textsuperscript{4473} Id.
Projects included the installation of solar panels, a geothermal heating, ventilation and air conditioning (HVAC) system, the installation of high-efficiency boilers, conversion of a coal plant to a natural gas burner, and the installation of a unit that produces electricity from methane generated from decomposing organic matter.4475

In December 2012, Governor Haslam and the State Department of Environment and Conservation (DEC) announced the next cycle of Clean Tennessee Energy Grants, making available $2.25 million for municipalities and utilities across the state.4476 Individual awards may not exceed $250,000 and may be applied toward eligible projects such as installation of alternative energy sources, and utilization of energy efficiency techniques and upgrades.4477

2013: Cap-&-Trade, Climate Change Adaptation, Energy Efficiency, Green Building, Green Technology, Greenhouse Gas Reduction, Market-Based Solutions, Renewable Energy, Renewable Portfolio Standards (RPS), American Recovery & Reinvestment Act (ARRA), and Transportation/Fuels

Effective January 1, 2013, under H.B. 62, Tennessee offers a special ad valorem property tax assessment for certain renewable energy facilities.4478 The 2003 wind property tax exemption was reenacted, and, and solar property shall be assessed at a value of no more than 12.5% of total installed costs. Other qualifying renewable energy property shall be assessed at a value determined by the State Board of Equalization and the Tennessee Department of Environment and Conservation (DEC).4479

In 2013, the Tennessee Valley Authority (TVA) starting offering incentives for mid-sized renewable generators between 50 kW and 20 MW to enter into long term price contracts. The goal is for total production from all participants to equal 100 MW, with no more than 50 MW from any one renewable technology. For projects approved after January 2013, prices increase at a rate of 5% per year beginning in 2014 and may be changed by the TVA within a 90 notice period. The change cannot exceed more than 1% per year. In 2013, the average price was approximately $0.037/kWh, and had a maximum of $0.082/kWh, with a minimum of $0.029/kWh. Under this program, all energy output, RECs, or other environmental attributes from installations belong to the TVA. Biomass, Wind, or Photovoltaics can be interconnected through either the TVA’s or its partner’s distribution system under 10, 15, or 20 year term contracts. To be

4475 Id.
4477 Id.
4479 TENN. CODE ANN. § 67-5-601, et seq.
applicable, biomass systems should co-fire 50% or more with the fuel consumption content approved by the TVA and separately metered. A remainder of the biomass may be purchased through the TVA’s Dispersed Power Production Program.\footnote{Renewable Standard Offer, TVA, http://www.tva.com/renewablestandardoffer (last visited Mar. 1, 2014).}

The TVA and other participating power distributors offer a performance-based incentive to homeowners and businesses who install photovoltaic, wind, biomass, or hydropower generation systems under the Green Power Providers Program. The program’s contract term is 20 years. For the first ten years, the TVA will purchase 100% of the output from qualifying solar systems at a rate of $0.04/kWh and at $0.03/kWh for all other sources in addition to retail electricity rates. For the next ten years of the contract, participants will only be paid the applicable retail rate. All new participants will be provided with a $1,000 incentive to offset capital costs.\footnote{Green Power Providers, TVA, http://www.tva.com/greenpowerswitch/providers/ (last visited Mar. 2, 2014).}


On May 6, 2013, the University of Tennessee conferred its first degrees in sustainability to Nick Alderson and Alyssa Schroder. The degree, comprised of an interdisciplinary curriculum spanning law, business, and science, focuses in areas of economics and sustainability, resource management, ethics, and sustainability and
climate change. The degree is novel in nature and Tennessee is one of the first large universities in the Southeast to offer it.\footnote{Students First to Graduate with Sustainability Major, THE UNIV. OF TENN. (May 6, 2013), http://tntoday.utk.edu/2013/05/06/students-graduate-sustainability-major/} On May 16, 2013, the Energy Independence Act of 2013 went into effect. H.B. 1272/S.B. 852, was codified as Public Chapter 423, and amended the state’s target goals for the use of green motor vehicles in Title 67 and 68. The bill specifically amended Tenn. Code Ann. § 67-4-2004(9), the definition of a “certified green energy production facility” to include facilities utilizing natural gas in a CHP configuration to produce heat and electricity for consumption on-site.\footnote{§ 67-4-2004(9)} The bill additionally establishes a rebate program that would pay half the costs of the incremental difference between a petroleum vehicle and natural gas vehicle, up to $25,000. Moreover, the bill provides that any public utility, commercial, or industrial property certified to fuel natural gas vehicles may not be valued at more than 30% of its total installed costs. However, the Tennessee DEC must certify that the vehicle is projected to displace more than 6,000 gallons of petroleum annually.\footnote{Id.; § 67-5-601}

Lastly, the bill outlines that state fleets must make every effort to ensure that 100% of newly purchased motor vehicles are energy efficient, as defined by the Energy Policy Act of 1992. State Agencies should also strive to use ethanol and biodiesel in appropriate state-owned vehicles in an effort to develop the biofuels fueling infrastructure.\footnote{Id.} The bill requires that the Department of General Services ensure that at least 25% of newly purchased passenger motor vehicles, in areas designated by the EPA as nonattainment areas, be electric, hybrid-electric, natural gas, propane, or compact fuel-efficient vehicles.\footnote{§ 4-3-1109.} Consequently, during Fiscal Year 2013, the Tennessee Department of General Services Motor Vehicle Management added 47 new vehicles, all of which were energy-efficient, to its 364-vehicle fleet (an influx 13%).\footnote{TENN. DEP’T OF GEN. SERVICES MOTOR VEHICLE MGMT., ANNUAL REPORT ON ENERGY-EFFICIENT PURCHASING FISCAL YEAR 2012-2013 3, http://www.tn.gov/generalserv/MVM%20Energy%20Report%20FY2013.pdf.}

In early 2013, the Chattanooga Metropolitan Airport Authority, as a part of its Green Initiative, installed two additional 1 MW solar farms, in an effort to make the airport energy self-sufficient and carbon neutral. The solar panels provide 90% of the airport’s energy needs.\footnote{Mike Pare, Chattanooga Airport Nearly 90 Percent Powered by Solar Energy, TIMESFREEPRESS.COM (Oct. 3, 2013), http://timesfreepress.com/news/2013/oct/03/airport-here-comes-the-sun-means-savings/.} The program known for its efforts in LEED certification for all new construction and commitment to renewable energy also has a variety of energy-
efficient lighting upgrades that have reduced energy consumption by two MW.\footnote{Press Release, 2013 Governor’s Environmental Stewardship Awards Announced (June 4, 2013), https://news.tn.gov/node/10820.} This, in conjunction with the airport’s stormwater and flood control measures, its recycling programs, and its community education efforts, prompted the governor to award the 2013 Environmental Stewardship Award on June 4, 2013.\footnote{Id.}

On November 13, 2013, Governor Bill Haslam and the DEC Commissioner, Bob Martineau announced a third offering of the Clean Tennessee Energy Grants. The grants allot a total of $1.9 million to fund energy-efficiency projects for municipal governments, county governments, utility districts and other similar entities throughout Tennessee. The grants are applicable to projects regarding 1) cleaner alternative energy, including biomass, geothermal, solar and wind, 2) energy conservation measures improving lighting, heating, ventilation and air conditioning (HVAC), fuel efficiency, insulation and idling, and 3) air quality improvements, including reductions in greenhouse gas emissions, sulfur dioxide, Volatile Organic Compounds (VOC’s), nitrogen oxides (NOx), and other hazardous air pollutants. The maximum grant per project is $250,000, but must be matched by the applicant. Recipients of the grants will be announced in the late spring of 2014.\footnote{Press Release, Haslam and TDEC Announce Next Tennessee Energy Grant Cycle (Nov. 13, 2013), https://news.tn.gov/node/11666.}

On November 26, 2013, it was announced that Tennessee was a recipient of the DOE’s Award to Drive Greater Energy Efficiency, Save Money. Tennessee was specifically awarded $2 million to held retrofit public housing as well as local government and state facilities. The goal of this grant is to improve the energy efficiency of public buildings, including installing low wattage LED lighting and upgrading heating and cooling systems.\footnote{Press Release, Thirteen States Receive Energy Department Awards to Drive Greater Energy Efficiency, Save Money (Nov. 26, 2013), http://energy.gov/articles/thirteen-states-receive-energy-department-awards-drive-greater-energy-efficiency-save-money?__utmz=1.2035493254.1381961111.1401693749.1401714944.3&__utmz=1.11.10.1401714944&__utmc=1&__utmx=&__utmz=1.1401693749.2.1.utmcsr=google|utmcdn=(organic)|utmcmd=organic|utmctr=(not%20provided)&__utmv=-&__utmk=113780487}

**TEXAS**

**1995: Green Buildings; Energy Efficiency; and Renewable Energy**

On May 5, 1995, Texas enacted a law requiring the state to consider the economic feasibility of energy alternatives in the construction and repair of government
buildings. The law mandated the use of alternative energy sources if economically feasibility.

2001: Energy Efficiency

On January 8, 2001, Texas Public Utility Commission Substantive Rules § 25.211 and § 25.212 created interconnection standards for distributed generation. The standards specify that the total capacity of a facility’s on-site generation unit may exceed 10 megawatts; however, no more than 10 megawatts of a facility’s capacity may be interconnected at a given time.

2004: Renewable Energy

Texas Public Utility Commission Rules § 25.475 and § 25.476, effective June 1, 2004, required retail electric providers to offer interested customers extensive information, including lists of generators’ power sources and charts showing the levels of their carbon dioxide emissions. On February 20, 2009, Texas Public Utility Commission Rules § 25.476 was amended and § 25.475 was repealed. On November 20, 2009, an amended § 25.475 was adopted. Under the amended versions, renewable energy disclosures are required, and generators must maintain provide environmental information to customers via a “scorecard” which compares emissions of various pollutants, including carbon dioxide.

2005: Renewable Portfolio Standard

In August 2005, the Texas legislature established the state’s renewable portfolio standard at 5,880 megawatts by 2015. Of those 5,880 megawatts, 500 must be from renewable energy power sources other than wind power. In addition, the law set 10,000 megawatts as the state’s renewable energy capacity goal in 2025.

2008: Political Action

On November 25, 2008, Governor Rick Perry submitted a comment on U.S. EPA’s Advance Notice of Proposed Rulemaking (ANPR) on Regulation of Greenhouse

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4495 TEX. GOV’T CODE ANN. §§ 2166.401, .403 (Vernon 2005).
4496 Id.
4498 See PUC Sub. Rules §§ 25.211, 25.212
4501 Id. Sub. Rules. § 25.475(g)(5).
4503 TEX. UTIL. CODE ANN. § 39.904.
4504 Id.
4505 Id.
Gases under the Clean Air Act issued on June 30, 2008. Based on the findings of the Texas Advisory Panel on Federal Environmental Regulations, Perry argued against implementation of the proposed regulations due to their impact on the Texas economy. He proposed making alternative energy technologies less expensive rather than imposing costly burdens on the traditional energy sector.

2009: Market-Based Solutions, Climate Change Agreements/MOUs, American Recovery & Reinvestment Act (ARRA), Renewable Energy, and Political Action

On February 3, 2009, House Bill 634, introduced by Representatives Ana Hernandez and Eddie Rodriguez, would enable the state to join the Regional Greenhouse Gas Initiative (RGGI) cap-and-trade program. However, House Bill 634 died in a chamber action on February 18, 2009.

On March 12, 2009, the U.S. Department of Energy announced that Texas was eligible for $218,782,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).


In December 2009, Governor Perry admonished the U.S. EPA for its proposed rule regulating greenhouse gases (GHGs), specifically carbon dioxide. Perry later sent a letter to EPA Administrator Lisa Jackson urging her to withdraw the rule, citing the lack of scientific support for the endangerment finding and the economic impact on residents of Texas.

2010: Political Action and Renewable Energy


Id.

Id.

H.B. 634, 81st Leg. (Tex. 2009).


Id.


In February 2010, Governor Perry announced that Texas planned to take legal action against the U.S. EPA for its proposed regulation of GHGs. In March, he later signed onto the letter sent to congressional leaders from several state governors urging them to block the proposed regulations.

In July 2010, Governor Perry announced the availability of $8.4 million in research funding to diversify the state’s energy portfolio. The grant, provided through the Texas Emerging Technology Fund (TETF) and the Texas Tech University System, specifically targeted wind energy expansion throughout the state.

The state invested $2.75 million in Terrabon Inc. to commercialize its process of converting non-food biomass into fuel. Terrabon uses supply stocks such as municipal solid waste, sewage, forest-product residues, and non-edible crops to produce non-ethanol gasoline, jet fuel, and diesel.

2012: Green Buildings; Energy Efficiency; Renewable Energy, and Transportation/Fuels

In April 2012, the Texas Comptroller of Public Accounts State Energy Conservation Office (SECO) awarded several independent school districts grant funding to replace older, inefficient HVAC equipment with newer, energy-efficient systems. Awards were competitively granted, taking into consideration the age of current equipment, district enrollment, district property wealth and expected energy savings. SECO also subsequently announced the availability of low-interest loans for non-profit corporations, houses of worship, and public entities through the Texas LoanSTAR Program to help finance the entities’ energy cost-reduction projects.

In June 2011, the Texas Legislature created a grant program for alternative fuels. In May 2012, the Texas Commission on Environmental Quality (TCEQ)

4521 Id.
4523 2011 Texas Senate Bill No. 385, Texas Eighty-Second Legislature (June 17, 2011).
announced new funds available for the Alternative Fueling Facility Program.\textsuperscript{4524} Eligible projects include the construction or significant reconstruction of a facility that dispenses alternative fuels to vehicles and equipment.\textsuperscript{4525} Alternative fuels covered consist of biodiesel, hydrogen, methanol, natural gas, propane and electricity.\textsuperscript{4526} The program expires on August 31, 2018.\textsuperscript{4527}

In June 2012, TCEQ also announced funding available for the Texas Clean Fleet Program, which allowed participants to replace diesel vehicles with alternative fuel and hybrid vehicles.\textsuperscript{4528} Eligible participants were fleet owners who owned 75 or more on-road vehicles registered in Texas.\textsuperscript{4529} Projects were required to result in a 25\% reduction in nitrogen oxide emissions.\textsuperscript{4530} Grant-funded vehicles were required to operate within certain metropolitan areas for at least five years or 400,000 miles, which ever occurred first.\textsuperscript{4531} This program expired in September 2012.\textsuperscript{4532}

In July 2012, the TCEQ announced $18 million in grants for the Texas Natural Gas Vehicle Grant Program.\textsuperscript{4533} The program allows for the replacement of medium- and heavy-duty vehicles that run on gasoline or diesel with natural gas engines.\textsuperscript{4534} However, applicants must apply through a participating dealer as listed on the program website.\textsuperscript{4535} Grants may reimburse the recipient up to 60 to 90\% of the conversion cost.\textsuperscript{4536} The conversions must result in a 25\% reduction in nitrogen oxide emissions, and grant recipients must operate the subject vehicles within eligible Texas counties for at least 75\% of the vehicle’s yearly mileage or 400,000 miles, whichever occurs first.\textsuperscript{4537} This program expires August 31, 2017.\textsuperscript{4538}

In October 2012, the State Energy Conservation Office (SECO) again announced grants available for Texas public independent school districts to replace inefficient

\textsuperscript{4525} Id.
\textsuperscript{4526} Id.
\textsuperscript{4529} Id.
\textsuperscript{4530} Id.
\textsuperscript{4531} Id.
\textsuperscript{4533} Press Release, Tex. Comm’n on Envtl. Quality, TCEQ announces grants for natural gas vehicles (July 9, 2012), \url{http://www.tceq.texas.gov/news/releases/7-12Grants7-9}.
\textsuperscript{4534} Id.
\textsuperscript{4536} Press Release, Tex. Comm’n on Envtl. Quality, TCEQ announces grants for natural gas vehicles (July 9, 2012), \url{http://www.tceq.texas.gov/news/releases/7-12Grants7-9}.
\textsuperscript{4537} Id.
HVAC systems with newer, more energy-efficient models, including the labor and materials directly related to a proper installation. SECO also announced the availability of low-interest loans for public educations institutions and hospitals to assist in the financing of energy consumption reductions efforts. The program allows for the repayment of the loan through the cost-savings made through the recipient’s energy-efficiency project. Deadlines to apply for both the grant and loan programs passed in 2012.

2013: Renewable Energy and Transportation/Fuels

In January 2013, Texas joined the Association of Air Pollution Control Agencies (AAPCA). The AAPCA provides a forum where member states may discuss compliance with the Clean Air Act and its implementing regulations and develop avenues for technical assistance.

In February 2013, SECO announced $2 million in competitive grants for municipalities, public school districts and educational institutions, and state agencies to demonstrate renewable energy technology by installing small-scale solar and wind systems. Award criteria take into account the project’s readiness, educational and outreach value to the public, location, size, type and cost. Deadlines to apply for this grant passed in 2013.

In April 2013, the State Comptroller and SECO announced the availability of additional funds for the Alternative Fuels Initiatives Grant Program to award to eligible public entities that are able to provide documented evidence of matching funds for 20% of the project’s cost. The grants may be used to purchase an alternative fuel vehicle, or to convert an existing vehicle. Deadlines to apply for this grant passed in 2013.

UTAH

1998-2013: Clean Energy Economy

According to the Pew Charitable Trust’s June 2009 Clean Energy Economy Fact Sheet for Utah, Utah’s clean energy economy grew by 5,199 jobs and 579 businesses.

4541 Id.
4542 Id.
4544 Id.
4545 Id.
from 1998 to 2007.\textsuperscript{4547} Between 2006 and 2009, Utah attracted nearly $27 million in capital investment in clean energy.\textsuperscript{4548}

In March 2011, Utah’s Division of Air Quality awarded $490,500 in grants and loans to help local entities purchase natural gas vehicles and to develop natural gas refueling stations. The awards were part of the agency’s effort to encourage cleaner transportation.\textsuperscript{4549}

That same month, the Utah legislature passed H.B. 475, creating the Utah Office of Energy Development (OED).\textsuperscript{4550} The OED is responsible for the development of the state’s energy resources, shaping and implementing policy, and assisting industry and citizens by streamlining processes with state and federal agencies.\textsuperscript{4551} More information about the Office of Energy Development is \url{http://www.energy.utah.gov/}.

Also in March 2011, Governor Gary Herbert issued Utah’s 10-Year Strategic Energy Plan, \textit{Energy Initiatives and Imperatives}.\textsuperscript{4552} The plan included guiding principles, goals, models and real-world examples to provide a framework for meaningful conversation about the future of energy in Utah and is \url{http://www.utah.gov/governor/docs/10year-strategie-energy.pdf}.\textsuperscript{4553}

The Utah Office of Energy Development (OED) launched the Utah Renewable Energy Rebate Program in August 2011, offering rebates for solar photovoltaic, solar thermal, and wind energy systems.\textsuperscript{4554} The program was funded through the ARRA and initially included $1 million in available funds, but due to the popularity of the program, the OED added another $200,000 in October 2011. Between August and October, OED allocated $830,000 to 139 projects throughout the state, leveraging $4.6 million in economic activity.\textsuperscript{4555}

\textsuperscript{4547} Pew Charitable Trust, Clean Energy Economy Utah Fact Sheet, \textit{available at} \url{http://www.pewcenteronthestates.org/uploadedFiles/wwwpewcenteronthestatesorg/Fact_Sheets/Clean_Economy_Factsheet_Utah.pdf}.

\textsuperscript{4548} \textit{Id.}


\textsuperscript{4550} H.B. 475, 59th Leg., Gen. Sess. (Utah 2011), \textit{codified} 1953 UTAH CODE ANN. § 63M-4-401 (West 2011)

\textsuperscript{4551} Office of Energy Dev., \textit{About} (Sept. 21, 2011), \url{http://energy.utah.gov/about/}.


\textsuperscript{4555} \textit{Id.}
Governor Herbert announced on November 16, 2011 that Utah had signed a memorandum of understanding (MOU) with several other states to encourage the manufacture of natural gas vehicles in the United States.\textsuperscript{4556} Colorado, Oklahoma, Pennsylvania and Wyoming also signed the MOU, with more states expressing interest.\textsuperscript{4557} The MOU contained a multi-state request for proposal for the purchase of state fleet natural gas vehicles, and each state agreed to purchase a specific number of natural gas vehicles.\textsuperscript{4558}

In the 2012 General Session, the Utah legislature passed S.B. 65, allowing alternative energy entities to carry the alternative energy development tax credit or the alternative energy manufacturing tax credit forward for no more than seven years if the tax credit may be claimed and the amount of the tax credit exceeds the entity’s tax liability for the taxable year.\textsuperscript{4559}

On February 1, 2012, Governor Herbert unveiled the Utah Clean Air Partnership (U-CAIR), which he had discussed in the 2012 State of the State Address.\textsuperscript{4560} The U-CAIR initiative invites all Utahns to voluntarily reduce their impact upon state air quality.\textsuperscript{4561} The initiative focuses on educational outreach and partnership creation in order to gain momentum among Utah residents and businesses.\textsuperscript{4562} The U-CAIR website allows interested parties to pledge their participation in the initiative and to track and measure individuals’ and partnerships’ subsequent progress.\textsuperscript{4563}

On March 19, 2012, Governor Herbert signed S.B. 12 into law, giving non-utility electricity customers the ability to buy directly from renewable energy sources.\textsuperscript{4564}

\textsuperscript{4557} Id.
\textsuperscript{4558} Id.
\textsuperscript{4559} 1953 Utah Code Ann. § 59-7-614.8 (West 2012).
\textsuperscript{4561} Id.
\textsuperscript{4562} Id.
\textsuperscript{4563} Id.
In November 2012, the Division of Air Quality (DAQ) within the Utah Department of Environmental Quality announced a voluntary program, Ozone Advance, in collaboration with the EPA and Indian tribes. Ozone Advance encourages early emission reductions in areas of Utah that already experience elevated ozone levels in the winter, a strategy which will allow the state to plan for future emissions under Utah’s Clean Air Act State Implementation Plan for ozone. DAQ is exploring the use of early reduction credits for reductions that are “quantifiable, surplus, enforceable and permanent,” and which permittees may be able to bank for future development.

