



# SNAKE RIVER ALLIANCE

IDAHO'S NUCLEAR WATCHDOG & CLEAN ENERGY ADVOCATE

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## Energy Bills from the 2011 Idaho Legislative Session

The good, the bad, and the ugly

### Bills that Succeeded:

#### **Geothermal Development on State Lands (H52, 53, 54, & 56):**

Mostly technical but nonetheless important bills by the Department of Lands designed to remove certain barriers to geothermal energy development on state lands. H52 amends Idaho code to lengthen the maximum lease period for geothermal leases from the current 10 years to 49 years, similar to the change already made for wind. The extension is needed to provide time for geothermal energy developers of projects to recover their investments H53 would amend Idaho code to allow the state to negotiate royalty rates for geothermal projects on state lands, rather than be forced to use the current minimum annual rates of 25 cents per acre and royalties of not less than 10 percent of the geothermal resource produced. The change is needed to allow latitude in negotiating rates depending on the kinds of geothermal uses proposed. H54 amends Idaho code that restricts the size of geothermal leases on state lands. Currently, code restricts leases to a single "section", or 640 acres, when in practice geothermal projects can cover thousands of acres. This change allows the state to negotiate one lease rather than several leases for each section of land. H56 modifies state bonding procedures to allow for lease performance in bonding and also to reflect bonding for actual surface disturbance without duplicating existing bonding requirements by the Department of Water Resources.

**Status: All four bills signed by governor**

Sponsor(s): Bob Brammer, Idaho Department of Lands

#### **Interim Energy Committee Renewal (HCR4):**

Joint House-Senate resolution to renew the interim Energy, Environment and Technology Committee, which will convene after the 2011 session to study energy and related matters. This interim committee has been authorized to meet for the past 14 years, and this year it will be tasked with the Legislature's first five-year review of the 2007 Idaho Energy Plan. Much of the 2007 plan has been implemented only in part or not at all, so the committee will review which of the dozens of plan recommendations should be updated or dropped from the plan – as well as whether new recommendations should be added.

**Status: Approved by both chambers**

Sponsor(s): Interim Committee Co-Chairs Rep. George Eskridge and Sen. Curt McKenzie.

## **Bills that Failed:**

### **Grow Green Idaho Jobs Act (S1035):**

Calls on state and local government jurisdictions to “expedite” permit applications for renewable energy projects and to hold public meeting on the applications. Says the “permitting and approval of such projects shall be a priority of each state agency or political subdivision.” Requires local governments and the state to expedite permits for renewable energy projects and to provide for public meetings on such applications in an accelerated fashion.

***Status: Held in Senate State Affairs***

Sponsor(s): Sens. Edgar Malapeai, Les Bock, Michelle Stennett, Elliot Werk, and Dianne Bilyeu

### **School Districts and Renewable Energy (S1112):**

Allows local school districts to exchange or receive credits on their bill for excess thermal or chilled water or electric energy not needed by the school district. As more school districts look to clean and renewable energy resources such as wind, solar, biomass and heat pumps, they want to be able to receive credit for excess amounts of energy they produce during times they don’t need as much. This bill would allow them to receive credits on their energy bills for unneeded energy.

***Status: Held in Senate State Affairs***

Sponsor(s): Sen. Chuck Winder

### **Transmission Lines and Eminent Domain (H189)**

Adds new language to existing state eminent domain language dealing with electric distribution and transmission lines. Says any entity besides a regulated public utility or a cooperative or municipal utility (meaning any private or merchant transmission developer) must show a new transmission line “directly serves the interests of the residents of Idaho.” While the state’s big regulated utilities have the power to use eminent domain if needed to acquire land for transmission rights of way, private companies would have to show a benefit to Idaho residents. There are questions about how to define those benefits. One private transmission developer, LS Energy, which plans a line in southern Idaho, opposes the measure on grounds it sets a higher standard for eminent domain proceedings than that for Idaho’s regulated utilities.

***Status: Held in House State Affairs***

Sponsor: Rep. Scott Bedke

### **County Renewable Energy Authorities (H208)**

Authorizes counties to create their own “renewable energy commerce authorities” to help facilitate the development of renewable energy projects within their borders. The authorities could receive federal, state, or local funds and enter into contracts to acquire, hold or lease property to promote projects.

***Status: Held in House State Affairs***

Sponsor(s): Rep. Bert Stevenson

**Renewable Energy Sales Tax Rebate (H250)**

Extends the five-year-old renewable energy sales tax rebate, which is scheduled to expire June 30, for another three and a half years. Says projects must produce commercial-scale electricity by Dec. 2014, or developers must return their rebate.

**Status: Replaced with substitute legislation, H347 and H348**

Sponsor(s): Rep. George Eskridge, Sen. Curt McKenzie

**Wind Turbine Moratorium (H265)**

Places a two-year moratorium against counties, cities or state agencies from granting approval or issuing licenses or permits for construction of wind turbines higher than 100 feet or producing more than 100 kilowatts of power. That would ban new wind farms during the pendency of the moratorium.

**Status: Killed by House State Affairs**

Sponsor(s): Rep. Erik Simpson

**Wind Turbine Restrictions (H342)**

Allows property owners within 2 miles of a proposed wind turbine to prevent its construction.

**Status: Killed in House State Affairs**

Sponsor(s): Rep. Tom Loertscher

**Renewables Sales Tax Rebate (H347)**

Extends the existing renewable energy project sales tax rebate beyond its scheduled expiration in June 2011. Would have limited eligible wind and solar projects to those that have utility agreements approved by the PUC by October 2011. All projects qualifying for the incentive would have to be built and operating by the end of 2014.

**Status: Passed in House 40-29 and failed in Senate, 17-18**

Sponsor(s): Rep. George Eskridge and Sen. Curt McKenzie

**PURPA Projects Limitations (H348)**

Would codify the current PUC limits on renewable energy projects qualifying for favorable contract rates at 100 kilowatts rather than the former 10 megawatts, effectively preventing wind and solar farms from qualifying for those guaranteed rates.

**Status: A companion bill to H347 above, this was referred back to Senate State Affairs by the full Senate after H347 was defeated.**

Sponsor(s): Eskridge and McKenzie