In the 2013 General Session, the Utah legislature passed a number of air quality amendments. S.B. 275 provided for the creation of an interlocal entity to facilitate the conversion of alternative fuel vehicles and the construction of supporting facilities, and provided for the recovery of expenditures made by a gas company through the implementation of an incremental surcharge. S.B. 221 authorized municipalities to adopt Commercial Property Assessed Clean Energy (C-PACE) financing programs for energy efficiency upgrades or renewable energy systems installed on commercial properties within a voluntary assessment area. It also required the owner of the property within the voluntary assessment area to provide assurances that the property was not burdened by liens, delinquent taxes, or other assessments. H.B. 284 provided flexibility to an electric utility to define the annual bill cycle for net metering as any twelve-month period rather than the April 1st to March 31st cycle first established. H.B. 96 extended corporate and individual income tax credits for cleaner burning fuels until the end of 2019, and required the State Tax Commission to transfer from the General Fund to the Education Fund the amount which the claimed tax credit exceeds $500,000. H.B. 202 updated commercial and residential building codes to comply with the 2012 International Energy Conservation Code. H.B. 168 required state agencies and school districts to report air quality mitigation efforts currently being utilized and to develop plans to mitigate the emission of air pollutants within certain counties.

1999-2013: Building Energy Efficiency Program


4565 Id.
4566 Id.
4567 Id.
4568 1953 UTAH CODE ANN. § 54-4-13.4 (West 2013).
4569 1953 UTAH CODE ANN. § 17-50-335 (West 2013).
4570 Id. at § 5.
4572 1953 UTAH CODE ANN. § 59-7-605 (West 2013).
4574 1953 UTAH CODE ANN. § 63G-17-202 (West 2013).
Utah has two main state funding programs supporting energy efficient buildings: the Energy Efficiency Fund for qualified projects, and the State Building Energy Efficiency Program, specific to state owned projects.

In July 1999, Utah Governor Michael O. Leavitt issued an Executive Order establishing a State Building Energy Efficiency Program. The purpose of the program was multifold. First, the program aimed to achieve significant energy savings through the implementation of a comprehensive and coordinated energy efficiency plan. Second, the program was designed to provide a source of funding for the LeRay McAllister Critical Land Conservation Fund. Finally, the program provided energy management services, technical energy assistance and financial coordination necessary to obtain energy cost reductions and efficiency in state facilities. All state agencies were required to participate in the program and act to meet the state’s energy efficiency objectives in compliance with the Executive Order.

In 2007, Utah created the Energy Efficiency Fund to provide public loans to qualified energy efficiency projects. This program coincided with the state’s Renewable Energy Systems Tax credit (discussed above). In 2009, Utah amended the rules associated with the Energy Efficiency Fund. Rule changes relaxed eligibility for marginally cost-effective proposals, and changed the application deadlines to a rolling basis, while suggesting several modifications to the fund’s administration. In 2012, Utah passed an emergency rule transferring activities from SEP to OED. The 2012 rule also expanded the list of eligible energy efficiency activities and authorizes fees and interests rates on loans.

In 2008, Utah created the State Facility Energy Efficiency Fund, a revolving loan program to support investment in consumer energy efficiency improvements. Utah amended the State Facility Energy Efficiency Fund in 2013 to require the agency to submit an evaluation memorandum following disbursement of funds.

2001: Net Metering

Utah has a mandatory net metering program, applicable to all electric utilities and cooperatives. Eligible sources of energy include solar, wind, hydropower, and fuel cells based on renewables. The size of the program is capped at .1% of capacity at peak demand in 2001.

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4578 Id. § 54-15-102.
4579 Id. § 54-15-103.
2007: Renewable Energy

Utah enacted S.B. 223 in 2007, expanding a number of tax credits and other provisions to enable the generation of power from solar and other alternative sources, such as biomass, geothermal and ground source heat pumps. Purchases or long-term leases of equipment used to generate energy from renewables are exempt from the state sales tax. Individuals who install renewable energy systems in their homes are eligible for a tax credit of 25% of the cost of installation, up to $2,000 per system. Corporate entities can claim tax credits of up to 10% of the installed cost, up to $50,000 per system.

Utah requires that solar energy installers be licensed. Municipalities are authorized to build solar access concerns into their zoning or planning. The state code also contains voluntary easement provisions, which ensure that a solar easement runs with the land in perpetuity, unless otherwise stipulated.

2007: The Climate Registry

In May 2007, Utah and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

2007-2011: Western Climate Initiative

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4580 Id. § 54-12-47(a).
4581 Id. § §59-10-1014(3)(a) Expands to 25% of the reasonable costs of each residential energy system installed with respect to each residential unit it owns. (2)(a)(i) 10% of $50,000 per commercial unit.
4582 Id.
4583 UTAH ADMIN. CODE r. 156-55a-301 (2006). Utah Construction Trades Licensing Act Rule. S202—Solar Photovoltaic Contractor. Fabrication, construction, installation, and replacement of photovoltaic cell panels and related components. Wiring, connections and wire methods as governed in the National Electrical Code and Subsection R156-55b-102(1) shall only be performed by an S200 General Electrical Contractor or S201 Residential Electrical Contractor. This classification is not required to install stand-alone solar systems that do not tie into premises wiring or into the electrical utility, such as signage or street or parking lighting.
4584 UTAH CODE ANN. § 10-9a-102 (LexisNexis 2006).
4585 Id. §§ 57-13-1, -2.
In 2006, the Utah Department of Natural Resources completed a climate change action plan for the state for the U.S. EPA. The analysis includes an economic and policy review of greenhouse gas reduction strategies in the state of Utah.

In May 2007, Governor Jon Huntsman joined the Western Climate Initiative (WCI), originally initiated in February 2007 by the governors of Arizona, California, New Mexico, Oregon, and Washington. On August 22, 2007, the WCI set a regional greenhouse gas (GHG) emission reduction goal of 15% below 2005 levels by 2020, or approximately 33% below business-as-usual levels. This regional target was compatible with and did not replace the states’ individual GHG reduction targets. Montana and four Canadian provinces joined the WCI subsequent to 2007. The WCI announced draft essential requirements for the reporting of GHG emissions in July 2008. It also released Design Recommendations for the WCI Regional Cap-and-Trade Program on September 23, 2008.

The WCI’s Design Recommendations report recommended that carbon dioxide; methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions should all fall under a regional cap-and-trade scheme. Regulated sources included electricity generation; combustion at industrial and commercial facilities; industrial process; fuel combustion from industrial, residential and commercial sources that are below the threshold for direct regulation; and transportation combustion of gasoline/diesel (excluding biofuels). It also recommended that each of these sources must emit at least 25,000 metric tons of carbon dioxide equivalent annually to participate in the trade. The first compliance periods began in 2012 and include half of the economy-wide regulated emissions from the WCI’s member jurisdiction for the electricity generation, industrial combustion and industrial process sectors.

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4588 Id.
4591 Id.
4592 Id.
4593 Id.
4595 Id. at 8.
4596 Id. at 8-9.
4597 Id. at 10.
4598 Id. at 24.
second compliance period begins in 2015, adding the other regulated sectors and includes 90% of the economy-wide regulated emissions.\footnote{4599}

Pursuing its cap-and-trade program, the WCI released the third draft of the Background Document and Progress Report for Essential Requirements of Mandatory Reporting For the Western Climate Initiative on January 6, 2009 for public comment.\footnote{4600} It set the reporting threshold at 10,000 metric tons of CO\textsubscript{2}e in a year, well below the 25,000 metric ton threshold for participation in the cap-and-trade program.\footnote{4601} It also recommended that stationary combustion sources be subject to the reporting requirement as well as the sources listed in Table 1 of the document. It required these listed sources to report combustion and non-combustion emissions.\footnote{4602} Due to strong stakeholder support, it also recommended that reporting begin in 2011 for facilities that began operation before 2010 in preparation for the commencement of the cap-and-trade program in 2012.\footnote{4603}

On February 24, 2009, the Utah House of Representatives passed a non-binding resolution to withdraw Utah from the WCI.\footnote{4604} The resolution based its opposition to WCI on economic concerns and lack of legislative consultation and public input.\footnote{4605}

On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the WCI, and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.\footnote{4606}

In July 2009, the WCI, including Utah, issued an Offsets Whitepaper for comments to its stakeholders.\footnote{4607} The paper was the initial phase in development of the definition of an offset and a major focus of the paper was additionality.\footnote{4608}

WCI’s Cap Setting and Allowance Distribution Committee released its Draft Statement of Principles on Competitiveness and the Review of Proposed Options for

\footnote{4599}\textit{Id.}
\footnote{4601}\textit{Id} at 10.
\footnote{4602}\textit{Id} at 11.
\footnote{4603}\textit{Id} at 16.
\footnote{4604}H.R. 3, 58th Leg., Gen. Sess. (Utah 2009).
\footnote{4605}\textit{Id.}
\footnote{4608}\textit{Id.}
Addressing Industrial Competitiveness Impacts in August 2009.\textsuperscript{4609} The purpose of the draft was to “guide the process by which WCI will evaluate competitiveness effects of a regional cap-and-trade program,” and also to review how other cap-and-trade programs address this issue.\textsuperscript{4610}

In November 2011, Utah and a number of other states withdrew from the WCI.\textsuperscript{4611}

2008-2013: Transportation/Fuels

In March 2008, Utah enacted H.B. 106, providing a $750 tax credit for vehicles meeting high air quality and fuel efficiency standards.\textsuperscript{4612} The law also removed a provision that prevented gas/electric hybrid vehicles from receiving tax credits.\textsuperscript{4613}

Utah announced in March of 2012 that it would replace 73 state fleet vehicles with fuel-efficient hybrid vehicles throughout 2012, as a part of the Utah Clean Air Partnership (U-CAIR).\textsuperscript{4614} The selected hybrid vehicle models represented an 83% improvement in efficiency as compared to similar non-hybrid sedans.\textsuperscript{4615} Four compressed natural gas (CNG) vehicles would also be added to the fleet, totaling 85 CNG vehicles in the state fleet.\textsuperscript{4616} The state also planned to purchase electric vehicles for the fleet.\textsuperscript{4617}

Electric vehicle charging stations became available to both the employees of the Department of Environmental Quality and the general public when the DEQ installed six charging stations at the Multi Agency State Government Office Building.\textsuperscript{4618} Three levels of charging ability were made available for batteries at different stages of depletion.\textsuperscript{4619} The project was made possible in part by a grant from the U. S. Department of Energy.\textsuperscript{4620}


\textsuperscript{4610} \textit{Id}.


\textsuperscript{4612} 2008 Utah Laws 106.

\textsuperscript{4613} \textit{Id}.


\textsuperscript{4615} \textit{Id}.

\textsuperscript{4616} \textit{Id}.

\textsuperscript{4617} \textit{Id}.


\textsuperscript{4619} \textit{Id}.

\textsuperscript{4620} \textit{Id}.
In May 2012, Governor Herbert signed an executive order requiring all state vehicles be turned off if expected to idle for more than thirty seconds. Herbert hoped that state employees could set an example for the rest of the state and that businesses and residents would follow suit and pledge to cut engine idling. The initiative could also save the state 60,000 gallons per year in fuel consumption.

In March 2013, the Utah Department of Environmental Quality awarded $250,000 in grants from the Clean Fuels Grant and Loan Program to encourage the expansion of natural gas use in state infrastructure. The recipients, Salt Lake City Corporation, Utah Transit Authority, and University of Utah, will purchase compressed natural gas vehicles for their fleets, in addition to expanding natural gas refueling stations.

Utah also enacted S.B. 202, entitled “Energy Resource and Carbon Emission Reduction Initiative,” that month, requiring the state’s utilities to obtain 20% of their “adjusted” electric sales from renewable sources by 2025. This percentage would not apply to sales from nuclear and coal plants using carbon sequestration.

On June 20, 2008, Utah’s Department of Environmental Quality announced a goal of reducing statewide GHG emissions to 2005 levels by 2020. It planned to achieve the GHG reduction using several policy tools, including: increased reliance on renewable energy sources; policies to reduce energy demand and increase efficiency; mass transit policies; and participation in the WCI’s cap-and-trade program.

In July 2008, Utah and eleven other states were awarded grants by the National Governors Association (NGA) to help advance clean energy projects. The NGA Center for Best Practices awarded grants of $50,000 to the states as part of its Clean

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4622 Id.
4623 Id.
4625 Id.
4627 Id.
4629 Id.
4630 News Release, Nat’l Governors Ass’n, NGA Awards Clean Energy Grants to 12 States, http://www.nga.org/portal/site/nga/menuitem.6e9a9a9ebc6ae07ееее28aca9501010a0/?vgnextoid=feecd9b353ada110VgNVC1000001a01010aRCRD.
Energy States Grant Program. The awards were designed to help develop greater energy efficiency, conservation, and clean energy resources.\textsuperscript{4631}

In March 2009, the Utah announced a partnership with the University of Utah and Headwaters, Inc. to develop carbon capture and sequestration projects for coal-fired power plants.\textsuperscript{4632}

**2009: American Recovery & Reinvestment Act (ARRA)**

On March 12, 2009, the U.S. Department of Energy announced that Utah was eligible for $35,362,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).\textsuperscript{4633}

In May 2009, Governor Huntsman and a coalition of other governors signed an agreement to support federal climate change legislation.\textsuperscript{4634} The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation.\textsuperscript{4635}

**VERMONT**

**1998: Market-Based Solutions and Greenhouse Gas Reduction**

In 1998, Vermont introduced net metering laws that allow electricity consumers to participate in a net metering program after they apply for and receive a “Certificate of Public Good for Interconnected Net Metered Power Systems.”\textsuperscript{4636} Currently, net metering is only available for renewable energy generators producing at most 15 kilowatts (KW)s of energy.\textsuperscript{4637}

The Vermont Department of Public Service completed a greenhouse gas (GHG) action plan in 1998.\textsuperscript{4638} This plan suggested that Vermont take actions to capture more energy savings in new and existing homes and multi-family low income housing, increase their use of renewable energy sources, improve transportation energy use, and

\textsuperscript{4631} Id.
\textsuperscript{4636} VT. STAT. ANN. tit. 30, § 219a (2011).
\textsuperscript{4637} Id.
review energy policy and taxation at the state and federal levels to assure that energy goals are promoted.\footnote{Id.}


In 2002, Governor Dean issued an executive order (EO) charging the state with developing a plan for improving efficiency and reducing GHG emissions from government sources.\footnote{Id.} In the same year, Vermont began offering a sales tax exemption for all renewable power systems with a capacity of up to 15 KWs (or up to 150 KWs for on-farm systems).\footnote{Id.}

**2003: Greenhouse Gas Reduction**

In the following year, Governor Douglas signed an EO for state government buildings to reduce GHG emissions to 1990 levels by 2010, to 10% below 1990 levels by 2020, and, in the long term, to levels “sufficient to eliminate any dangerous threat to the climate.”\footnote{Vt. Exec. Order No. 14-03 (2003).} He also signed into law the *Vermont Small-Scale Renewable Energy Program*, designed to stimulate market demand for solar and wind systems.\footnote{See NEW ENGLAND GOVERNORS/EASTERN CANADIAN PREMIERS, CLIMATE CHANGE ACTION PLAN 2001 (2001), http://web.archive.org/web/20040229181939/http://www.negc.org/documents/NEG-ECP%20CCAP.PDF.} Vermont agreed, under the auspices of the New England Governors and Eastern Canadian Premiers, to a voluntary short-term goal of reducing regional GHG emissions to 1990 levels by 2010 and by 10% below 1990 levels by 2020.\footnote{Id.}


Vermont became a member of the Regional Greenhouse Gas Initiative (RGGI) in 2005, thereby agreeing to cap emissions at current levels between 2009 and 2015 and to reduce these levels by 10% by 2018.\footnote{Vt. Code R. (2005); see also CAL. CODE REGS. tit. 13, § 1961.1 (2005).}

In 2005, Vermont adopted California’s GHG emissions standards for motor vehicles.\footnote{30 Vt. Stat. Ann. § 8001 et seq. (2011).} The state also set a renewable portfolio goal, calling for the state’s electric utilities to meet growth in electricity demand between 2005 and 2012 by using energy efficiency and renewable-energy resources.\footnote{Id.} At the end of 2005, Governor Douglas signed EO 07-05, creating the Governor’s Commission on Climate Change. The
Commission developed a climate change action plan to reduce GHG emissions in the state and submitted it to Douglas on October 26, 2007.⁴⁶⁴⁸

Additionally, the General Assembly established the Clean Energy Development Fund (CEDF) in 2005.⁴⁶⁴⁹ The CEDF was funded by Entergy, owner of the Vermont Yankee nuclear plant, which agreed to provide $6 to $7.2 million annually through March 2012. This funding, managed by the Department of Public Service, was given to renewable and combined heat and power technologies.⁴⁶⁵⁰

2006: Greenhouse Gas Reduction

In 2006, Vermont adopted legislation calling for the state to reduce GHG emissions by 25% from 1990 levels by 2012, 50% by 2028 and “if practical using reasonable efforts,” and 75% by 2050.⁴⁶⁵¹ Governor Douglas also signed a bill in May 2006 setting new energy efficiency standards for industrial and household appliances.⁴⁶⁵²

2007: Climate Change Agreements

In May 2007, Vermont and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately, transparently and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”⁴⁶⁵³

2008: Renewable Energy, Transportation/Fuels, Market-Based Solutions, Energy Efficiency, and Green Jobs

On March 20, 2008, Governor Douglas signed into law Senate Bill (S.) 209, the Energy Efficiency and Affordability Act of 2008.⁴⁶⁵⁴ The Act set a statewide goal of producing 25% of energy consumed in Vermont from renewable sources by 2025.⁴⁶⁵⁵ It increased the use of net metering and expanded the use of biodiesel in state buildings and the state’s vehicle fleet.⁴⁶⁵⁶ It also expanded funding for efficiency programs and tax

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⁴⁶⁵⁰ Id.
⁴⁶⁵¹ Id.
⁴⁶⁵⁵ Id.
incentives designed to help promote investment in renewable energy resources.\textsuperscript{4657} In addition, the Act created a fuel efficiency fund that is financed by revenues from the sale of emission allowances under RGGI.\textsuperscript{4658}

The first RGGI auction took place on September 25, 2008, offering 12,565,387 allowances for sale.\textsuperscript{4659} Each of these allowances sold at a clearing price of $3.07, raising a total of $38,575,783.\textsuperscript{4660} These proceeds would be used to fund renewable energy and energy efficiency technologies and programs in the states that offered allowances.\textsuperscript{4661} The second auction took place on December 17, 2008, and each of the ten states participated.\textsuperscript{4662} All of the available 31,505,898 allowances were sold, 3.5 times lower than the demand of 108,709,000 allowances.\textsuperscript{4663} The clearing price was $3.38 per allowance, raising a total of $106.5 million.\textsuperscript{4664}

Governor Douglas announced a program to provide funds for towns to reduce energy use and promote green jobs on November 20, 2008.\textsuperscript{4665} This funding ($1.8 million paid over a five-year period) came from the settlement of the state’s action against American Electric Power Corp., the country’s largest operator of coal-fired power plants.\textsuperscript{4666} Each local community could receive up to $12,000 for energy efficiency projects and had to match 10% of this funding. This program was administered by the Vermont Agency of Natural Resources.\textsuperscript{4667}

On December 31, 2008, RGGI participants and Pennsylvania (an observer) signed a letter of intent to reduce carbon emissions from the transportation sector.\textsuperscript{4668} Specifically, they expressed their intent to incorporate a Low Carbon Fuel Standard (LCFS) into the RGGI scheme, requiring reductions in the average lifecycle GHG per unit of useful energy in motor vehicles.\textsuperscript{4669} In further support of improving motor vehicle fuel efficiency, Governor Douglas publicly supported President Obama’s order that the EPA to reconsider granting the California Clean Air Act waiver to regulate motor vehicle

\textsuperscript{4657} Id.
\textsuperscript{4658} Id.
\textsuperscript{4660} Id. at 1.
\textsuperscript{4661} Id.
\textsuperscript{4663} Auction 2, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/116 (Nov. 28, 2013).
\textsuperscript{4664} Id.
\textsuperscript{4666} Id.
\textsuperscript{4667} Id.
\textsuperscript{4669} Id. at 1.
emissions. Vermont was the first state to adopt California’s motor vehicle GHG emission standards.


On March 12, 2009, the U.S. Department of Energy (DOE) announced that Vermont was eligible for $21,999,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).

The third RGGI auction was held on March 18, 2009. The auction sold 31,513,765 allowances of the 2009 vintage at a clearing price of $3.51 per allowance and 2,175,513 allowances of the 2012 vintage at a clearing price of $3.05 per allowance. This auction provided the first glimpse at future market prices for RGGI allowances.

Taking further steps to address climate change, Governor Douglas announced on March 20, 2009 that a total of $188,000 would be granted to seventeen energy efficiency projects. Projects included sealing and insulating a school, replacing the boilers in the town of Waterbury’s public facilities, and purchasing hybrid vehicles for CarShare Vermont, Burlington. The seventeen projects would result in a reduction of 270 tons of carbon emissions annually. Nearly three weeks later, Douglas announced that $2.57 million would be invested in renewable energy projects. The projects fell within the following categories: Pre-Project Financial Assistance, Large-Scale Systems, and Special Demonstration Projects.

In order to protect their states’ wind technology, Governor Douglas and other governors wrote a letter to Congress in May 2009 communicating their opposition to

4671 Id.
4674 Id.
4676 Id.
proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\textsuperscript{4678} Also in May, in an effort to provide an incentive for electricity generation from renewable sources, Douglas announced that the state Department of Public Service had filed an application for the $21,999,000 allocated to Vermont under ARRA.\textsuperscript{4679} He also applauded the Obama Administration’s decision to adopt GHG standards for cars and light trucks based on California’s tailpipe emissions standards.\textsuperscript{4680}

At the end of May 2009, Governor Douglas allowed a bill establishing a feed-in tariff to become law without his signature.\textsuperscript{4681} Although he objected to the fact that the legislature had not set statutory standard offer rates in the bill, he allowed it to become law on the condition that the Department of Public Service would revisit these rates within the following four months and regularly thereafter.\textsuperscript{4682} Feed-in tariffs require electric utilities to obtain a certain amount of their electricity generation sources from renewable sources. This law created long-term contracts for renewable sources: 25 years for solar and 20 years for all other renewables.\textsuperscript{4683}

Governor Douglas also signed an agreement with a coalition of other governors to support federal climate change legislation.\textsuperscript{4684} The agreement contained two principles: the support of comprehensive federal legislation and promotion of a federal-state

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\textsuperscript{4682} Id.


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partnership in implementing this legislation. Douglas then vetoed legislation relating to decommissioning funds for nuclear electric facilities because he believed the legislation would increase rates for consumers and “substitute[d] an objective process with political calculations.” However, he did sign a bill to encourage electricity production from biomass. This May 2009 bill created a “Biomass Energy Development Working Group” to develop strategies for biomass development as well as safeguards to ensure that biomass development does not unduly harm the environment.

In an effort to promote energy efficiency, Governor Douglas and the state’s Congressional Delegation sent a letter to Vice President Biden encouraging him to accelerate the smart grid funding process under the ARRA. This would supplement the RGGI auction proceeds allocated to energy efficiency programs (about $684,554 after the fourth auction).

The fourth RGGI auction was held on June 17, 2009 where prices fell to $3.23 per allowance of the 2009 vintage and $2.06 per allowance of the 2012 vintage.

On June 23, 2009, representatives from RGGI, the Western Climate Initiative (WCI), and the Midwest Greenhouse Gas Reduction Accord (MGGRA) met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

In an effort to encourage climate change action at the state level, Governor Douglas announced the second round of climate change grants on June 29, 2009, with a

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total of $170,000 going towards fifteen energy efficiency projects. He further supported energy efficiency by commending the U.S. EPA’s granting of the California Clean Air Act waiver.

Governor Douglas was ranked as one of the top ten “Green Governors” in the nation for his support of clean and efficient energy use by Greenopia on June 30, 2009. He then joined other New England governors in pursuing the development of high-speed rail in the region.

In an effort to support alternative technologies, Governor Douglas announced on August 12, 2009 that solar thermal systems would be installed in all of the toilet buildings and bathhouses in Vermont state park campgrounds.

In September 2009, Governor Douglas announced that fourteen energy efficiency projects were to receive funding totaling $150,000. He also announced that the state would be providing $500,000 in funding for ecosystem restoration projects.

The fifth RGGI action was held on September 9, 2009. The auction sold 28,408,945 allowances of the 2009 vintage at a clearing price of $2.19 per allowance and 2,172,540 allowances of the 2012 vintage at a clearing price of $1.87 per allowance. On September 11, 2009, the one-year anniversary of RGGI, Governor Douglas

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4701 *Id.*


The sixth RGGI auction was held on December 2, 2009. The auction sold 28,591,698 allowances of the 2009 vintage at a clearing price of $2.05 per allowance and 1,599,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\footnote{Auction 6, REGIONAL GREENHOUSE GAS INITIATIVE, http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/112 (Nov. 14, 2103).}

Governor Douglas signed a memorandum of understanding (MOU) in December 2009 with RGGI participant governors from Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, and Rhode Island as well as Pennsylvania, a RGGI observer.\footnote{Press Release, Vermont.gov, Governor Douglas Signs on to Regional Effort to Reduce GHG Emissions (Dec. 30, 2009), http://web.archive.org/web/20101103125841/http://governor.vermont.gov/tools/index.php?topic=GovPress Releases&id=3806&v=Article.} The MOU committed each state to a continued participation in a regional effort to reduce GHG emissions from fuels for vehicles and other uses and to develop a regional low carbon fuel standard (LCFS). These states planned to collaborate with the Northeast States for Coordinated Air Use Management (NESCAUM).\footnote{Id.} The LCFS program would be a market-based, fuel-neutral program to address the carbon in fuels, which represent approximately 30% of emissions region wide.\footnote{Id.} Signatories to the MOU agreed to work together to analyze low carbon fuel supply options, determine the feasibility of achieving a range of reduction goals and develop a framework for a regional LCFS in order to ensure sustainable use of renewable fuels in the region.\footnote{Id.}

In 2009, state and regional representatives from three regional GHG reduction initiatives, the RGGI, the WCI, and the MGGRA, came together to form North America
As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec.\textsuperscript{4711} North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.”\textsuperscript{4712} North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.\textsuperscript{4713}

2010: Market-Based Solutions, Transportation/Fuels, and Renewable Energy

The seventh RGGI auction was held on March 10, 2010.\textsuperscript{4714} The auction sold 40,612,408 allowances of the 2010 vintage at a clearing price of $2.07 per allowance and 2,091,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.\textsuperscript{4715}

In January 2010, Governor Douglas announced that Vermont would receive a $51 million ARRA grant to improve passenger rail speeds between St. Albans, Vermont and Springfield, Massachusetts as well as a $500,000 rail planning grant to extend passenger rail service along Vermont’s western rail corridor.\textsuperscript{4716} The $51 million grant would fund track and bridge upgrades along a rail line owned and operated by the New England Central Railroad and would result in a 30 minute travel time savings for passengers using Amtrak’s Vermonter service between St. Albans and Springfield.\textsuperscript{4717}

In March 2010, Vermont’s two largest utilities, Central Vermont Public Service and Green Mountain Power, signed a MOU with provincial utility Hydro-Québec.\textsuperscript{4718} Under the MOU, the companies extended and modified their current contract by planning for purchases totaling up to about 225 megawatts (MWs) starting in November 2012 and ending in 2038.\textsuperscript{4719} As part of the agreement, the Vermont General Assembly must enact legislation to designate large hydro plants as renewable resources, which would allow

\textsuperscript{4710} See NORTH AMERICA 2050, \url{http://na2050.org/} (Dec. 3, 2013).
\textsuperscript{4711} See Participants, NORTH AMERICA 2050, \url{http://na2050.org/participants/} (Dec. 3, 2013).
\textsuperscript{4712} NORTH AMERICA 2050, A PARTNERSHIP FOR PROGRESS, \url{http://na2050.org/wp-content/uploads/2012/01/NA2050-Overview.pdf}.
\textsuperscript{4713} See id.
\textsuperscript{4714} Auction 7, REGIONAL GREENHOUSE GAS INITIATIVE, \url{http://www.rggi.org/market/co2_auctions/results/Auctions-1-16/111} (Oct. 14, 2013).
\textsuperscript{4715} Id.
\textsuperscript{4717} Id.
\textsuperscript{4719} Id.
Hydro-Québec to obtain renewable credit. The state legislature obliged the MOU signatories in June by passing House Bill (H.) 781, An Act Relating to Renewable Energy, into law in June 2010, which included a provision to recognize power from Hydro-Québec as renewable.

The eighth RGGI auction was held on June 9, 2010. The auction sold 40,685,585 allowances of the 2010 vintage at a clearing price of $1.88 per allowance and 2,137,993 allowances of the 2012 vintage at a clearing price of $1.86 per allowance. The ninth RGGI auction was held on September 8, 2010. The auction sold 34,407,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,312,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance. The tenth RGGI auction was held on December 10, 2010. The auction sold 24,755,000 allowances of the 2010 vintage at a clearing price of $1.86 per allowance and 1,172,000 allowances of the 2012 vintage at a clearing price of $1.86 per allowance.

2011: Transportation/Fuels, Greenhouse Gas Reduction, Renewable Energy, Climate Change Adaptation, and Market-Based Solutions

The eleventh RGGI auction was held on March 9, 2011. The auction sold 41,995,813 allowances of the 2011 vintage at a clearing price of $1.89 per allowance and 2,144,710 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.

On March 15, 2011, the United States Department of Transportation designated the North East Corridor (NEC) as a high-speed rail corridor, meaning that Vermont would be able to compete with other northeastern states for federal rail funds.

Vermont filed two motions in the U.S. Supreme Court supporting federal regulations on GHG emissions. The state urged support for climate change mitigation in both Connecticut v. AEP and North Carolina v. TVA. In Connecticut v. AEP, the

Id.
Id.
Id.
Id.
Id.
Id.
Id.
Id.
Id.
Id.
Id.


Id.


Id.


Id.


Id.


Plaintiffs filed a public nuisance claim against the Defendant power plants and argued for the Court to set carbon dioxide emissions standards. The Supreme Court held unanimously for Connecticut. The Court remanded the case for a final determination after properly accounting for the new federal GHG regulations. The Court found that the plaintiffs’ common law nuisance claim had been rendered obsolete by federal regulations addressing the cause of the alleged tort.\textsuperscript{4732}

In April 2011, Governor Shumlin joined other northeastern governors urging the federal government to increase investments in high-speed rail. The northeastern governors aimed to improve reliability and reduce travel times throughout the NEC.\textsuperscript{4733}

Also in April 2011, Governor Shumlin unveiled his plan to increase funding for renewable energy in the state through Vermont’s CEDF. Rather than adding a monthly fee to utility bills, the plan called for those who have already been offered solar tax credits through the CEDF to take a 50% discount on the value of their credits in exchange for receiving a one-time cash grant once their projects become operational.\textsuperscript{4734}

On May 17, 2011, Governor Shumlin announced the formation and first meeting of the Vermont Climate Cabinet, a group of senior officials in the administration charged with coordinating climate change efforts across all state agencies and departments in an effort to reduce the state’s GHG emissions and reliance on fossil fuels.\textsuperscript{4735} Shumlin tasked the Vermont Climate Cabinet with improving energy efficiency for new and existing buildings, providing Vermonters with information on the potential impacts of climate change, and identifying strategies to reduce Vermont’s reliance on fossil fuels for transportation.\textsuperscript{4736}

Governor Shumlin signed H. 56, the \textit{Vermont Energy Act of 2011}, into law on May 25, 2011.\textsuperscript{4737} H. 56 expanded Vermont’s existing net metering program, which allowed Vermont ratepayers to run their meter backwards when producing excess power from their renewable energy systems. In addition, the Bill required utilities to offer a 20¢
credit to their solar net metering customers for the excess energy they produced to incentivize further solar power development.  

The twelfth RGGI auction was held on June 8, 2011. The auction sold 12,537,000 allowances of the 2011 vintage at a clearing price of $1.89 and 943,000 allowances of the 2012 vintage at a clearing price of $1.89 per allowance.

The largest solar farm in Vermont, constructed by AllEarth Renewables, was unveiled in South Burlington on July 28, 2011. The 28 acres of solar panels would harvest approximately 2.2 MWs of electricity, enough to power 450 Vermont homes. The panels were constructed on movable axes, allowing them to reposition themselves according to the sun’s movement and produce 40% more power than fixed solar arrays.

The thirteenth RGGI auction was held on September 7, 2011 and the auction sold 7,487,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.

Vermont was one of nine states to join the Northeast Electric Vehicle Network in October 2011. The Network seeks to help the states increase economic growth and reduce their GHG emissions. It focuses on building infrastructure for clean vehicles and fuels as well as attracting public and private investment to support the infrastructure development. Participating states include Connecticut, Delaware, Washington, D.C., Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, and Rhode Island. The Network is part of the Transportation and Climate Initiative (TCI), a regional collaboration between twelve Northeast and Mid-Atlantic states that aims to reduce GHG emissions from the transportation sector and develop the clean energy economy. The TCI was launched in June 2010 and is facilitated by the Georgetown Climate Center. A nearly $1 million Electric Vehicle Readiness Grant from the DOE was awarded to New York State Energy Research and Development Authority

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4740 Id.
4744 Id.
4746 Id.
(NYSERDA) on behalf of the TCI in September 2010 to fund the network’s efforts to deploy electric vehicles throughout the Northeast.\textsuperscript{4747}

The thirteenth RGGI auction was held on September 7, 2011 and the auction sold 7,487,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\textsuperscript{4748} The fourteenth RGGI auction was held on December 7, 2011 and the auction sold 27,293,000 allowances of the 2011 vintage at a clearing price of $1.89 per allowance.\textsuperscript{4749}

The final Vermont Comprehensive Energy Plan was announced on December 15, 2011. The Plan recommended that Vermont obtain 90% of total energy from renewables by 2050.\textsuperscript{4750} At the time, the state obtained 25% of its energy needs from renewable energy sources.\textsuperscript{4751}

2012: Renewable Energy, Greenhouse Gas Reduction, and Market-Based Solutions

In an order entered on January 23, 2012, the Public Service Board recommended an alteration of the standard-offer prices for photovoltaics to $0.271 per kilowatt hour (kWh) and small wind to $0.253 kWh for those wind projects with a nameplate capacity of 100 KW or less.\textsuperscript{4752} The price revisions reflected a requirement from the Sustainably Priced Energy Enterprise Development (SPEED) program, designed to encourage the development of renewable resources of energy in Vermont.\textsuperscript{4753}

On March 16, 2012, RGGI announced the results of its fifteenth quarterly auction in which 21.5 million carbon dioxide allowances were sold at a clearing price of $1.93.\textsuperscript{4754} The auction generated $41.6 million in proceeds, which the RGGI participating states planned to invest in consumer-oriented energy efficiency initiatives.\textsuperscript{4755}

In April 2012, the Vermont Agency of Natural Resources announced new rebates and requirements for outdoor wood-fired boilers (OWBs).\textsuperscript{4756} The agency required
OWBs that had not been certified to meet emission standards to be retired by December 31, 2012 and uncertified OWBs located within 200 feet of a residence, school or healthcare facility and that were not in use to be destroyed and removed.\textsuperscript{4757} The voluntary OWB Change-Out Program will assist OWB owners who wish to upgrade to newer models, which provide 70\% more energy efficiency, emit less irritating smoke and are thus more neighbor-friendly.\textsuperscript{4758} Available rebates are $6,000 to replace either an OWB that is within 200 feet of a residence, school or healthcare facility, or an OWB that has caused a valid emissions complaint.\textsuperscript{4759} Eligible upgrade models include certified OWBs, including pellet boilers, propane or natural gas boilers, or alternative heating systems.\textsuperscript{4760}

S. 214, enacted in May 2012, required the establishment of a new market-based pricing mechanism with contracts being awarded from the Public Service Board competitively through a Request for Proposal process.\textsuperscript{4761} The standard-offer program cap will also be increased yearly from 2013 at 55 MWs to 2022 at 127.5 MWs.\textsuperscript{4762}

Governor Shumlin announced on May 2, 2012 that $1.75 million in funds had been awarded to the Montpelier renovated biomass heating plant.\textsuperscript{4763} One million came from the Clean Energy Development Fund and $750,000 came from ARRA funds.\textsuperscript{4764} The plant would provide reliable, low-cost, renewable heat for the downtown Montpelier business district and the Capital Complex.\textsuperscript{4765} Proponents estimated that toxic emissions would be reduced by about 11 tons per year, and taxpayers would save approximately $200,000 per year in energy costs thanks to the plant upgrade.\textsuperscript{4766}

On May 11, 2012, Governor Shumlin signed Act 125, amending Vermont’s net metering policy to expand eligible solar net metering systems from those that produce up to 5 KWs to those that produce up to 10 KWs.\textsuperscript{4767} If the net metering system is connected directly to the utility with a separate meter intended to measure energy generated by the system, the utility must provide the customer with bill credits for all kWhs generated calculated in a manner that includes a service charge, a kWh rate and an inclining block rate if applicable, excluding time-of-use rates and demand rates.\textsuperscript{4768} The same shall apply to group net metering systems that serve one or more customers on a demand or time-of-

\textsuperscript{4757} Id.
\textsuperscript{4758} Id.
\textsuperscript{4759} Id.
\textsuperscript{4760} Id.
\textsuperscript{4762} Id.
\textsuperscript{4763} Id.
\textsuperscript{4764} Id.
\textsuperscript{4765} Id.
\textsuperscript{4766} Id.
\textsuperscript{4768} Id. § 3(e)(4).
use rate schedule. The Act required the Department of Public Service to issue a report no later than January 15, 2013 evaluating Vermont’s net metering policy as a whole, analyzing costs, benefits, and whether retail customers not utilizing net metering are subsidizing those retail customers who do.

The legislature also passed H. 679 on May 11, 2012, which exempted renewable energy plants that generate solar electricity from the uniform capacity tax if the plant has a capacity of 10 KWs or less. In the absence of the exemption, there is an assessment of $4.00 per KW of renewable solar power plant capacity.

On June 8, 2012, RGGI announced the results of its sixteenth quarterly auction for carbon dioxide allowances. The auction of the 20.9 million allowances generated $40.4 million in funds and represented 57% of the allowances offered for sale by all nine participating states. On September 7, 2012, the RGGI states announced the results of its seventeenth quarterly auction for carbon dioxide allowances. The auction of 24.5 million allowances generated $47.4 million in funds for the participating states, representing 65% of the allowances offered for sale by all nine states.

On October 2, 2012, Governor Shumlin signed EO No. 10-12 creating the Governor’s Energy Generation Siting Policy Commission. The EO tasked the Commission with providing a report to the governor and legislative agencies by April 30, 2013, which they accomplished, analyzing the best practices for public participation and the approval of siting projects for electricity generation and providing recommendations to improve the current process. It must also consider including...
alternative dispute resolution, state-level permit issuance, adequate levels of environmental and cultural protection, and environmental impact monitoring. 4780

On November 19, 2012, RGGI reported that RGGI-related investments avoided 12 million tons of carbon dioxide emissions from 2009 to 2011. 4781 RGGI states directed these investments towards energy efficiency projects, renewable energy, direct bill assistance for consumers, GHG abatement and climate change adaptation programs. 4782

2013: Market-Based Solutions, Greenhouse Gas Reduction, and Renewable Energy

On January 15, 2013, as required by Act 125, the Public Service Department issued its report evaluating the Vermont net metering policy pursuant to Act 125. 4783 The report incorporated public comments and concluded that net metering permit applications for photovoltaic systems had increased fourfold since 2008, yet capacity participation from net metering remained between 1 and 4%. 4784 The report found few costs to net metering, including: lost revenue to utilities due to customers participating in net metering; the forgone revenue due to the Vermont solar credit for solar photovoltaic systems; and administrative costs of the net metering program. 4785 Benefits of net metering include: avoided energy costs including the internalized cost of GHG emissions; avoided capacity costs and line loss costs; avoided regional and in-state transmission and distribution costs; the achievement of market price suppression; and the value of Vermont SPEED. 4786 As for cross-subsidization, the report concluded that net metering does not represent a significant cost to ratepayers not participating in net metering. 4787

On February 7, 2013, Governor Shumlin and the other RGGI governors announced that the annual carbon dioxide emissions cap will be reduced by almost 40% from 165 million tons to 91 million tons in 2014, and will continue to decrease by 2.5% annually through 2020. 4788 The decision was made in part due to a decrease in electricity demand due to energy efficiency efforts, lower natural gas prices, and milder weather. 4789 The RGGI program in Vermont alone has generated $7 million in funds that have been

4780 Id.
4782 Id.
4784 Id. at 3-4, 6.
4785 Id. at 11.
4786 Id. at 11.
4787 Id. at 31.
4789 Id.
put toward energy efficiency and fuel-savings programs. The RGGI states have also agreed to adjust the cap to reflect existing unsold allowances, create a cost-containment system, and allow forestry offsets. Other improvements include updates to the offsets program; the decision not to reoffer unsold allowances from 2012 and 2013; the requirement that regulated entities obtain allowances for at least 50% of their emissions in each of the first two years of the three year compliance period; and the development of tools to track electricity imported into participating states from non-participating states in order to address those emissions. Each RGGI state will implement these measures in their respective statutory regimes.

In February 2013, Governor Shumlin, state legislators and the Vermont Economic Development Authority proposed to create the Vermont Clean Energy Loan Fund (VCELF) to consolidate existing programs including the Energy Efficiency Loan Guarantee Program, the Small Business Conservation Loan Program, the Renewable Energy Loan Program, and the Agricultural Energy Loan Program. The Energy Efficiency Loan Guarantee Program is a new VCELF program currently in development that is expected to be able to guarantee approximately $10 million in loans for energy efficiency projects. The overall goal of VCELF is to provide low-cost, low-risk financing to encourage private sector clean energy projects in Vermont.

On April 16, 2013, an independent market monitor of RGGI confirmed that there continue to be no material concerns regarding the auction process or in the competitiveness of the secondary market for RGGI allowances. During 2012, the average auction clearing price was $1.93 for carbon dioxide allowances.

On June 17, 2013, Governor Shumlin signed into law House Bill (H.B.) 395, which established the Vermont Clean Energy Loan Fund (“VCELF”). The bill consolidated energy programs already in existence under the Vermont Economic Development Authority (“VEDA”) and authorized VEDA to make loans and other forms of financing that stimulate and encourage development and deployment of sustainable energy projects in Vermont. Specifically, H.B. 395 authorized the Vermont Treasurer...
to establish a short-term credit facility for the benefit of VEDA of up to $10 million to finance commercial sustainable energy projects and up to $6.5 million to finance residential energy efficiency improvements.  

Also on June 17, 2013, Governor Shumlin signed H.B. 520, which concerned the efficient use of energy to reduce energy costs and greenhouse gas emissions. The bill primarily focused on thermal energy efficiency, such as space or water heating, but also included provisions that relate to air pollution and renewable energy. Specifically, the bill addressed six areas: 1) thermal efficiency delivery under Public Service Board oversight, 2) building energy standards, 3) voluntary building energy disclosure, 4) home heating and weatherization assistance, 5) air pollution (the bill made clear that the Agency of Natural Resources (ANR) is enabled to implement a revised carbon emissions cap recently agreed upon by the states that are party to the Regional Greenhouse Gas Initiative), and 6) renewable energy (the bill clarified the definition of “plant capacity” as it pertains to solar plants in Vermont).

2014: Renewable Energy and Energy Efficiency

On April 1, 2014, Governor Shumlin signed into law House Bill (H.B.) 702, an act relating to self-generation and net metering of renewable energy, which allows private businesses and homeowners to generate renewable energy and connect it to the power grid. The bill expands Vermont’s preexisting net metering program under Title 30, § 219a for self-generation and net metering. Specifically, the new law raised the 4% cap utilities had been using as the limit on their net metering programs to 15% of peak load and applies to grid-connected renewable energy generation systems smaller than 500 kW that are intended primarily to offset the customer's own electricity.

VIRGINIA

1999: Market-Based Solutions

In 1999, the Virginia Legislature passed the Virginia Electric Utility Restructuring Act, which deregulated electrical generation in the state, and among other things, required Virginia’s electricity providers to disclose “fuel mix and emissions data” to consumers.
2006: Renewable Energy and Green Technology

Legislation passed in 2006 set forth Virginia’s energy policy, which includes promoting and supporting the research, development, and generation of renewable energy, the development of clean-coal technologies, cost-effective energy conservation, alternative-fuel vehicles, and the increased use of biodiesel and ethanol. In addition, the legislation called for an advisory group to develop a ten-year comprehensive Virginia Energy Plan to propose ways to implement the legislation’s policy and objectives.

2007: Greenhouse Gas Reduction, Market-Based Solutions, Renewable Portfolio Standards, and Climate Change Adaptation

In January 2007, the Virginia Department of Environmental Quality’s Greenhouse Gas Working Group of the State Advisory Board on Air Pollution released a report announcing that global warming poses significant threats to Virginia and listing policy options for reducing greenhouse gas (GHG) emissions for the state legislature and state regulators. The policy options included increasing renewable energy usage, public education, and incentive programs to encourage low-emission alternatives to conventional practices. The policy options further included additional taxes for fossil fuel and electricity and technology-based standards that reduce GHG emissions for new power plants.

Passed in April 2007, House Bill (H.B.) 3068 created a voluntary renewable portfolio standard, set at 12% of 2007 electricity sales minus average annual percentage of power supplied by nuclear generators, by 2022.

In September 2007, Governor Tim Kaine released the Virginia Energy Plan, which called for a 40% reduction in Virginia’s energy use growth rate, a 30% reduction in GHG emissions, and a 20% increase in in-state energy production. Additionally, the plan recommended expanded consumer energy education; the creation of a Climate Change Commission that would assess climate change impacts on Virginia; and research and development in nuclear technologies, alternate transportation fuels, coastal energy production, and carbon sequestration.

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4810 Id.
4812 Id.
4813 Id.
4816 Id.
In December 2007, Governor Kaine issued Executive Order 59, establishing the Governor’s Commission on Climate Change. The commission would prepare a plan for Virginia identifying ways to reduce GHG emissions. It would also: inventory the amount of and contributors to Virginia’s GHG emissions; evaluate the expected impacts of climate change on Virginia’s citizens, natural resources and economy; identify climate change approaches being pursued by other states, regions and the federal government; identify what Virginia needs to do to prepare for the likely consequences of climate change; and identify any actions (beyond those identified in the Virginia Energy Plan) that need to be taken to achieve the 30% GHG reduction goal.

2008: Transportation/Fuels, Greenhouse Gas Reduction, Green Jobs, Green Technology, and Market-Based Solutions

In June 2008, Governor Kaine released his proposed transportation legislation to the General Assembly. This legislation included a grant to increase passenger rail service. Later that summer, he announced a different transportation grant, providing $1 million to encourage students to walk or bike to school.

On November 13, 2008, the Commission on Climate Change voted to increase the GHG emissions reductions recommended by the Governor. Specifically, the commission voted to adopt the IPCC recommended emission standards of 25% below 1990 levels by 2020 and 80% below 1990 levels by 2050.

In December 2008, Governor Kaine announced a partnership between Virginia’s Secretary of Natural Resources and the U.S. Department of Defense to encourage sustainable efforts on military installations in Virginia. Later that month, Governor Kaine announced the Renew Energy Initiative, creating an interagency task force and market plan to attract green jobs.

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4818 Id.
4819 Id.
4823 Id.
On December 15, 2008, the Governor’s Commission on Climate Change released its Climate Change Action Plan.\(^{4826}\) The Plan included the following recommendations for reducing net GHG emissions:

- “increasing energy efficiency and conservation;”\(^{4827}\)
- “advocate[ing] for federal actions that will reduce net GHG emissions;”\(^{4828}\)
- “. . . expand[ing] commuter choice, improve[ing] transportation efficiency, and improve[ing] community designs;”\(^{4829}\)
- “. . . increasing efficiency of transportation fleet and use of alternative fuels;”\(^{4830}\)
- “. . . accelerat[ing] research and development;”\(^{4831}\)
- “. . . increasing the proportion of the energy demands that are met by renewable sources;”\(^{4832}\)
- “. . . increasing the proportion of electricity generation provided by emissions-free sources of energy;”\(^{4833}\) and
- “. . . protecting/enhancing natural carbon sequestration capacity and researching/promoting carbon capture and storage technology.”\(^{4834}\)


As part of Virginia’s Renew Energy Initiative, Governor Kaine proposed several pieces of legislation in January 2009.\(^{4835}\) The first was the Clean Energy Manufacturing Incentive, expanding the photovoltaic tax credit to include other low- and no-carbon energy technologies, which was enacted but later repealed in 2013.\(^{4836}\) A second proposed piece of legislation was the Biofuels Incentive Grant, modifying the existing grant so that biofuels produced from non-food sources receive a higher incentive.\(^{4837}\) A third proposed piece of legislation was the establishment of the Renewable Energy System Income Tax Credit. A fourth proposed piece of legislation was the Renewable


\(^{4827}\) Id. at 12.

\(^{4828}\) Id. at 14.

\(^{4829}\) Id. at 15.

\(^{4830}\) Id. at 18.

\(^{4831}\) Id. at 19.


\(^{4833}\) Id. at 21.

\(^{4834}\) Id.


\(^{4836}\) See VA. CODE ANN. § 45.1-392.

Energy Equipment Sales Tax Exemption, providing an exemption for solar photovoltaic and thermal systems and small wind systems.

At the end of January 2009, the Virginia’s utility co-ops donated 4,200 CFLs to replace the incandescent bulbs in the state parks.  

On February 12, 2009, Governor Kaine signed an agreement with the British Ambassador to the United States to create a partnership for reducing GHG emissions. This agreement contained six partnership actions: advance policies promoting a low carbon economy; improve the comprehensiveness of current GHG emission reduction policies; improve and share the scientific knowledge on climate change; improve and enhance carbon-reducing energy technologies; increase low-carbon commerce between the U.K. and Virginia; and enhance climate change education and public awareness to encourage climate-conscious decision-making by citizens.

On March 12, 2009, the U.S. Department of Energy announced that Virginia was eligible for $70,001,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).

At the end of March 2009, Governor Kaine signed or amended a number of climate change-related bills. He amended Senate Bill (S.B.) 1246, establishing an energy efficiency standard to reduce the state’s energy consumption to 19% below 2006 levels by 2020. The amendment made this reduction voluntary. S.B. 1339 increased the state’s renewable portfolio standard (RPS) goal to 15% by 2020.

Governor Kaine signed H.B. 2001, providing a greater incentive for biofuels produced from nonfood sources. He also signed H.B. 2576, clarifying the definition of solid waste facilities that produce electricity from solid waste so that they can qualify...

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4841  Id.
for financial incentives;\textsuperscript{4847} S.B. 1212, granting authority to localities to develop clean energy financing programs;\textsuperscript{4848} H.B. 1828, creating incentives for green roofs;\textsuperscript{4849} H.B. 1994, increasing the RPS for incumbent electric utilities to 15\% by 2025;\textsuperscript{4850} S.B. 1350, granting authority to the Marine Resource Commission to lease sub-aqueous land for electricity generation;\textsuperscript{4851} and H.B. 2171, providing that farms using waste-to-electricity technology are excluded from being regulated as electric utilities.\textsuperscript{4852}

In order to protect their state’s wind technology, Governor Kaine and other governors wrote a May 2009 letter to the U.S. Congress communicating their opposition to proposals to create a national corridor providing electricity transmission from the Midwest to the East Coast.\textsuperscript{4853}

In June 2009, Governor Kaine signed the Mid-Atlantic Governors’ Agreement on Ocean Conservation.\textsuperscript{4854} Two of the priorities in the regional collaboration included supporting offshore renewable energy development and preparing coastal communities for the impacts of climate change. Kaine also issued Executive Order (EO) 82, creating the Green Commonwealth Challenge to encourage and work with the state workforce in greening their facilities.\textsuperscript{4855} The EO also directed all state agencies to develop environmental management plans and/or policies; required all new executive government building to conform with LEED silver or Green Globes two-globe standards; directed the Department of General Services and the Virginia Information Technology Agency to develop specifications that encourage the use of recycled materials agencies; and required all agencies to implement transit and ride-share incentive programs.\textsuperscript{4856}

Later in June 2009, Governor Kaine announced a Virginia Department of Environmental Quality initiative to review facilities that were grandfathered under the Clean Air Act and determine whether their emissions comply with existing National Ambient Air Quality Standards.\textsuperscript{4857}

\textsuperscript{4848} S.B. 1212, General Assemb., 2009 Sess. (Va. 2009).
\textsuperscript{4851} S.B. 1350, General Assemb., 2009 Sess. (Va. 2009).
\textsuperscript{4856} Id.
\textsuperscript{4857} Press Release, Governor Kaine Unveils Unique Program to Review Emissions from Grandfathered Facilities (June 23, 2009),
While touring the Virginia Association of Counties headquarters’ green roofs in August 2009, Governor Kaine touted the benefits of green construction. That same month, the state’s Clean Cities Program received $8,605,100 in ARRA funding. The next month, Kaine announced that Virginia would also use ARRA funding through its Public-Private Educational Facilities Infrastructure Act to develop clean energy projects at state agencies and universities.

During September 2009, Governor Kaine announced a partnership with Dominion Virginia Power to install electric vehicle charging stations at certain state rest areas. He also submitted a letter to the director of the U.S. Department of the Interior’s Minerals Management Service, requesting the formation of a task force to guide and facilitate the offshore wind project leasing process. During that month, Virginia also made $40 million in loans available for state agencies to finance energy efficiency projects. It also launched the Virginia Energy Efficiency Rebate Program, making $15 million in ARRA funding available for up to 20% of the cost of high-energy efficiency products.

In October 2009, Shenandoah Sustainable Technologies, LLC, a sustainable construction company, brought 72 new green jobs to the state. The State Energy Plan

also received $40 million of ARRA funding during this month.\textsuperscript{4866} From October 9-12, 2009, there was a sales tax holiday for energy-efficient products.\textsuperscript{4867} Governor Kaine also announced new land conservation projects, bringing the state closer to its goal of preserving 400,000 acres.\textsuperscript{4868}

**2010: Green Jobs, Market-Based Solutions, Renewable Energy, Renewable Portfolio Standards, Transportation/Fuels, Climate Change Adaptation, and Energy Efficiency**

In March and April of 2010, Governor Bob McDonnell signed several bills into law in April 2010. In March, House Bill (H.B.) 756 was passed to allocate 80\% of future offshore royalties and revenues to transportation (70\% to Transportation Trust Fund and 10\% to local transportation projects) and the remaining 20\% to the Virginia Coastal Energy Research Consortium to research and develop renewable energy solutions.\textsuperscript{4869} Additionally, H.B. 787 provided a clear statement in support of oil and natural gas exploration, development, and production 50 miles or more off Virginia’s coast.\textsuperscript{4870} Senate Bill (S.B.) 623\textsuperscript{4871} and H.B. 803\textsuperscript{4872} (Green Jobs Tax Credit) created a $500 tax credit for the creation of “green” jobs for taxable years beginning on and after January 1, 2010. H.B. 928\textsuperscript{4873} (Universities Clean Energy Development and Economic Stimulus Foundation) created a foundation as a body corporate and a political subdivision of the Commonwealth to identify, obtain, disburse, and administer funding for (i) research and development of alternative fuels, clean energy production, and related technologies; (ii) support of economic development projects in disadvantaged rural areas; and (iii) the provision of assistance in the commercialization of alternative fuels and clean energy technologies. S.B. 577\textsuperscript{4874} and H.B. 389\textsuperscript{4875} (Virginia Offshore Wind Development Authority) would facilitate and support the development of the offshore wind industry and wind-powered electric energy facilities located off the coast beyond the three-mile jurisdictional limit. The law charged the Authority with, among other tasks, (i) identifying existing state and regulatory or administrative barriers to the development of the offshore wind industry; (ii) collecting environmental data; (iii) upgrading port


facilities to accommodate the manufacturing and assembly of project components and vessels that will support such projects; and (iv) applying to the U.S. Department of Energy for loan guarantees for such projects.\textsuperscript{4876}

H.B. 1022\textsuperscript{4877} (Renewable Portfolio Standard Program) provided that an investor-owned electric utility, with programs for energy derived from offshore wind, will receive triple credit toward meeting the goals of the renewable energy portfolio standard. H.B. 533\textsuperscript{4878} and S.B. 112\textsuperscript{4879} (SAVE Act) authorized investor-owned natural gas utilities to petition the State Corporation Commission to implement a separate rider to allow for recovery of certain costs associated with eligible infrastructure replacement projects. Eligible projects include those that: (i) enhance safety or reliability by reducing system integrity risks associated with customer outages, corrosion, equipment failures, material failures, natural forces, or other outside force damage; (ii) do not increase revenues by directly connecting the infrastructure replacement to new customers; (iii) reduce GHG emissions; (iv) are not included in the natural gas utility’s rate base in its most recent rate case; and (v) begin on or after January 1, 2010. The costs recoverable from an eligible infrastructure replacement project include a return on the investment, a revenue conversion factor, depreciation, property taxes, and carrying costs on the over- or under-recovery of the eligible infrastructure replacement costs.\textsuperscript{4880}

H.B. 806\textsuperscript{4881} (Alternative Fuels Revolving Fund) added improvement of infrastructure, such as refueling stations, as a goal of the Alternative Fuels Revolving Fund. S.B. 110\textsuperscript{4882} (Clean energy financing) authorized localities to place liens equal in value to the loan against any property where such clean energy systems are being installed in order to secure loans for the initial acquisition and installation of clean energy improvements. It also allowed the locality to bundle the loans for transfer to private lenders in a way that would allow the liens to remain in full force to secure the loans.\textsuperscript{4883}

In April 2010, the Virginia Department of Forestry and the Department of Conservation and Recreation partnered with Isle of Wight County to permanently conserve 2,507 acres of forestland. The Department of Forestry secured $850,000 in federal Forest Legacy funds; the Virginia Land Conservation Fund contributed $566,000; and the U.S. Fish and Wildlife Service added $75,000 through the North American Wetlands Conservation Act program.\textsuperscript{4884}

\textsuperscript{4876} Id.
\textsuperscript{4880} Id.
\textsuperscript{4883} Id.
In June 2010, Governor McDonnell signed a memorandum of understanding (MOU) with U.S. Secretary of the Interior Ken Salazar and nine east coast governors, including Maine, New Hampshire, Massachusetts, Rhode Island, New York, New Jersey, Delaware, Maryland, Virginia, and North Carolina, to establish the Atlantic Offshore Wind Energy Consortium. Under the MOU, the consortium would develop an action plan setting forth priorities, goals, specific recommendations and steps to achieve the objectives outlined in the agreement. Additionally, as part of the program, a regional renewable energy office would be located in Virginia.

Governor McDonnell host Virginia’s first ever Governor’s Conference on Energy in October 2010. The conference program included an examination of Virginia’s energy sector, innovative alternative energy projects, and energy research and development underway at the state’s universities. Panels included a discussion of the future of both developed and undeveloped energy resources; a review of conservation and efficiency opportunities; and consideration of transportation issues, including the future potential for electric vehicles and natural gas fleets.

The fourth ENERGY STAR® and WaterSense products sales tax holiday occurred in October 2010, where consumers purchased a variety of products qualified for energy savings by the federal government and were exempt from paying the 5% state and local sales tax. The ENERGY STAR® products included air conditioners, refrigerators, dishwashers, ceiling fans, and washing machines, as well as compact fluorescent light bulbs (CFLs) and programmable thermostats. WaterSense products included bathroom sink faucets, faucet accessories, showerheads, and toilets.

On November 26, 2010, the Department of Environmental Quality issued a permitting rule for renewable energy projects. The rule streamlined the permitting of wind energy projects producing more than 500 kW. State official expected the rule to

4885 Memorandum of Understanding between Ken Salazar, Sec’y of the Dep’t of the Interior, and John H. Lynch, Governor of New Hampshire; Deval L. Patrick, Governor of Massachusetts; Donald L. Carcieri, Governor of Rhode Island; David A. Paterson, Governor of New York; Chris Christie, Governor of New Jersey; Jack Markell, Governor of Delaware; Martin O’Malley, Governor of Maryland; Robert F. McDonnell, Governor of Virginia; and Beverly Eaves Perdue, Governor of North Carolina (June 6, 2010), http://www.boem.gov/uploadedFiles/AtlanticConsortiumMOU.pdf; Press Release, Virginia Joins Atlantic Offshore Wind Energy Consortium (June 08, 2010), https://web.archive.org/web/20130708175443/http://www.governor.virginia.gov/News/viewRelease.cfm?id=198.
4886 Id.
4888 Id.
4890 Id.
Governor McDonnell finalized a deal in December 2010 with Norfolk Southern to return passenger train service to Norfolk, Virginia. The rehabilitated line would reconnect travelers or commuters with Richmond and Washington, D.C. The $87 million project would commence in 2010 and begin passenger service in 2013.

2011: Green Technology, Transportation/Fuels, Renewable Energy, Market-Based Solutions, and Energy Efficiency

On June 27, 2011, the Virginia Secretary of Natural Resources and the Governor’s Senior Energy Advisor highlighted some of the recent energy-related bills enacted by the Commonwealth and signed by Governor McDonnell on June 15. House Bill (H.B.) 2105 permitted private parties to sell electric vehicle recharging services, rather than limiting such services to public utilities, thus helping to support Virginia’s emerging electric vehicle market. H.B. 2282 required the Virginia Department of General Services to develop a plan for replacing vehicles in the centralized fleet with vehicles that operate on natural gas, electricity, or other alternative fuels. H.B. 1686 directed the State Corporation Commission to offer special tariffs to distributed solar generation facilities in order to promote the construction of such customer-owned facilities as an alternative to net energy metering. H.B. 1983 increased the amount of electricity that homeowners and businesses can generate and sell back to utilities through net metering from 10 to 20 kilowatts, thus encouraging the installation of renewable energy projects. H.B. 2191 created a Voluntary Solar Resource Development Fund through which utility customers would be able to donate money made available as loans for the construction of solar energy projects. The program also required utilities to post a link to a donations page on their websites. H.B. 2316 created the Clean Energy Manufacturing Incentive Grant Program to provide financial incentives to companies that manufacture or assemble equipment, systems or

products used to produce renewable or nuclear energy, as well as products used for energy conservation, storage, or grid efficiency.\footnote{H.B. 2316, General Assemb., 2011 Sess. (Va. 2011).} H.B. 2389 added renewable energy projects to those projects that the Virginia Resources Authority may finance.\footnote{H.B. 2389, General Assemb., 2011 Sess. (Va. 2011).} S.B. 862 required municipalities adopting local ordinances governing the siting of renewable energy facilities to make the ordinances consistent with the provisions of Virginia’s Energy Policies.\footnote{S.B. 862, General Assemb., 2011 Sess. (Va. 2011).} Lastly, S.B. 1236 extended the sunset date of the Clean Fuel Vehicle Job Creation Tax Credit from the 2011 taxable year to the 2014 taxable year.\footnote{S.B. 1236, General Assemb., 2011 Sess. (Va. 2011).}


On April 17, 2012, Governor McDonnell signed a number of bills relating to renewable energy.\footnote{Press Release, Governor Bob McDonnell, Governor McDonnell Signs Energy Legislation Advancing Virginia as the Energy Capital of the East Coast (April 17, 2012), https://web.archive.org/web/20130709045328/http://www.governor.virginia.gov/News/viewRelease.cfm?id=1207.} House Bill (H.B.) 232 redefined the statutory definition of renewable energy to include landfill gas and defined “renewable thermal energy” as the thermal output from a combined heat and power generating facility used in an industrial process other than the combined heat and power generating facility itself.\footnote{H.B. 232, General Assemb. 2012 Sess. (Va. 2012), http://leg1.state.va.us/cgi-bin/legp504.exe?121+ful+CHAP0046.} The new definition made renewable thermal energy an available source with which utilities may meet Virginia’s renewable portfolio standard.\footnote{Id.}

H.B. 1102 allowed utilities to receive renewable energy certificates for making qualified investments which equal one-megawatt hour of renewable energy sales achieved when applied to a renewable portfolio standard goal.\footnote{H.B. 1102, General Assemb., 2012 Sess. (Va. 2012), http://leg1.state.va.us/cgi-bin/legp504.exe?121+ful+CHAP0046.} Qualified investments included investments with institutions of higher learning or with industrial or commercial researchers with research and development activities related to renewable or alternative energy resources if the investment enhanced the understanding or development of renewable energy sources on behalf of the utility, or within the state.\footnote{Id.}
H.B. 894 provided clarity in assessing the usefulness of utilities’ energy efficiency programs through the use of four new tests, applied successively: the Total Resource Cost Test; the Utility Cost Test; the Participant Test; and the Ratepayer Impact Measure Test. In addition, energy efficiency programs may be deemed in the public interest if they provide verifiable energy savings for low-income or elderly consumers.

H.B. 1016 created the Alternative Fuel Vehicle Conversion Fund to be used solely for supporting state agencies with the incremental costs of establishing and maintaining state-owned alternative fuel vehicle fleets. Eligible incremental costs include conversions and alternative fuel vehicle purchases.

In July 2012, Virginia Energy Sense, Virginia’s consumer education and outreach program announced three television public service announcements to encourage consumers to take easy, low-cost steps to evaluate their energy use. One tool offered by Virginia Energy Sense was the new online Home Energy Test, allowing homeowners to measure their home’s energy use and providing the consumer with tailored suggestions on how to improve home energy efficiency and reduce energy use.

On October 2, 2012, Governor McDonnell signed a multi-state memorandum of understanding (MOU), announced contractual agreements with two private fuel companies, and signed an executive directive all in an effort to encourage the state’s fleet to convert to alternative fuels. Oklahoma Governor Mary Fallin spearheaded the effort in which the multi-state commission seeks to drive down the costs of manufacturing alternative fuel vehicles and to bring natural gas and propane fueling stations to participating states at no cost.

2013: Green Building, Market-Based Solutions, and Renewable Energy

The U.S. Green Building Council announced in January 2013 that Virginia was the top state for new LEED-certified buildings in 2012 with 170 certified projects and

4911 Id.
4913 Id.
4915 Id.
4917 Id.
29,709, 574 square feet of LEED-certified space. On a per capita basis, these numbers translate to 3.71 square feet of LEED-certified space per Virginia resident.

On March 13, 2013, the legislature enacted H.B. 1695, allowing eligible agricultural customer-generators to participate in net energy metering. Eligible agricultural customer-generators include customers who operate a renewable energy generating facility that (i) uses as its sole source of energy solar power, wind power, or aerobic or anaerobic digester gas, (ii) does not have a capacity of over 500 kilowatts, and (iii) is located on land that is owned or controlled by the customer.

On March 14, 2013, Governor McDonnell announced that the federal Bureau of Ocean Energy Management (BOEM) would likely issue a wind energy research lease to the Virginia Department of Mines, Minerals and Energy. The research lease would allow Virginia install information towers in order to gather data on the feasibility of public or private wind energy development, including the capture of meteorological and ocean monitoring data, on Virginia’s Outer Continental Shelf.

In July 2013, the Center for Climate Change Communication at George Mason University released a study of a statewide survey that found that 85% of adult Virginians believe that climate change is happening, with 53% reporting that they are very or extremely sure that climate change is happening.

WASHINGTON

1991: Greenhouse Gas Reduction

Initially adopted by the Washington State Legislature in 1967, the Washington Clean Air Act was substantially revised in 1991 to “preserve, protect, and enhance the air quality for current and future generations.” Washington’s key greenhouse gas (GHG)
mitigation measures appear as amendments and additions to the Washington Clean Air Act § 70.94. The act:

- Established Reasonable Available Control Technology (RACT) requirements for industrial polluters;\(^{4926}\)
- Affirmed tax exemptions and credits for air pollution control facilities;\(^{4927}\)
- Created an Abatement Account and tax incentives for manufacturers taking verifiable steps to reduce sulfur dioxide emissions;\(^{4928}\)
- Required large employers in counties with populations over 150,000 to implement commuter trip reduction plans;\(^{4929}\)
- Established a ride-sharing grant program for private, public and non-profit sector employers offering financial incentives for employees to share rides;\(^{4930}\)
- Created clean fuel matching grants to help local governments offset the costs of purchasing and maintaining “clean fuel” vehicles for public transportation, including school buses;\(^{4931}\)
- Authorized New Source Review for significant sources of ambient air contaminants and require notice of proposed construction of new contaminant sources.\(^{4932}\)

1996: Climate Change Adaptation

The Washington State Energy Office completed a climate change action plan for the state in April 1996.\(^{4933}\) The climate change action plan took a 1990 Greenhouse Gas (GHG) emissions inventory for Washington State and a 2010 projected inventory, and detailed alternative GHG mitigation options.

2004: Greenhouse Gas Reduction

In 2004, Washington promulgated new rules to address global warming.\(^{4934}\) The new rules related to mitigating carbon dioxide emissions resulting from fossil-fueled electrical generation.\(^{4935}\) These carbon dioxide mitigation statutes established mandatory carbon dioxide mitigation strategies for new fossil-fueled thermal electric generation facilities, as well as existing facilities seeking permits to significantly increase their carbon dioxide emissions. The statutes required facilities to mitigate 20% of total emissions using one of three options: (1) payment to a third party to provide mitigation;

\(^{4926}\) WASH. REV. CODE § 70.94.154 (2012).
\(^{4927}\) Id. §§ 70.94.445, 82.34.01-.901.
\(^{4928}\) Id. § 70.94.630.
\(^{4929}\) Id. §§ 70.94.527, 43.01.220-.240.
\(^{4930}\) Id. § 70.94.996.
\(^{4931}\) Id. § 70.94.960.
\(^{4932}\) WASH. REV. CODE § 70.94.152 (2012).
\(^{4935}\) WASH. REV. CODE §§ 80.70.010-.070 (2012).
(2) direct purchase of permanent carbon credits; or (3) investment in applicant-controlled CARBON DIOXIDE mitigation projects, including combined heat and power plants.\footnote{561}

2005: Energy Efficiency and Transportation/Fuels

In 2005, Washington established appliance efficiency standards, finding that “[e]nergy standards save energy and reduce pollution and other environmental impacts associated with the production, distribution, and use of electricity and natural gas.”\footnote{2005: Energy Efficiency and Transportation/Fuels} The energy efficiency standards applied to a select range of different types of appliances including commercial refrigerators and freezers, hot water dispensers, mini-tank electrical water heaters, and commercial hot food holding cabinets.\footnote{2005: Energy Efficiency and Transportation/Fuels} In addition, Washington adopted California Low Emission Vehicle (LEV) standards for passenger cars, light duty trucks, and medium duty passenger vehicles.\footnote{2005: Energy Efficiency and Transportation/Fuels} The legislation specifically rejected, however, the adoption of California Zero Emission Vehicle (ZEV) standards.\footnote{2005: Energy Efficiency and Transportation/Fuels} Moreover, it stipulated that emissions standards would only be effective for those model years for which the State of Oregon adopted the California motor vehicle emission standards.\footnote{2005: Energy Efficiency and Transportation/Fuels}

In 2005, Governor Christine Gregoire signed into law S.B. 5101, which created “feed-in” utility credits of 15¢ per kilowatt (up to $2,000 annually) for electricity generated by customers’ solar photovoltaic (PV), wind, and anaerobic digester power systems beginning July 1, 2005 and then expiring on June 30, 2014.\footnote{2005: Energy Efficiency and Transportation/Fuels} The credit would be increased up to 54¢ for a fixed ten-year period if the customer’s system contained components generated in Washington. In addition, during the 2005 legislative session, Governor Gregoire signed S.B. 5111, which gave tax breaks to in-state businesses that manufacture renewable energy components.\footnote{2005: Energy Efficiency and Transportation/Fuels}


In November 2006, Washington residents voted for a renewable portfolio standard, deemed Initiative-937 or I-937, requiring all state utilities to generate 15% of their energy from renewables, including wind, solar, tidal, and landfill-methane capture by 2020.\footnote{2006: Renewable Energy, Renewable Portfolio Standards, Climate Change Adaptation, and Greenhouse Gas Reduction}
In December 2006, the Washington State Department of Ecology released a report that forecast the possible effects of climate change on Washington and its economy.\textsuperscript{4945} The study, \textit{Impacts of Climate Change on Washington’s Economy: A Preliminary Assessment of Risks and Opportunities}, was conducted by the Climate Leadership Initiative at the University of Oregon on behalf of the Washington Department of Ecology and the Washington Department of Community, Trade, and Economic Development.

Also in December 2006, Washington’s Utility Commission signed onto the Western Public Utility Commissions’ Joint Action Framework on Climate Change, an inter-state agreement with the public utility commissions of California, New Mexico, and Oregon.\textsuperscript{4946} Under the agreement, the utility commissions agreed to work together to recommend ways to identify, develop, and implement greater energy efficiency, demand response capability, low-carbon technologies, and GHG emissions standards.

\textbf{2007: Greenhouse Gas Reduction, Climate Change Adaptation, Green Jobs, and Cap-&-Trade}

In February 2007, Governor Gregoire signed Executive Order 07-02, which created GHG reduction goals calling for a reduction below 1990 emission levels by 2035 and 50\% below 1990 levels by 2050.\textsuperscript{4947} As part of Executive Order 07-02, Governor Gregoire commenced the Washington Climate Change Challenge to achieve the goals set in the order.\textsuperscript{4948}

Also in February 2007, the Governors of Arizona, California, New Mexico, Oregon, and Washington established the Western Climate Initiative (WCI) in order to reduce GHG emissions and tackle climate change.\textsuperscript{4949} On August 22, 2007, the Initiative set a regional GHG emission reduction goal of 15\% below 2005 levels by 2020, or approximately 33\% below business-as-usual levels.\textsuperscript{4950} However, the WCI all but ended with every state but California withdrawing with the economic downturn in 2008 and 2009. The departing states have gone on to join North America: 2050, a completely voluntary GHG reduction initiative and discussed in detail below.

However, Governor Gregoire put these GHG reduction goals into state law by signing Senate Substitute Bill (S.S.B.) 6001 in May 2007.\textsuperscript{4951} S.S.B. 6001 called for a

\begin{footnotesize}
\begin{enumerate}
\item\textsuperscript{4945} DEP’T OF ECOLOGY, IMPACTS OF CLIMATE CHANGE ON WASHINGTON’S ECONOMY: A PRELIMINARY ASSESSMENT OF RISKS AND OPPORTUNITIES (2006),
\item\textsuperscript{4946} W. PUB. UTIL. COMM’N, JOINT ACTION FRAMEWORK ON CLIMATE CHANGE (2006),
\item\textsuperscript{4947} See Washington Climate Change Challenge, Wash. Exec. Order No. 07-02 (2007),
\item\textsuperscript{4948} See Id.
\item\textsuperscript{4949} WESTERN CLIMATE INITIATIVE (Aug. 25, 2013), http://www.wci-inc.org.
\item\textsuperscript{4950} Statement of Regional Goal, WESTERN CLIMATE INITIATIVE (Aug. 27, 2007),
\item\textsuperscript{4951} S.S.B. 6001, 60\textsuperscript{th} Leg., Reg. Sess. (Wash. 2007).
\end{enumerate}
\end{footnotesize}
reduction of GHG emissions to below 1990 levels by 2020, 25% below 1990 levels by 2035, and 50% below 1990 levels by 2050. In addition, S.S.B. 6001 called for the creation of over 16,000 new clean energy jobs, required GHG emissions reports from state agencies, required the governor to make recommendations for achieving GHG emissions goals, and established a GHG emissions performance standard for new baseload electric power generation utilities, which, beginning in July 2008, capped GHG emissions at 1,100 pounds per megawatt-hour. The bill also required a state agency to adopt rules for carbon capture and sequestration; the Washington Department of Ecology’s Water Quality Program amended one of its regulations in response. The amendment authorized geologic sequestration while protecting the existing quality of aquifers used for irrigation and drinking water.

Also in May 2007, Governor Gregoire signed House Bill (H.B.) 1303, creating a school bus replacement incentive program to fund up to 10% of the cost of replacing old diesel school buses with model 2007 or newer buses. In addition the bill required local governments and state agencies to fuel their vehicles, vessels, and equipment with 100% biofuels made from Washington feedstocks or recycled materials by 2015. It also mandated that the state reduce vehicle fossil fuel consumption to 25% below 2006 levels by 2020. Other provisions included expanding the Washington Department of Agriculture’s “energy freedom” program; supporting cellulosic ethanol production; developing refueling stations, plug-in hybrid projects, and hydrogen vehicle projects; and permitting ports to install equipment to reduce emissions.

Governor Gregoire signed substitute H.B. 1929 on May 7, 2007, which authorized local municipalities to develop GHG emission reduction plans and pass the costs onto ratepayers.

Also in May 2007, Washington and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report GHG emissions accurately, transparently and consistently across borders and industry sectors.” As of March 2008, thirty-nine total states were participating in the Climate Registry. The Registry is a nonprofit collaboration among U.S. states and other North American territories and provinces that set consistent and transparent standards to calculate verify and publicly

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4952 Id.
4953 Id.
4954 Id.
4957 Id.
4958 Id.
report GHG emissions into a single database.\textsuperscript{4962} This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”\textsuperscript{4963}

On October 29, 2007, Washington joined a coalition with nine other states, New Zealand, Norway, nine European Union countries, the European Commission, and two Canadian provinces to form the International Carbon Action Partnership (ICAP) in order to combat global warming.\textsuperscript{4964} ICAP provides a forum for governments to share information regarding cap-and-trade systems and works to ensure that market programs are compatible.\textsuperscript{4965} In addition, ICAP will promote low-carbon products and services, innovations, and cost effective reductions.\textsuperscript{4966}

\textbf{2008: Green Jobs, Climate Change Adaptation, Greenhouse Gas Reduction, Cap-\&-Trade, and Energy Efficiency}

On March 13, 2008, Governor Gregoire signed House Bill (H.B.) 2815, the Climate Change Framework/Green-Collar Jobs Act.\textsuperscript{4967} It seeks to reduce Washington’s GHG emissions to 1990 levels by 2020, to 25% below 1990 levels by 2035, and 50% below 1990 levels by 2050.\textsuperscript{4968} The bill directs the Department of Ecology to submit a comprehensive plan for reaching reduction targets and to update the legislature on Washington’s ongoing participation in the WCI cap-and-trade design process.\textsuperscript{4969} In addition, it required the Department of Ecology to promulgate an emissions reporting system by 2010 for large industrial and fleet emitters.\textsuperscript{4970}

Another climate change bill became effective on June 12, 2008.\textsuperscript{4971} Senate Bill (S.B.) 6580 requires the Department of Community, Trade, and Economic Development (the Department) to help local governments adapt to the effects of climate change.\textsuperscript{4972} Specifically, the Department must provide local governments advisory climate change response methodologies, a computer-modeling program, and estimates of GHG emission reductions that would result from certain measures.\textsuperscript{4973} Besides this technical assistance,
the Department is required to provide grants to assist local governments in their climate change adaptation actions.

Also in June 2008, Washington’s Environmental Facility Site Evaluation Council (EFSEC) adopted rules that set the procedure for carbon dioxide mitigation for thermal energy facilities and implemented GHG emission performance standards and enforcement for baseload electric generation. In addition, in August 2008 EFSEC proposed to adopt a mandatory GHG reporting rule for owners and operators of EFSEC-permitted facilities.

In a greater effort to reduce its carbon footprint, Washington released a Climate Action Plan in December 2008. The plan seeks to help the state reduce its GHG emissions to 1990 levels and to create 25,000 green jobs by 2020 primarily through participation in the WCI. However, the plan also suggested implementation of the following policies to obtain these goals: energy efficiency programs; green building requirements and combined heat and power (CHP) plants; increasing public transportation and rideshare options; promoting compact development, recycle and reuse programs; and preserving forest and agricultural lands.


Pursuing its cap-and-trade program, the Western Climate Initiative (WCI) released the third draft of the Background Document and Progress Report for Essential Requirements of Mandatory Reporting For the Western Climate Initiative on January 6, 2009 for public comment. It set the reporting threshold at 10,000 metric tons of carbon dioxide per year, well below the 25,000 metric ton threshold for participation in the cap-and-trade program. It recommended that stationary combustion sources be subject to the reporting requirement as well as numerous other listed sources from Adipic acid manufacturing to Zinc production. These listed sources must report combustion

4974 Id.
4978 Id. at 9.
4979 Id. at 36.
4981 Id. at 10.
4982 See id. at 7.
and non-combustion emissions.\textsuperscript{4983} Due to strong stakeholder support, it also recommended that reporting begin in 2011 for facilities that began operation before 2010 in preparation for the commencement of the cap-and-trade program in 2012.\textsuperscript{4984}

On January 29, 2009, Governor Gregoire and state lawmakers announced a Green Jobs and Climate Action legislative package.\textsuperscript{4985} Package highlights included: $455 million total in biennium investment in “energy-reducing transportation projects, energy efficiency projects, green buildings and clean-energy technology;” legislation to limit GHG emissions and create market incentives through a cap-and-trade system designed by the WCI; tax exemptions for plug-in electric vehicles; and a 30% improvement in building energy efficiency standards.\textsuperscript{4986} The final bill was passed on April 15, 2009 but did not include a cap-and-trade system.\textsuperscript{4987}

Governor Gregoire and eleven other governors signed a letter to President Obama urging him to form a strong state-federal leader partnership in administrating a initiating a national climate change program.\textsuperscript{4988} This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believed that their states had played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.”\textsuperscript{4989} The letter also contained suggestions for how a national climate change program should be implemented. One of these suggestions was for the national government to recognize the private investments that had been made in existing cap-and-trade programs and to preserve the clean energy plans funded by the proceeds from these programs.\textsuperscript{4990}

After President Barack Obama signed the American Recovery & Reinvestment Act (ARRA) into law on February 17, 2009, Washington was allocated $131,000,000 for energy related projects as of August 2009.\textsuperscript{4991}

\textsuperscript{4983} Id at 11.
\textsuperscript{4984} Id at 16.
\textsuperscript{4988} Letter from Arnold Schwarzenegger, Governor of Cal., M. Jodi Rell, Governor of Conn., Charlie Crist, Governor of Fla., Kathleen Sebelius, Governor of Kan., Martin O’Malley, Governor of Md., Deval Patrick, Governor of Mass., John S. Corzine, Governor of N.J., Bill Richardson, Governor of N.M., David Paterson, Governor of N.Y., Theodore R. Kulongoski, Governor of Or., Christine O. Gregoire, Governor of Wash., Jim Doyle, Governor of Wis., to Barack Obama, President of the United States of America (Feb. 20, 2009), http://web.archive.org/web/20090214185812/http://www.wisgov.state.wi.us/docview.asp?docid=15821.
\textsuperscript{4989} Id. at 1.
\textsuperscript{4990} Id. at 2.
In May 2009, Governor Gregoire issued an executive order directing state actions to “reduce climate-changing greenhouse gas emissions, increase transportation and fuel-conservation options for Washingtonians, and protect our state’s water supplies and vulnerable coastal areas.” She issued Executive Order 09-05, Washington’s Leadership on Climate Change, on May 21, 2009 following her testimony before a U.S. EPA panel in Seattle. In her testimony, Gregoire noted that the projected 20% reduction in Cascade Mountain snowpack would have a dramatic impact on the state’s water supply, natural resources, recreation and agriculture industry.

Governor Gregoire released a statement on May 29, 2009 outlining the projects benefiting from the $2.2 billion in U.S. Dept. of Energy ARRA funding awarded to Washington State. The recipients included many climate change initiatives, such as research facilities, carbon capture and storage projects, and residential weatherization programs. An additional $24.3 million was awarded a few weeks later, which was specifically directed at energy efficiency and renewable energy projects.


Governor Gregoire encouraged Washington’s congressional delegation to support the American Clean Energy and Security Act of 2009 when it was presented for a vote on June 25, 2009. In a letter to congressional leaders, Gregoire wrote, “[t]he United States cannot afford to wait any longer to take comprehensive action to break our dependence on foreign oil. We must seize the opportunity to develop 21st century energy technologies, create jobs, reduce greenhouse gas emissions and arrest global
On June 26, 2009, Gregoire applauded the U.S. House of Representatives on its passage of the legislation. Later that week, she commended the EPA on its approval for “clean car” standards paving the way for Washington and other states to move forward with their emissions standards for new vehicles.

On July 15, 2009, Governor Gregoire joined Totem Ocean Trailer Express (TOTE) CEO Bill Deaver at the port of Tacoma to celebrate TOTE’s completion of its first phase of retrofits targeted at diesel emission reduction. TOTE used $121,000 in ARRA funding to retrofit 25 shipyard trucks with exhaust devices that would reduce emissions by 65%.

In August 2009, Governor Gregoire convened the first meeting of Washington’s Clean Energy Leadership Council (CELC), comprised of energy industry leaders, government officials and legislators meeting to devise a clean energy strategy to be delivered by December 1, 2010. The Council focuses on “getting Washington’s energy policies, technologies and capital aligned to ensure Washington continues to be a leader in clean energy development.”

Governor Gregoire co-hosted the Governors’ Global Climate Summit held in Los Angeles in September 2009. She led panel discussion sessions on transportation and adaptation to climate change among other activities.

On October 9, 2009, Governor Gregoire announced that $14 million in ARRA funding would be awarded to programs providing energy efficiency upgrades to middle income residences and small businesses.

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5001 Id.
5005 Id.
5007 Id.
5009 Id.
In December 2009, following Governor Gregoire’s participation in the United Nations climate summit in Copenhagen, she announced $5 million in ARRA funding for energy efficiency retrofitting in residential and commercial buildings. The funds were expected to create 500 jobs and power 4,700 households.


On January 6, 2010, Governor Gregoire announced that over $13 million in ARRA grants would be disbursed to various energy partners for workforce training in clean energy and renewable energy industries. A few months later, Gregoire awarded $16.5 million to various clean and renewable energy projects throughout the state.

In February 2010, Governor Gregoire released a statement applauding the U.S. EPA for its endangerment finding on GHGs, a necessary step in their eventual regulation. In April, Gregoire also gave her support for EPA’s adoption of new emission standards for vehicles.

The results of statewide survey published in March 2010 demonstrated Washington’s green jobs economy was growing, with a total of nearly 100,000 green jobs in both the private and government sector – 3.3% of all Washington Jobs.

In June 2010, the state announced the creation of a $100 million competitive grant program for energy efficiency improvements in public education institutions. Funds...
would be dispersed based on performance-based construction contracting to ensure cost effectiveness and maximized energy savings.\textsuperscript{5018} 

Also in June 2010, Washington received $1.32 million in stimulus funding for electric vehicle infrastructure projects. The ARRA funds would work in conjunction with similar funded projects in Oregon to electrify Interstate 5 with recharging stations that use fast charge technology.\textsuperscript{5019}

In August 2010, the U.S. Department of Energy awarded five Washington state small businesses grants through its Small Business Innovation Research and Technology Transfer programs. The five companies were Enertechnix, Inc. in Redmond ($999,995); Houghton Cascade Holdings, LLC in Tacoma ($998,367); Hummingbird Precision Machine Inc. in Olympia ($1,000,000); Forest Concepts, LLC in Auburn ($1,000,000); and Eagle Harbor Technologies, Inc. in Bainbridge Island ($860,226).\textsuperscript{5020} Governor Gregoire also announced almost $17 million in grants to make 29 public schools more energy efficient. Governor Gregoire highlighted the benefits of creating roughly 660 jobs in the short-term and reducing public education utility bills in the long-term.\textsuperscript{5021}

**2011: Greenhouse Gas Reduction, Green Technology, Transportation/Fuels, and Energy Efficiency**

On April 29, 2011, Governor Gregoire signed into law Senate Bill (S.B.) 5769, calling for the state’s two coal broilers at the TransAlta coal-fired power plant in Centralia to close, the first in 2020 and the second in 2025.\textsuperscript{5022} The law aimed help Washington to transition away from coal-fired energy and to provide sufficient time for the transition to take place while ensuring stability to the electrical grid.\textsuperscript{5023}

A month later, the U.S. Department of Agriculture (USDA) awarded $80 million in grants to two Washington universities, one of the largest sums ever awarded by that agency.\textsuperscript{5024} The grants would be used by Washington State University and the University

\textsuperscript{5018} Press Release, Office of the Governor, $100 Million Now Available for School Energy, Operational Improvements (June 10, 2010), \url{http://housedemocrats.wa.gov/hans-dunshee/100-million-now-available-for-school-energy-operational-improvements/}.


\textsuperscript{5024} Shannon Dininny, *USDA Announces $80M for Washington-Led Research*, BLOOMBERG BUS. WEEK (Sept. 29, 2011), \url{http://www.businessweek.com/ap/financialnews/D9Q27QSO0.htm}.
of Washington to research the conversion of Pacific Northwest wood and forest residues into biofuels, in partnership with other universities, research entities and corporations. More specifically, the University of Washington project would explore the conversion of poplar trees grown on plantations into aviation, diesel and gasoline fuels, while the Washington State University project would research the potential for using residual wood after logging and forest thinning for aviation fuel.  

On November 3, 2011, the state’s Department of Ecology planned to provide $500,000 to public school districts to install anti-idle devices on school buses to reduce emissions and save on fuel costs. The devices allow heating of bus cabins, window defrosting and engine heating and circulation without idling the bus engine. It was estimated that each bus with the installed technology would be able to conserve 125 gallons of fuel per year.

Later in November 2011, Washington and five other states left the WCI in order to join North America 2050, an organization which promotes carbon dioxide capture and sequestration techniques, offset projects for emissions trading programs and a focus on sustainable biomass in order to achieve meaningful emissions reductions. North America 2050 was first created in 2009 when state and regional representatives from three regional greenhouse gas (GHG) reduction initiatives, the Regional Greenhouse Gas Initiative (RGGI), the Western Climate Initiative (WCI), and the Midwestern Greenhouse Gas Reduction Accord (MGGRA), came together to form North America 2050. As of December 2013, the participating states include Arizona, California, Connecticut, Delaware, Illinois, Maine, Maryland, Massachusetts, Minnesota, Montana, New Jersey, Mexico, Oregon, Rhode Island, Vermont, and Washington, along with the Canadian provinces of British Columbia, Manitoba, Ontario, and Quebec. North America 2050’s mission is to “facilitate[] state and provincial efforts to design, promote and implement cost-effective policies that reduce greenhouse gas emissions and create economic opportunities.” North America 2050 is open to all U.S. States, Canadian Provinces, and Mexican States, and may also include other stakeholders and experts from the private and public sectors.

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5025 Id.
5027 Id.
5028 Id.
5031 See Participants, NORTH AMERICA 2050 (Dec. 3, 2013), http://na2050.org/participants/.
5033 See id.
Also in November 2011, the Washington Legislature provided the Department of Ecology with $3 million to reduce smoke emissions in the state. The grants were distributed to regional air quality agencies with an emphasis on replacing low-efficiency, uncertified, wood-burning stoves with other more efficient, low-emitting heating devices.

In December 2011, the Washington Department of Commerce released the 2012 State Energy Strategy, the first undertaken by the state since 1993. The strategy focuses on energy use in the transportation sector as a major target for reducing GHG emissions through efficient coordination of transportation systems. The report also recommended continuing to increase energy efficiency in buildings and continuing to seek alternative and renewable energy use.


In February 2012, the Washington Utilities and Transportation Commission announced the creation of a Conservation and Energy Planning Section in recognition of the need and increased visibility of conservation and renewable energy. The section falls within the jurisdiction of the Regulatory Services Division.

On February 22, 2012, the Department of Ecology awarded $250,000 to Thurston County fire districts to install exhaust emission controls on 83 fire vehicles, as well as $390,000 for idle-reduction technology for 40 fire vehicle engines. The installations would protect the health of firefighters and people at the scene and save the departments an estimated $10 million in fuel and maintenance costs over a ten to fifteen year period. Similar efforts by the Department since 2002 resulted in $48 million in grants to public entities providing upgrades to over 9,000 public vehicle engines.

In April 2012, the Washington Department of Ecology released the report Preparing for a Changing Climate: Washington State’s Integrated Climate Response

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5035 Id.
5038 Id. at xi – xv.
5039 Id. at xi – xv.
5040 Id. at xi – xv.
5042 Id.
5043 Id.
The report highlighted key areas where Washington could best respond to the challenges of climate change. These areas included:

- Protecting health of individuals and communities;
- Identifying infrastructure vulnerabilities;
- Preparing for and preventing coastal damage due to rising sea levels and storm surges; improving water conservation;
- Monitoring invasive species, pests, and diseases and transitioning to resilient forest species;
- Protecting and restoring habitats of vulnerable species; and
- Coordinating with and empowering local governments to respond to climate change challenges.

On June 27, 2012, the U.S. Department of Energy announced that Washington had received nearly $1 million for two major topic areas. The first project, in collaboration with the Washington State University Energy Program and the Washington Department of Commerce, would enhance the Energy Services Performance Contracting Program by creating an energy management strategy to develop upgrade projects in state buildings greater than 10,000 square feet. The second project, in collaboration with Washington utilities and energy councils, would analyze electric utilities’ progress toward compliance with Washington’s 2006 Energy Efficiency Resource Standard.

On July 27, 2012, the Washington Department of Revenue approved an emergency rulemaking that clarified the appeal rights of consumers who suffered a denial or revocation of approval to certify a renewable energy system for participation in the renewable energy incentive payment program, or if the denial or revocation had resulted from a determination that a component of the renewable energy system was not manufactured in Washington State. Appeals must be brought within thirty days of the notice of denial or revocation, or the decision will be final.

On August 8, 2012, the Washington Department of Commerce announced more than $11 million in awards for energy-efficiency projects for public educational institutions and local governments under the second round of the Energy Efficiency Grant.

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5047 Id.
5048 Id.
5049 Id.
Competitive grants must be used solely for energy and operational efficiency improvements.

2013: Energy Efficiency and Greenhouse Gas Reduction

On March 13, 2013, Governor Jay Inslee announced $18 million in grants for the Energy Efficiency Grant program that provides funding for public higher education institutions and local governments to install energy efficiency upgrades. The program began in 2012 and had awarded two full rounds of grants by March 2013. Ten percent of award rounds must be set aside specifically for small cities or towns with populations of 5,000 residents or less.

On April 2, 2013, Governor Inslee signed Senate Bill (S.B.) 5802, creating the Climate Legislative Executive Workgroup. The Group’s primary purpose is to evaluate and prepare credible approaches to reducing GHG emissions, taking into consideration costs, benefits, initiatives put in place by other states, regions and countries; and state and federal related law and policies. S.B. 5802 charged the Climate Legislative Working Group to recommend “a state program of actions and policies to reduce greenhouse gas (GHG) emissions, that if implemented would ensure the achievement of the state’s emissions reductions limits” by the 2008 Washington State Legislature.

2014: Greenhouse Gas Reduction and Climate Change Mitigation

In January 2014, pursuant to the requirements of Senate Bill (S.B.) 5802, the Climate Legislative Executive Workgroup submitted two separate reports to the Washington Legislature. The Democrat members of the Workgroup submitted a majority report and the Republican members submitted a minority report. In the majority report, the Workgroup found that Washington would not, despite “significant

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5052 Id.
5054 Id.
5055 Id.
progress,” meet its statutory emissions reduction under Wash. Rev. Code Ann. § 70.235.020, and proposed that five programs should be developed and implemented in Washington:

- A cap on carbon pollution emissions should be established;
- Adopt measures to reduce our use of electricity generated by coal-powered facilities in other states;
- Establish an energy smart building program to include promotion of new financing, incentives and support;
- Take actions to help finance the use of clean energy to include dedicated and sustained funding to help our research institutions, utilities and businesses develop, demonstrate and deploy new renewable energy and energy-efficiency technologies; and
- Adopt measures that will modernize our system for transporting goods and people by increasing efficiency and reducing costs and emissions.\(^{5061}\)

Alternatively, the minority report recommended six policies for Washington to follow:

- Incentivize hydroelectric power generation;
- Replace fossil fuels with nuclear generation;
- Promote research and development (R&D) for new technologies;
- Encourage conservation under the Energy Independent Act (I-937);
- Allow renewable energy credit banking under I-937; and
- Modify fuel mix reporting system.\(^{5062}\)

**WEST VIRGINIA**

**1998: Climate Policy Impediments**

In March 1998, however, the West Virginia legislature passed a bill barring the state’s Department of Environmental Protection (WV DEP), without legislative or federal authority, from “proposing or promulgating any new rule intended, in whole or in part, to reduce emissions of greenhouse gases from the residential, commercial, industrial, electric utility or transportation sectors in order to comply with the Kyoto Protocol.”\(^{5063}\)

**2001: Renewable Energy**

In May 2001, West Virginia passed House Bill (H.B.) 2968, which clarified the tax treatment of certain wind power projects and the valuation of wind power turbines and related towers for property tax purposes.\(^{5064}\) H.B. 2968, codified at § 11-6A-5A,

\(^{5061}\) *Id.* at 13-14.
\(^{5062}\) *Id.* at 28.
\(^{5063}\) *Id.* § 22-23-2.
provides tax benefits to wind power projects by valuing all wind turbines at salvage value for taxation.\textsuperscript{5065}

**2007: Greenhouse Gas Reduction**

In April 2007, Governor Joe Manchin III signed Senate Bill (S.B.) 337, which established a program to inventory greenhouse gas (GHG) emissions, reductions, and carbon sequestrations, created a registry for voluntary reductions made before required by law, and provided public recognition for voluntary reductions of emissions.\textsuperscript{5066} In order to implement S.B. 337, the West Virginia Department of Environmental Protection promulgated Rule 42, a GHG rule entitled “Greenhouse Gas Emissions Inventory Program.”\textsuperscript{5067} This program requires GHG emissions reporting by stationary sources emitting greater than de minimis amounts of GHGs; source inventories of GHG emissions; reduction, capture, and sequestration accounts; a voluntary reduction registry; and a WV DEP analysis of whether West Virginia is a net sink or source.\textsuperscript{5068}

**2009: American Recovery & Reinvestment Act (ARRA) and Greenhouse Gas Reduction**

On March 12, 2009, the Department of Energy announced that West Virginia was eligible for $32,746,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA) to fund energy efficiency projects.\textsuperscript{5069}

At the end of March 2009, the U.S. EPA sent two letters to the U.S. Army Corp of Engineers, halting between 150 and 200 coal mining permits applications in Virginia, West Virginia, Kentucky, and Tennessee in order to investigate the mining operations’ impact on water quality.\textsuperscript{5070} In an effort to decrease this pollution, the WV DEP issued its first carbon sequestration permit to the American Electric Power.\textsuperscript{5071} Specifically, the permit mandated the injection of a maximum of 165,000 metric tons of carbon dioxide per year over a four to five year period at AEP’s New Haven plant.

West Virginia also exhibited a commitment to reducing carbon emission when Governor Manchin signed H.B. 103, the Alternative and Renewable Energy Portfolio Act

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\item \textsuperscript{5065} W. VA. CODE ANN. § 11-6A-5A (West 2007).
\item \textsuperscript{5066} See S.B. 337, 78th Leg., Reg. Sess. (W. Va. 2007).
\item \textsuperscript{5067} See 45 CSR 42 (2007); W. VA. CODE ANN. § 22-5-19 (West 2007).
\item \textsuperscript{5068} See id.
\item \textsuperscript{5070} Press Release, EPA Act to Reduce Harmful Impacts from Coal Mining (Mar. 24, 2009), http://yosemite.epa.gov/opa/admpress.nsf/bd4379a92ceceeeac8525735900400c27/bd03fe27c0c12718852575830062f672?OpenDocument.
\item \textsuperscript{5071} Press Release, Governor Announces AEP Plant Receives State’s First Carbon Sequestration Permit (May 4, 2009), http://www.wv.gov/news/governor/Pages/GovernorAnnouncesAEPPlantReceivesStatesFirstCarbonSequestrationPermit.aspx.
\end{itemize}
\end{footnotesize}
in June 2009. This act requires electric utilities to obtain 25% of their electricity from renewable or alternative sources by 2025.

In July 2009, West Virginia received $13.1 million in ARRA funding for energy efficiency projects.

Governor Manchin recommended in August 2009 that West Virginia Division of Energy receive a $400,000 grant from the Appalachian Regional Commission Investment Program for the purpose of reusing lands modified by surface mining to install solar or wind technologies or to grow biomass crops. He also announced that the state’s second ENERGY STAR® sales tax holiday would take place September 1 through November 30, 2009.

Governor Manchin announced in September 2009 that various local solid waste authorities would receive a total of $300,000 in grants to support litter control and recycling programs. That same month, the U.S. EPA announced that it had identified 23 pending surface mining permits for which it was going to extend its review. Manchin opined that this extension was unfair to miners.

In October 2009, Governor Manchin visited the Research Ridge Test Facility, a smart grid demonstration facility, touting the benefits of smart grid technology. During that same month, the U.S. EPA chose not to grant a Clean Water Act permit to

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5079 Press Release, Governor Touts West Virginia’s Smart Grid Opportunities (Oct. 9, 2009), http://www.wv.gov/news/governor/Pages/GovernorToutsWestVirginia%E2%80%99sSmartGridOpportunities.aspx.
one of the proposed surface mining projects under review.\textsuperscript{5080} Manchin responded, “To say that I am mad would be an understatement.”\textsuperscript{5081}

November 30, 2009 was the last day to take advantage of the West Virginia’s second ENERGY STAR® Sales Tax Holiday.\textsuperscript{5082} Starting September 1, West Virginians did not have to pay sales and use tax on certain ENERGY STAR® qualified products valued at $5,000 or less if the products were for personal or noncommercial use.\textsuperscript{5083}

\textbf{2010: Energy Efficiency}

West Virginia had another ENERGY STAR® Sales Tax Holiday from September 2010 through November 2010, where residents were exempt from paying sales and use tax on certain ENERGY STAR® qualified products valued at $5,000 or less.\textsuperscript{5084} In addition to the ENERGY STAR® Sales Tax Holiday, residents could take advantage of the West Virginia Energy Efficient Appliance Rebate Program, which began in June 2010.\textsuperscript{5085}

\textbf{2011: Energy Efficiency and Market-Based Solutions}

In February 2011, the WV DEP reloaded the WV Energy Efficient Appliance Rebate Program. An additional $300,000 would provide rebates valued between $50 and $100 for residents who replaced old, less-efficient appliances. The program would no longer provide rebates for freezers and room air conditioners.\textsuperscript{5086}

On November 22, 2011, the Public Service Commission of West Virginia issued a rule clarifying that the ownership of alternative energy credits belonged to the purchaser of the power (the electric utility) in PURPA (Public Utility Regulatory Policies Act) qualifying facility contracts where the ownership of the credits is not otherwise addressed.\textsuperscript{5087}

\textbf{2012: Energy Efficiency, Green Building, Greenhouse Gas Reduction, Renewable}

\textsuperscript{5080} Press Release, Statements from the Governor Regarding EPA’s Actions Today (Oct. 12 2009), \url{http://votesmart.org/public-statement/462089/statement-from-the-governor-regarding-epas-actions-today}.
\textsuperscript{5081} Id.
\textsuperscript{5082} Press Release, West Virginia’s Second Energy Star Sales Tax Holiday Ends This Month (Nov. 5, 2009), \url{http://www.wv.gov/news/governor/Pages/WestVirginia%E2%80%99sSecondEnergyStarSalesTaxHolidayEndsThisMonth.aspx}.
\textsuperscript{5083} Id.
\textsuperscript{5085} Id.
\textsuperscript{5086} Press Release, Dept. of Envtl. Protection, Funding Re-loaded into Three Appliance Rebate Categories (Feb. 15, 2011), \url{http://www.dep.wv.gov/news/Pages/Fundingre-loadedintothreeApplianceRebatecategories.aspx}.
Energy, and American Recovery & Reinvestment Act (ARRA)

On January 26, 2012, the WV DEP signed a memorandum of understanding with Appalachian Power Company in order to pool their resources in educating the public about the environmental benefits of energy efficiency measures and programs.5088

On March 10, 2012, West Virginia passed House Bill (H.B.) 2740, declaring any solar energy covenant, restriction or condition contained in a housing association document unenforceable.5089 However, the law allowed a housing association to impose reasonable restrictions on solar energy systems, which did not interfere with the system’s conservation benefits or economic practicality.5090 It applied exceptions for buildings with architectural, historical, cultural or religious value, or solar energy systems installed in common areas.5091 H.B. 2740 became effective on June 8, 2012.

On March 16, 2012, the West Virginia Legislature enacted Senate Bill (S.B.) 76, the Green Buildings Act, requiring new public construction projects and projects receiving state funds designed after July 1, 2012 to be constructed in compliance with both the International Energy Conservation Code and the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2007, unless federal standards apply.5092 S.B. 76 became effective on June 8, 2012.

On June 19, 2012, the WV DEP recognized Fayette County Schools for their efforts to reduce school bus emissions around children.5093 DEP presented the Fayette County Board with a grant of $189,436 for the purchase of four new school buses that meet federal emissions standards.5094 The DEP required the retired buses to be destroyed in order to permanently eliminate their emissions.5095

On July 23, 2012, the WV DEP announced the near completion of its pilot solar project at its facility in Charleston.5096 The photovoltaic and solar hot water system was funded through ARRA grants, and would be the first state government facility to be

5090 Id.
5091 Id.
5094 Id.
5095 Id.

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powered by solar energy. The DEP expected to see a 15% reduction in energy use and approximately $4,000 in savings in the first year of operation.

On October 29, 2012, Governor Earl Ray Tomblin encouraged West Virginians to take advantage of the West Virginia Weatherization Assistance Program, allowing low-income residents to perform energy audits, air sealing, insulation and heating analysis, and other energy efficiency improvements. Tomblin also proclaimed October 30 to be Weatherization Day in order to bring attention to the issue.

2013: Transportation/Fuels

On February 21, 2013, Governor Tomblin’s Natural Gas Vehicle Task Force, created by executive order in June 2012, produced its final recommendations on how West Virginia might utilize natural gas in state fleets. The report recommended converting a portion of the state fleet to natural gas and state buses to propane; increasing to $400,000 the maximum tax credit for building natural gas fueling infrastructure; and encouraging public education on the benefits of natural gas vehicle use, among other recommendations.

On April 13, 2013, the West Virginia legislature passed (Senate Bill) S.B. 185, limiting the term “alternative fuel” for purchases or installations made after April 15, 2013 to compressed natural gas or liquefied natural gas. The bill also outlined new restrictions on the availability of the tax credit for alternative-fuel motor vehicle purchases, conversions and the installation of alternative-fuel infrastructure. S.B. 185 became effective on May 15, 2013.

2014: Greenhouse Gas Reduction

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5097 Id.
5098 Id.
5099 See West Virginia Weatherization Assistance Program, BENEFITS.GOV,
5100 Id.
5102 NATURAL GAS VEHICLE TASK FORCE (2013),
5103 S.B. 185, 81st Leg., 2d Sess. (W.Va. 2013),
5104 Id.
On April 1, 2014, Governor Tomblin signed House Bill (H.B.) 4346. The bill, which limits the flexibility of the West Virginia Department of Environmental Protection to implement a state plan to reduce GHGs under section 111(d) of the Clean Air Act, established separate performance standards for carbon dioxide emissions from existing coal-fired and natural gas-fired power plants, and established general factors and considerations to be reflected in the development of state plan. These factors and considerations include: consumer impacts (including any disproportionate impacts of energy price increases on lower income populations), non-air quality health and environmental impacts, projected energy requirements, market-based considerations in achieving performance standards, the costs of achieving emission reductions, physical difficulties, feasibility of implementation, absolute cost of applying the performance standard, and “any other factors specific to the unit that make application of a modified or less stringent standard or a longer compliance schedule more reasonable.”

WISCONSIN

1999: Renewable Energy and Renewable Portfolio Standards

Since 1999, Wisconsin’s Energy Conservation Corporation has administered a public benefits fund providing grants for renewable energy and energy efficiency projects and services. The program provides both information and technical aid for renewable energy systems to the citizens, businesses, and local governments of Wisconsin. As an added incentive for the commercial, industrial, and residential sectors to purchase renewable energy generators, any additional value added to property from the addition of a solar or wind power system is exempt from Wisconsin’s general property tax.

Also in 1999, Wisconsin enacted legislation that established a renewable portfolio standard (RPS) for electric utilities. It required that 2.2% of energy come from renewable sources by 2012.


5110 Id. § 70.111.

5111 Id. § 196.378 (defining renewable fuels and setting renewable portfolio standards).

5112 Id.
Wisconsin significantly increased its Renewable Portfolio Standard (RPS) requirements with the passage of Senate Bill 459 in 2006.\textsuperscript{5113} The law requires that 10\% of utilities’ electricity production come from renewable sources by 2015. It also increased funding to local governments for energy efficiency projects and mandated that the state’s six largest agencies purchase 20\% of their energy from renewable sources by 2011. It further required the state to support research on and development of anaerobic digesters; to launch a pilot residential heating program using leftover corn plants; and to include higher energy efficiency standards in building codes.\textsuperscript{5114}

In April 2006, Wisconsin Governor Jim Doyle signed an executive order requiring all state buildings to conform to “green building” standards. Applying to both new and existing buildings, the order directed the Wisconsin Department of Administration to establish standards based on the U.S. Green Building Council LEED certification. The order also required overall energy use by state buildings to be reduced by 10\% by 2008 and by 20\% by 2010.\textsuperscript{5115}

2007: Energy Efficiency, Climate Change Agreements/MOUs, and Greenhouse Gas Reduction

In April 2007, Governor Doyle signed an executive order that created the Office of Energy Independence.\textsuperscript{5116} This office would be the contact for stakeholders promoting bio development, energy efficiency, and energy independence. The office was also charged with identifying federal funding opportunities and working with the Public Service Commission to build a “clean coal” electric generation facility. Doyle signed another executive order that created the Task Force on Global Warming.\textsuperscript{5117} This task force was charged with determining the adverse economic and ecological impacts of global warming, identifying solutions, and estimating current statewide emissions. In June 2008, the group finalized recommendations, including the following: increasing Wisconsin’s investment in renewable energy; implementing a renewable portfolio standard requiring utilities to produce 10\% of their electricity from renewable sources by 2013 and 25\% by 2025; reducing greenhouse gas (GHG) emissions to 2005 levels by 2014 and a 75\% below 2005 levels by 2050; and implementing a clean cars standard.\textsuperscript{5118}

In May 2007, Wisconsin and thirty other states founded The Climate Registry to “measure, track, verify, and publicly report greenhouse gas emissions accurately,
transparency and consistently across borders and industry sectors.” This was viewed as a “critical first step in developing robust programs to reduce greenhouse gas emissions.”

On November 15, 2007, Governor Doyle joined the governors of Illinois, Iowa, Kansas, Michigan, and Minnesota, as well as the Premier of the Canadian Province of Manitoba to sign and establish the Midwestern Regional Greenhouse Gas Reduction Accord (MGGRA) in order to reduce GHG emissions and achieve energy security. Signed at the Midwestern Governors Association Energy Security and Climate Change Summit held in Milwaukee, WI, the Accord aimed to establish GHG emission targets, including a 60 to 80% reduction in emissions and to create a market-based, multi-sector cap-and-trade system and a tracking and crediting system. The governors agreed to implement the Accord within thirty months.

Also at the Summit, Wisconsin, Illinois, Iowa, Kansas, Michigan, Minnesota, Nebraska, and North Dakota adopted an Energy Security and Climate Stewardship Platform. The Platform’s goals for the Midwest region included promoting energy efficiency, advances in biobased products, electricity production from renewables, and advanced coal and carbon capture and storage. Platform members also signed cooperative regional initiatives to create a Carbon Management Infrastructure Partnership, a bioproduct procurement program, electricity transmission adequacy for new wind energy, renewable fuels corridors, advanced bioenergy permitting, and low-carbon energy transmission infrastructure.

2008: Market-Based Solutions, Climate Change Agreements/MOUs, and Climate Change Adaption

In spring 2008, the Office of Energy Independence released Clean Energy Wisconsin: A Plan for Energy Independence. The plan described investment strategies to achieve the following goals for the state: generate 25% of the its energy from renewable sources by 2025; capture 10% of the market share for the production of renewable energy and bioproducts; and become a national leader in designing more

5122 Id.
5123 Id.
5124 Id.
5125 Id.
In accordance with the plan’s goals, Governor Doyle announced that state-owned heating plants could not use coal. Additionally, $5 million was awarded in the 2007-09 state budget to Flambeau River Papers in Park Falls, WI to help the mill become the first pulp and paper mill to operate without fossil fuels. In September 2008, Governor Doyle announced $7.3 million in funding for research, development, commercialization, and/or adoption of new clean energy technologies in the state.

In May 2008, Governor Doyle signed a memorandum of understanding (MOU) between the United Kingdom and Wisconsin regarding climate change issues. The MOU promoted a working relationship between the two entities and built upon existing efforts to reduce GHG emissions and promote low carbon technologies.

In November 2008, Governor Doyle co-hosted the Governors’ Global Climate Summit. He also signed the Global Climate Solutions Declaration, agreeing that he and the other signatories would engage in a collaborative effort to reduce GHG emissions and promote a green economy. Later that month, Doyle commended Wisconsin’s Focus on Energy Program, a renewable energy and energy efficiency initiative, announcing that the program had saved the state’s residents and businesses more than $193 million annually. These cost-savings occurred through the assistance the program provided in implementing energy-saving projects. For example, the program provided Cash-Back Awards for residents that installed qualified water heaters, heating and cooling systems and lighting. The program also prevented the emission of more than 3.2 billion pounds of carbon dioxide.

2009: Greenhouse Gas Reduction, Climate Adaptation, Climate Change Agreements/MOUs, Green Technology, Renewable Energy, and American Recovery & Reinvestment Act (ARRA)

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5127 Id at 4.
5132 Id.
5136 Id.
In January 2009, the advisory group to MGGRA (Midwest Greenhouse Gas Reduction Accord) released preliminary trade design recommendations. The group recommended that carbon dioxide, nitrous oxide, hydro-fluorocarbons, perfluorocarbons, and sulfur hexafluoride emissions be reduced 15 to 25% below 2005 levels by 2020 and 60 to 80% below 2005 levels by 2050. It also recommended that the following sources be subject to these reductions: power plants; industrial facilities; industrial combustion sources; industrial process sources; and transportation fuels. It further recommended that an offset component be incorporated in the program and that allowance value be used only for climate-related purposes by participating states. However, the group refused to comment on whether allowances should be auctioned or allocated, maintaining that this decision must be made by each state.

Governor Doyle announced on January 14, 2009 that local communities would receive $400,000 to create “25x25” plans in order to implement the state’s goal of obtaining 25% of its energy from renewable sources by 2025. This program is part of the Wisconsin Energy Independent Community Partnership created as part of the governor’s energy independence plan. At that time, 75 communities (a term including counties, towns, villages, schools, tribes, and cities) had committed to the partnership and 250 more communities were interested.

Governor Doyle and eleven other governors signed a letter to President Obama urging him to form a strong state/federal leader partnership in initiating a national climate change program on January 29, 2009. This letter was predicated upon the President’s letter to the Governors’ Global Climate Summit in which he offered the governors a partnership with the White House in addressing climate change issues. The letter writers believed that their states had played a leading role in confronting these issues and stated, “It is crucial that we build on our states’ momentum.” The letter also contained suggestions for how a national climate change program should be implemented. One of these suggestions was for the national government to recognize the private investments made in current cap-and-trade programs and to preserve the clean energy plans funded by the proceeds from these programs.

5138 See id.
5139 See id.
5140 See id.
5142 Id.
5143 Letter from Arnold Schwarzenegger, Governor, California; M. Jodi Rell, Governor, Connecticut; Charlie Crist, Governor, Florida; Kathleen Sebelius, Governor, Kansas; Martin O'Malley, Governor, Maryland; Deval Patrick, Governor, Massachusetts; John S. Corzine, Governor, New Jersey; Bill Richardson, Governor, New Mexico; David Paterson, Governor, New York; Theodore R. Kulongoski, Governor, Oregon; Christine O. Gregoire, Governor, Washington; Jim Doyle, Governor, Wisconsin, to Barack Obama, President, United States of America (Jan. 29, 2009).
5144 Id. at 1.
5145 Id. at 2.
In pursuit of his goal to stop coal use in state-owned heating plants, Governor Doyle announced on February 6, 2009 that a biomass boiler would be installed at a coal-fired plant located in Madison.\textsuperscript{5146}

Governor Doyle traveled to Washington D.C. on March 2, 2009 to meet with the Obama administration’s energy, environment and agricultural cabinet to determine how the national government could capitalize upon local and state climate change policies in structuring its own.\textsuperscript{5147} The next day, he participated in a symposium entitled “U.S. Climate Change Action: A Global Economic Perspective” with other international and national leaders. At the symposium, the leaders discussed how the United States could create a low-carbon economy.\textsuperscript{5148}

In order to enhance Wisconsin’s low-carbon economy, Governor Doyle and Dane County Executive Falk announced a March 10, 2009 plan to put two anaerobic digesters in the community.\textsuperscript{5149} Doyle proposed $6.6 million for the “Cow Power Project.” Proponents estimated that 12,000 tons of GHGs would be eliminated annually per digester.\textsuperscript{5150}

On March 12, 2009, the U.S. Department of Energy (DOE) announced that Wisconsin was eligible for $55,488,000 under the State Energy Program of the American Recovery and Reinvestment Act (ARRA).\textsuperscript{5151} That same day, Governor Doyle announced that $141,502,133 would go to the state’s Weatherization Assistance Program.\textsuperscript{5152} The next day, while hosting DOE Secretary Chu in Milwaukee, Doyle announced that Wisconsin would spend twice as much on energy efficiency during the next winter as it had in the previous winter as part of the program.\textsuperscript{5153} Specifically, Wisconsin planned to spend an average $6,500 per home and to assist families earning up to 200% of the federal poverty level. He also announced the On-the-Job Training Pilot, a green workforce training project targeted towards disadvantaged, unemployed individuals in Milwaukee.\textsuperscript{5154}

\textsuperscript{5150} Id.
\textsuperscript{5154} Id.
Also in March 2009, Governor Doyle announced the inaugural meeting of Wisconsin’s Energy Independent Communities. 5155 At the meeting on the 26th, community leaders discussed how they planned to achieve Wisconsin’s 25x25 goal. The agenda included discussions on renewable energy and energy efficiency efforts and on how ARRA funding could be used towards these efforts. 5156 That same day, Doyle announced that 26 local governments would receive grants for Smart Growth planning. 5157 Individual grants ranged from $8,000 to $136,000.

On April 14, 2009, Governor Doyle announced that $1.7 million would go towards green energy projects. 5158 The U.S. EPA for clean diesel projects awarded this money. Public and private Wisconsin-based fleets were eligible for up to $100,000 in grants. 5159 Matches were required for projects with a direct financial benefit to fleets. It was estimated that 2,100 pieces of equipment would receive grants from the ARRA funding. 5160 On April 23, Doyle announced that $1,865,000 would be invested in five clean diesel buses in Eau Claire. 5161

The American Council for an Energy Efficient Economy recognized these efforts when it announced that Wisconsin was the fifth best state in the country in energy efficiency accomplishments in May 2009. 5162 The state achieved another energy efficiency accomplishment two weeks later when it released a report to provide technical and financial analysis in converting two coal-fired power plants, one powering the University of Wisconsin campus and the other powering state buildings, to biomass plants that would also heat the buildings with captured waste heat produced during electricity generation. 5163

Governor Doyle signed a May 2009 agreement with a coalition of other governors to support federal climate change legislation. 5164 The agreement contained two principles:

5156 See id.
5159 Id.
5160 Id.
5161 Letter from Frank J. Busalacchi, Sec’y Wisconsin Dep’t of Transportation to Ray LaHood, Sec’y U.S. Dep’t of Transportation (Apr. 23, 2009), http://testimony.ost.dot.gov/arracerts/1511/1511_certification_042309_wi.pdf.
the support of comprehensive federal legislation and promotion of a federal-state partnership in implementing this legislation. Doyle then met with federal government official to discuss bringing high-speed rail to Wisconsin. He also announced various clean transit projects that received ARRA funding, including the purchase of hybrid and clean diesel buses and support for a ride-share program.

In June 2009, Governor Doyle announced that Wisconsin’s Focus on Energy Program, which assisted businesses, farms and residents in becoming more energy efficient and implementing renewable energy measures, had reduced GHG emissions by more than 3.9 billion pounds between July 1, 2001 and December 31, 2008. That month, Doyle also signed S.B. 126, which renewed the Green Tier Program, streamlining the regulatory process for environmentally responsible businesses.

The MGGRA Advisory Group released its draft final recommendations for the design of a regional cap-and-trade program. It suggested emission reduction goals of 20% below 2005 levels by 2020 and then 80% below 2005 levels by 2050. The group also recommended that the program cover electricity generation and imports, industrial combustion sources, industrial process sources, fuels serving industrial, commercial, and residential buildings, and transportation fuels. The recommendations also included exemptions for biofuels, authorization of offset projects, and free allocation of allowances. The governors of the member states had to approve these recommendations before they could be implemented. On June 23, 2009, representatives from the Regional Greenhouse Gas Initiative (RGGI), the Western Climate Initiative (WCI), and MGGRA met to discuss linking the regional cap-and-trade programs if Congress did not pass a federal cap-and-trade program.

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5171 See id.
5172 See id.
In July 2009, the federal government gave Wisconsin $56.6 million of ARRA funding for its weatherization program. Under a recommendation of the Governor’s Task Force on Global Warming, the state created the Wisconsin Climate Change Action Initiative to educate various members of the public in reducing their carbon footprint. Governor Doyle joined seven other Midwest states in signing a memorandum of understanding to coordinate ARRA applications and advocacy for high-speed rail. He also announced $28 million in ARRA funding for clean energy manufacturing projects. Then the U.S. Department of Energy gave the state $15 million to convert municipal transportation fleets to cleaner energy vehicles.

The Domtar Paper Mill in Rothschild, WI announced on September 1, 2009 that it would convert to cleaner energy by constructing a biomass co-generation project at its facility. The Cardinal Solar Technologies facility, a solar panel glass manufacture, opened in Mazomanie, WI. Governor Doyle also announced a plan to improve rail and bus services in southeastern Wisconsin and that Frito-Lay would become part of the Green Tier program. Wisconsin also received $11.7 million through the Energy Efficiency and Conservation Block Grant of the ARRA.

In September 2009, the governors of MGGRA (Midwestern Regional Greenhouse Gas Reduction Accord) decided to no longer pursue a regional cap-and-trade program. Instead, the Midwestern Governors’ Association released the Midwestern Energy Infrastructure Accord. The Accord focused on developing smart grid, carbon capture and sequestration, and biofuels in the Midwest. Governor Doyle then joined Governors Schwarzenegger (CA) and Quinn (IL) in drafting and signing a memo with regional leaders from Brazil and Indonesia, urging national leaders to put strong anti-deforestation

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measures in any instrument that might result of the then upcoming Copenhagen climate negotiations.\textsuperscript{5184}

Governor Doyle then announced that he would be co-hosting the second annual Governors’ Global Climate Summit in October.\textsuperscript{5185} Also in October, he signed S.B. 185 into law, which created more uniform siting standards for wind projects.\textsuperscript{5186} He also applied for federal funding for a high-speed rail line between Madison and Milwaukee.\textsuperscript{5187} As of October 21, 2009, one hundred communities had joined the Wisconsin Energy Independent Community Partnership, pledging to work towards the governor’s “25x25” goal.\textsuperscript{5188} These communities then received $500,000 in Energy Efficiency and Conservation Block Grant funds.\textsuperscript{5189}

Focus on Energy, Wisconsin’s energy efficiency and renewable energy initiative, helped Wisconsin residents and businesses save more than $268 million in annual energy costs in 2009.\textsuperscript{5190} As a result of the program, businesses reduced energy consumption by more than 1.2 billion kilowatt-hours (kWh) and more than 76 million therms, resulting in annual energy costs savings of over $172 million.\textsuperscript{5191}

2010: Energy Efficiency, Green Building, Green Technology, Climate Change Adaptation, and American Recovery & Reinvestment Act (ARRA)

Governor Doyle announced in January 2010 that Wisconsin received a $31 million grant in federal funds for the Low-Income Energy Assistance Program (LIHEAP).\textsuperscript{5192} These funds supported the Wisconsin Home Energy Assistance Program (WHEAP), providing financial assistance to low-income residents struggling to pay for heating during the winter depending upon household size, income level, and home energy costs.\textsuperscript{5193} WHEAP was part of the Home Energy Plus program, providing assistance with

\textsuperscript{5184} Colin Sullivan, Leaders from Indonesia, Brazil Join 3 U.S. States in Deforestation Accord, N.Y. TIMES, Oct. 2, 2009, \url{http://www.nytimes.com/cwire/2009/10/02/02climatewire-leaders-from-indonesia-brazil-join-3-us-stat-93701.html}.
\textsuperscript{5185} Press Release, Governor Doyle to Co-Host Governors’ Global Climate Summit (Oct. 1, 2009), \url{http://www.wkow.com/Global/story.asp?S=9332107}.
\textsuperscript{5186} Press Release, Governor Doyle Signs Bill Strengthening Wisconsin’s Wind Industry (Oct. 1, 2009), \url{http://sbaustinlaw.com/governor-doyle-signs-bill-strengthening-wisconsins-wind-industry/}.
\textsuperscript{5187} Press Release, Governor Doyle Submits Application for High-Speed Rail Line to Federal Railroad Administration (Oct. 2, 2009), \url{http://www.biztimes.com/article/20091002/ENEWSLETTERS02/310029988/}.
\textsuperscript{5188} Press Release, Governor Doyle Announces over 100 Communities Support “25x25” Clean Energy Goal (Oct. 21, 2009), \url{http://www.renewwisconsin-blog.org/2009/10/over-100-communities-support-25x25.html}.
\textsuperscript{5189} Press Release, Governor Doyle Announces $500,000 for Communities to Plan for Clean Energy Future (Oct. 28, 2009), \url{http://www.renewwisconsin-blog.org/2009/10/doyle-announces-500000-for-communities.html}.
\textsuperscript{5190} Press Release, Governor Doyle Announces Energy Efficiency Efforts Save State More than $268 Million a Year (Jan. 20, 2010), \url{http://aesp-wi.blogspot.com/2010/02/energy-efficiency-efforts-save-state.html}.
\textsuperscript{5191} \textit{Id.}
\textsuperscript{5192} Press Release, Governor Doyle Announces $31 Million for Low-Income Heating Assistance (Jan. 20, 2010), \url{http://www.superiortelegram.com/event/article/id/39650/}.
\textsuperscript{5193} \textit{Id.}
emergency energy needs, emergency furnace repairs, conservation service and assistance weatherizing low-income households.  

The City of Madison, Kenosha County and the Milwaukee Metropolitan Sewerage District joined the Wisconsin Energy Independent Community Partnership pledging to work toward Governor Doyle’s “25x25” goal of generating 25% of the state’s electricity and transportation fuels from renewable resources by the year 2025. Under the Clean Energy Jobs Act, Wisconsin must update its renewable portfolio standards to generate 25% of its fuel from renewable sources by 2025 and sets a goal of a 2% annual reduction in energy consumption by 2015.

Eighty-two Wisconsin communities would receive $9.5 million in grant awards through the ARRA’s Energy Efficiency and Conservation Block Grant (EECBG) program for retrofits and lighting projects and the funding would be used to retrofit village halls, community centers, libraries and public works buildings are eligible.

Governor Doyle announced in April 2010 that 33 public and private fleets had received a total of $15 million grant awards funded by ARRA for the purchase of alternative-fuel and advanced-technology vehicles. The program aimed to put 340 alternative-fuel and advanced-technology vehicles on the road throughout the state, including propane, CNG (compressed natural gas) and a variety of electric-drive vehicles ranging from neighborhood-electric, hybrid-electric, plug-in hybrid-electric, and full electric. Additionally, eleven alternative fuel refueling stations will be implemented, including two propane, four CNG, two E-85, two solar-electric, and one biodiesel. Thirteen new plug-in charging stations will be constructed as well. The initiative was expected help displace over 1.6 million gallons of petroleum per year.

Clean Energy Generation, Transmission and Storage Systems (CEGTS) was created in May 2010, combining the expertise of state industry and government partners with the research and development capabilities of the public and private academic institutions of Wisconsin. The Center for Renewable Energy Systems (CRES) in Madison and the Southeastern Wisconsin Energy Technology Research (SWETR) consortium in Milwaukee would join together as a focused single statewide Power and Energy organization. This consortium aimed to provide continuous research and

5194 Id.
5196 Id.
5198 Id.
5200 Id.
5201 Id.
5203 Id.
development for: energy efficiency; wind turbines and power conversion; photovoltaic and concentrated solar; fuel cells; biofuels; superconductivity: transmission and energy storage; smart grid power systems; composite structures and nanomaterials; power electronics and power conversion equipment; and energy storage for stationary and mobile applications.\textsuperscript{5204}

S.B. 651 was enacted in May 2010, authorizing the Wisconsin Green to Gold Fund including a $100 million revolving loan fund for manufacturers to reduce their energy costs, improve their bottom line and create jobs.\textsuperscript{5205}

A study of 2009 energy savings released in July 2010 found that residents, farms and businesses saved more than $319 million in energy costs in 2009 – compared to $239 million in 2008 – through energy efficiency and renewable energy initiatives from the Wisconsin’s Focus on Energy program.\textsuperscript{5206} For every dollar invested in the program in 2009, citizens and businesses saved $2.20 in energy costs.\textsuperscript{5207} The $319 million in annual savings was equivalent to: the amount of electricity consumed annually by approximately 220,041 average homes in Wisconsin; the amount of natural gas consumed annually by more than 113,000 average Wisconsin homes; almost 5 billion pounds of carbon dioxide; the amount of electricity produced by burning 10,958 rail car loads of coal; and the same energy value as 6.2 million barrels of oil.\textsuperscript{5208}

Governor Doyle broke ground in August 2010 on a $12 million community digester project that would generate enough clean energy to power 2,500 homes.\textsuperscript{5209} The state provided $3.3 million in assistance for the first of two Dane County Digesters, which use cow manure to produce energy. In 2010, Dane County had 400 dairy farms with 50,000 milking cows.\textsuperscript{5210} Also in August, Doyle announced $984,300 in Grazing Lands and Conservation Initiative grants to fund 32 projects across the state.\textsuperscript{5211} Grazing is a low-cost, environmentally-friendly method of farming where animals move to a fresh pasture regularly while resting unused pastures so that plants can re-grow before being re-grazed.\textsuperscript{5212}

Wisconsin awarded over $1.1 million in funds, including $800,000 from ARRA, to support Sun Power Biodiesel, a small canola-based cold flow biodiesel producer with

\textsuperscript{5204}Id.
\textsuperscript{5206}Press Release, Governor Doyle Announces Residents, Businesses Saved Over $319 Million in Energy Costs in 2009 (July 02, 2010) (original press release not found).
\textsuperscript{5207}Id.
\textsuperscript{5208}Id.
\textsuperscript{5210}Id.
\textsuperscript{5212}Id.
the ability to produce up to three million gallons annually. The state also awarded a $349,825 Community Development Block Grant-Public Facilities for Economic Development grant to the City of Cumberland to provide project infrastructure.

In late August 2010, Ace Ethanol, LLC – a dry mill facility and produces over 40 million gallons of ethanol fuel annually – received $595,000 in ARRA funds to support the company’s $850,000 project to expand and equip its operations. The company planned to install heat exchange equipment on the regenerative thermal oxidizer (RTO) to recover waste heat for process heating.

Betin, Inc. one of the nation’s largest goat-cheese manufacturers received a $550,000 loan funded by the ARRA to install an anaerobic digester to process whey and wastewater. The resultant methane would be used to help meet up to 80% of the company’s energy needs.

McCain Foods USA, Inc. was awarded $1.1 million in ARRA funding for equipment purchases to increase the efficiency of the company’s heat recovery capabilities. TecStar Manufacturing was awarded $3.75 million in ARRA funding to build injection molding machines for producing frames for photovoltaic panels. Orion Energy Systems received $260,000 in ARRA funding to invest in solar photovoltaic panels, wiring, and cabling for their facility. 5N Plus Corporation used $500,000 in ARRA funds to purchase equipment for its 60,500 square foot manufacturing facility, which would recycle metal coatings used in the production of solar panels. Synchrotek, Inc., which designs rotating electric machinery, specializing in generators and motors, received a $500,000 ARRA loan to manufacture and commercialize a 100-kW generator. Synchrotek serves a wide variety of industries, such as hybrid technology, hydroelectric, defense, and alternative energy.

Oneida Energy, LLC received a $2 million ARRA loan to convert landfill, farm, and other bioorganic waste to energy. Wisconsin Film & Bag, Inc. received a $1.8

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5213 Press Release, Governor Doyle Announces Over $1.1 Million in Support for Sun Power Biodiesel Expansion (Aug. 24, 2010), (original press release not found).
5214 Id.
5216 Id.
5218 Id.
5220 Id.
million ARRA loan to create an industrial plastic film recycling center to convert post-
consumer plastic scrap materials into resin pellets to use in the film and bag-making
facility. C.A. Lawton Co. of DePere received a $1.3 million ARRA loan to produce
large-energy wind castings. Greenwood Fuels WI, LLC received a $1.25 million
ARRA loan to convert a range of abundant and sustainable non-recyclable materials into
biomass fuel pellets. Standard Process, Inc. received $250,000 in tax credits from the
Economic Development Tax Credit Program from Commerce. The company
manufactures nutritional whole food supplements with ingredients grown on the
company’s certified organic farm and planned to use the money to construct and equip an
11,000-sq.-ft. addition to its main plant and add a storage shed, greenhouse and crop
dryer.

United Ethanol LLC – an ethanol plant that generates 50 million gallons of
ethanol per year – received $2,250,000 in ARRA funds to install an anaerobic digester at
its Milton plant to reduce natural gas use at the plant by up to 25%. Idle Free Systems,
Inc., which sells battery-powered, idle-elimination systems for over-the-road trucks,
received $450,000 in ARRA funds to expand production capabilities. DuBay
Biofuels-Greenwood, LLC used $1.7 million in ARRA loans to construct and equip a
plant in Greenwood, WI capable of producing around 3 million gallons of ethanol and 3
million pounds of active dry yeast annually.

On November 24, 2010, Governor Doyle broke ground on Wisconsin’s new Energy
Institute, which would provide state-of-the-art laboratory space and foster opportunities
for collaboration between the University of Wisconsin’s leading researchers.

Governor Doyle announced in December 2010 that ARRA would provide $5
million to the Milwaukee Metropolitan Sewage District (MMSD) and $3 million to Price
Engineering Co. to allow both companies to invest in their operations. The MMSD
planned to use the funds to purchase turbines capable of burning landfill gas; the resultant
electricity would be used as part of MMSD’s process of manufacturing natural organic
fertilizer from biosolids. Price Engineering planned to use the funds to establish a wind-
turbine service facility in Hartland, WI.

5225 Id.
5226 Id.
5227 Id.
5228 Id.
5229 Press Release, Governor Doyle Announces Nearly $3 Million in State Funding for Three Companies
5230 Id.
5231 Id.
5232 Press Release, Governor Doyle Announces Nearly $1.9 Million for Renewable Fuels Project in
5233 Press Release, Governor Breaks Ground on Wisconsin Energy Institute (Nov. 24, 2010),
5234 Press Release, Governor Doyle Announces $8 Million in Energy Funding for Milwaukee Metropolitan
Sewerage District and Price Engineering Co, Inc. (Dec. 16, 2010),
5235 Id.
2011: Green Technology and Transportation/Fuels

In April 2011, Dane County became the first county in Wisconsin to power its vehicles with landfill gas. The Dane County landfill produced about 100 gallons of compressed natural gas (CNG) from landfill gas, and a number of Dane County parks and public works trucks would make the conversion to CNG.\(^{5235}\)

2012: Climate Change Agreements/MOUs, Energy Efficiency, Renewable Portfolio Standards, Climate Change Adaptation, and Energy Efficiency

On January 25, 2012, the Department of Administration announced that Wisconsin was one of three states to earn a State Energy Extension Partnership (SEEP) grant from the U.S. Department of Energy.\(^{5236}\) The grant would allow the Wisconsin State Energy Office and the Cooperative Extension of the University of Wisconsin to collaborate in order to spur participation by municipalities, private entities and the public in energy efficiency, renewable energy projects, and education throughout the state.\(^{5237}\) Wisconsin also planned to use the SEEP funds to promote homegrown bioenergy in the state economy.\(^{5238}\)

On March 9, 2012, Governor Scott Walker signed Executive Order (EO) No. 63, directing all new state facilities to achieve at least a ten percent improvement in energy efficiency beyond the commercial-code requirement in effect at the time of the EO.\(^{5239}\) However, he required that the efficiency improvements be cost-effective on a life-cycle basis.\(^{5240}\)

On March 16, 2012, the Wisconsin Public Service Commission’s wind siting rules, adopted in 2010, became effective after the legislature failed to enact a replacement.\(^{5241}\) For large wind systems (systems greater than 300 kW or an individual turbine greater than 100 kW), the owner must provide written notice to install 90 kW before filing an application; the system must be set back from the property line 1.1 times the height at the maximum tip of a turbine blade or 3.1 times such a height or 1,250 feet, whichever is less, if the system is near unrelated occupied buildings; and the system must operate so that noise does not exceed 50 dBA during daytime hours or 45 dBA during nighttime hours, among other restrictions.\(^{5242}\) For small wind systems (systems of 300 kW or less or an individual turbine of 100 kW or less), the owner must provide written notice to install 60


\(^{5237}\) Id.

\(^{5238}\) Id.

\(^{5239}\) Wis. Exec. Order No. 63 (Mar. 9, 2012).

\(^{5240}\) Id.


days before filing an application; the system must be set back from the property line by the height of the maximum blade tip; and the same noise restrictions apply as for large wind systems, among other restrictions.  

On April 3, 2012, the Public Service Commission enacted CR 10-147, allowing utilities to satisfy the state RPS with renewable energy credits, in addition to renewable resource credits (RRCs). A renewable energy credit is defined as an electronic certificate representing one MWh of total renewable energy from a certified renewable facility that meets statutory requirements, including the fact the net energy generation must be measured at the facility’s bus bar and that the delivered energy is measured at the retail customer’s meter, ignoring transmission distribution losses.

On April 13, 2012, the Wisconsin Public Service Commission approved a shift in the Focus on Energy renewable resource program funding. The new percentage will award seventy-five percent of program funding to biomass and biogas, with the remaining percentage going toward wind and solar energy projects.

On April 26, 2012, the Wisconsin Public Service Commission issued an order allowing continued funding for the Focus on Energy program for 2013 and 2014, but only if (i) the benefit-to-cost balance is maintained at least at a 2:3 ratio and (ii) the renewables program does not reduce the energy savings of the entire program by more than 7.5%.

On June 27, 2012, the U.S. Department of Energy awarded Wisconsin a $500,000 grant to help the state prepare an energy efficiency strategy for the Conserve Wisconsin Program. Conserve Wisconsin will focus on improving energy efficiency in 6 million square feet of state facilities that have not yet been assessed for enhancements.

The Wisconsin Department of Revenue in August 2012 issued final rules in response to previous emergency rules to clarify that, for the purposes of the wind, solar and gas powered products sales tax exemption, a “product” is “tangible personal property that converts wind energy, direct radiant energy received from the sun, or gas generated from the anaerobic digestion of animal manure and other agricultural waste into alternating current electricity or heat.” However, a “product” is not tangible personal

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5243 Id.
5247 Id.
5250 Id.
property that consumes electricity or heat produced by a “product.”

2013: Renewable Energy

In the spring of 2013, the Wisconsin Focus on Energy program concluded requests for proposals for the years 2012 and 2013. Applicants eligible for the incentives were business customers of participating Wisconsin electric and natural gas utilities. In 2012, $750,000 in grants was allocated for biogas, biomass and geothermal projects, and $750,000 in grants was allocated for photovoltaics, solar thermal and wind projects. In 2013, biogas and biomass technologies were eligible for a maximum grant of $500,000; geothermal was eligible for $200,000; and photovoltaics, solar thermal and wind were eligible for maximum grants of $100,000 per project. Winning applicants were notified of their status on April 12, 2013 and were required to accept the award by April 29, 2013.

In July of 2013, following President Obama’s announcement of a national climate change plan, the World Resources Institute released a report, which examined various scenarios on how Wisconsin could reduce power sector emissions under its existing energy policies. The report found, among other things, that Wisconsin could reduce its carbon dioxide emissions by 2% below 2011 levels in 2020 by meeting Wisconsin’s current renewable energy standards and by meeting Wisconsin’s Focus on Energy Program energy efficiency goals.

WYOMING

2001: Market-Based Solutions

In February 2001, Wyoming established statewide net metering. Wyoming offers statewide net metering for solar, wind, and hydropower systems up to 25 kW. Effective until July 1, 2015, ethanol producers are eligible for a tax credit of $.40/gallon of ethanol produced in Wyoming.

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5252 Id. § 11.10(4).
5256 Id.
5258 Id. at 2.
5260 Id.
5262 Id. § 39-17-109 (2012).
2007: Greenhouse Gas Reduction

In May 2007, Wyoming and thirty other states founded The Climate Registry. The Climate Registry, a collaboration between North American states, provinces, and territories, seeks to set consistent and transparent standards to calculate, verify and publicly report GHG emissions into a single registry.\(^{5263}\)

2008: Greenhouse Gas Reduction

In March 2008, Wyoming became the first state to enact comprehensive carbon sequestration legislation when then Governor Dave Freudenthal signed two bills, House Bills (H.B.) 89 and 90, positioning the state to regulate the storing of carbon emissions from coal-fired power plants.\(^{5264}\) H.B. 89, titled “Ownership of Pore Space,” addressed ownership rights of open space in subsurface geologic formations that could be used for carbon storage,\(^{5265}\) while H.B. 90, titled “Carbon capture and sequestration,” gave regulation of the state’s carbon sequestration program to the Wyoming Department of Environmental Quality (DEQ).\(^{5266}\)

2009: Greenhouse Gas Reduction, American Recovery & Reinvestment Act (ARRA), and Renewable Energy

On February 26 and 27, 2009 Governor Freudenthal signed a bill package regulating carbon capture and storage.\(^{5267}\) The first of the three bills, H.B. 57, prioritized mining and drilling rights over geologic sequestration sites.\(^{5268}\) The second bill, H.B. 58, recognized that CO2 injectors have ownership rights over the sequestered carbon.\(^{5269}\) The final bill, H.B. 80, created a procedural mechanism for unitizing sequestration sites into one multi-party carbon storage project.\(^{5270}\)

On March 12, 2009, the U.S. Department of Energy announced that Wyoming was eligible for an award of $24,941,000 under the State Energy Program of the American Recovery & Reinvestment Act (ARRA).\(^{5271}\) The State Energy Program primarily funded two projects with the award, a facility retrofit program, a grant program to promote a set of energy efficiency upgrades for public, Tribal, non-profit, and joint powers board owned facilities, and a residential photovoltaic expansion program to

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\(^{5263}\) The Climate Registry (Sept. 11, 2013), http://www.theclimateregistry.org/.

\(^{5264}\) H.R. 89, 90, 59th Leg., Budget Sess. (Wyo. 2008).

\(^{5265}\) H.R. 89, 90, 59th Leg., Budget Sess. (Wyo. 2008).

\(^{5266}\) H.R. 90, 90th Leg., Budget Sess. (Wyo. 2008).


\(^{5268}\) See H.R. 57, 60th Leg., Gen. Sess. (Wyo. 2009).

\(^{5269}\) See H.R. 58, 60th Leg., Gen. Sess. (Wyo. 2009).

\(^{5270}\) See H.R. 80, 60th Leg., Gen. Sess. (Wyo. 2009).

include other renewable energy sources specifically wind and geothermal energy. As of September 16, 2013, the total ARRA expenditure from the award was $22,694,472.92.

In May 2009, Governor Freudenthal sent a letter to one of the co-sponsors of the Waxman-Markey Cap and Trade Bill, Henry Waxman (D-Calif.), expressing his concerns over the bill’s potential to disproportionately burden small oil refineries. Freudenthal was most concerned with businesses’ responsibility for hundreds of millions of dollars in annual costs for the carbon emissions of the entities to which they supply fuel.

Also in May 2009, Governor Freudenthal expressed his concerns about the “gold rush pace” of wind energy development in a letter to the Wyoming legislature’s Wind Energy Task Force. He noted the need to balance the interest of creating carbon-neutral technologies with possible negative environmental impacts, including destruction of habitat for sensitive species and “important viewsheds.” Freudenthal also expressed support for federal carbon sequestration legislation. In a May 20, 2009 letter to U.S. Senator Jeff Bingaman, Chairman of the Senate Energy and Natural Resources Committee, Freudenthal indicated that the ability to sequester CO₂ was growing critically important especially “since it is becoming a pre-condition to the continued use of coal.” He encouraged Bingaman’s committee to address the long-term liability of the sequestered carbon, which he believed the biggest impediment to sequestration’s growth.

On May 21, 2009, Governor Freudenthal hosted U.S. EPA Administrator Lisa Jackson on a tour of Wyoming energy production sites, including a wind farm and a natural gas field. Jackson and Freudenthal also toured the Powder River Basin’s coal mines, which produce 10% of the nation’s sub-bituminous coal.

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5274 Id.
5275 See Wyoming Governor Freudenthal’s letter to the State’s Wind Energy Task Force, INDUSTRIAL WIND ACTION GROUP (May 18, 2009), http://www.windaction.org/documents/22058.
5276 Id.
5279 Id.
5281 Id.

In mid-August 2009, Governor Freudenthal hosted the Wyoming Wind Symposium, a two-day conference that explored key issues surrounding wind energy development. The symposium included sessions on environmental impacts, the role of transmission, and the economics of wind energy development.

2010: Renewable Energy

From 2010-2013 Wyoming passed several pieces of legislation concerning wind energy development and generation within the state. In 2010, the Wyoming legislature passed H.B. 72 that requires all wind energy generating facilities producing more than 0.5 megawatts of electricity to obtain a permit from every county in which the facility is located. Also in 2010, and then extended in 2013, Wyoming passed H.B. 78 placing a moratorium on the exercise of eminent domain for the purpose of erecting “collector systems” associated with wind energy projects until June 30, 2015. The following year, in 2011, Wyoming passed H.B. 101 that created a tax upon the production of wind energy, specifically imposing an exercise tax of $1 per megawatt hour of operation to be distributed 60% to the counties where the generating facility is located and 40% to a general fund.

2011: Renewable Energy and Energy Efficiency

On April 15, 2011, Governor Matt Mead and state business officials announced that construction would soon begin on Wyoming’s first wind tower manufacturing facility, which would cost $40 million and create 150 new jobs. However, the initial construction date has been delayed and as of September 2013, construction has yet to begin.

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5283 Id.
5285 See id.
5286 See H.R. 72, 60th Leg., Budget Sess. (Wyo. 2010).
5288 See H.R. 101, 60th Leg., Budget Sess. (Wyo. 2011).
In August 2011, Wyoming received $23,536 in federal grants to help the state’s agricultural producers and rural small businesses implement energy efficiency and renewable energy projects. The Rural Energy for America Program (under the 2008 Farm Bill initiative) funds the grants.\textsuperscript{5291}

2012: Greenhouse Gas Reduction, Transportation/Fuels, and Green Technology

On March 6, 2012, Governor Mead signed legislation allowing Wyoming to regulate GHG emissions from in-state polluters.\textsuperscript{5292} The enacted bill created a framework whereby the Wyoming Department of Environmental Quality and Environmental Quality Council may obtain primacy over the regulation of GHGs if the U.S. Congress enacts legislation or a federal court issues a final judgment prohibiting EPA from regulating GHGs, eliminating the air quality “dual permitting” scenario with EPA.\textsuperscript{5293}

On May 3, 2012, Governor Mead joined twelve other state governors in a multi-state request-for-proposal seeking information on obtaining natural gas vehicles for state fleets.\textsuperscript{5294} The governors sought to build momentum around the need for manufacturing natural gas vehicles and the installation of the necessary infrastructure.\textsuperscript{5295}

On December 6, 2012, the Wyoming State Loan and Investment Board (SLIB) approved a $1.5 million DataPlant economic development grant to the city of Cheyenne.\textsuperscript{5296} The funds would allow the city’s waste recycling plant to utilize the biogas methane byproduct to power a Microsoft server through fuel cell technology.\textsuperscript{5297} Project sponsors anticipated that the fuel cell technology would demonstrate how data centers might be powered in an energy-efficient manner.\textsuperscript{5298}

2013: Energy Efficiency, Renewable Energy, and Green Technology

In June 2013, Wyoming Governor Matt Mead released his proposed energy strategy for the state.\textsuperscript{5299} In the energy strategy, Governor Mead proposed four themes to serve as a framework for energy policy initiatives: 1) economic competiveness, 2) energy efficiency, 3) renewable energy, and 4) green technology.

\textsuperscript{5291} The Rural Energy for America Program, USDA (Sept. 18, 2013), \url{http://www.rurdev.usda.gov/BCP_Reap.html}.
\textsuperscript{5293} Id.
\textsuperscript{5294} See 13 Governors Notify Automakers of Their Desire for Natural Gas Vehicles, Office of the Governor Matt Mead (May 3, 2012), \url{http://governor.wy.gov/media/pressReleases/Pages/13GovernorsNotifyAutomakersofTheirDesireforNaturalGasVehicles.aspx}.
\textsuperscript{5295} See id.
\textsuperscript{5296} Wyoming Business Council, State Loan and Investment Board approves $1.5 million DataPlant grant, Wyoming Business Council (Dec. 6, 2012), \url{http://www.wyomingbusiness.org/news/article/state-loan-and-investment-board-approves-/7020}.
\textsuperscript{5297} Id.
\textsuperscript{5298} Id.
expansion, and diversification; 2) efficient, effective regulation; 3) natural resource conservation, reclamation, and mitigation; and 4) education, innovation, and new technologies. Although the proposed energy strategy incorporates energy efficiency initiatives, the strategy does not specifically address climate change, GHG reduction, or an expansion of renewable energy development in Wyoming.

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5300  *Id.* at 35-37.
5301  See *id.*