



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 412

Chairperson: LeRoy Louden
Committee: Natural Resources
Date of Hearing: February 14, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 412 would establish a renewable portfolio standard for all retail electricity suppliers who sell to Nebraska residents. Beginning January 1, 2009, each retail electricity supplier would be required to have 1% of its total kilowatt-hours sold to retail customers in Nebraska come from a renewable energy source or energy efficiency measures. The percentage would increase 1% each year until 2019 when it would cap at 10% thereafter. A contribution from energy efficiency measures to meet the renewable portfolio standard may be equal to or less than one-quarter of the total standard in any particular year. The Nebraska Power Review Board is authorized to oversee and enforce this program.

Eligible renewable energy resource includes electricity generated from wind, solar, landfill gas, geothermal energy, fuel cells, or biomass. Retail electric suppliers may purchase credits from other suppliers if they do not have the required number of credits in a given year. Failure to acquire the required number of credits will result in a penalty of 3 times the value of the credits. Any penalty monies will go to the permanent school fund. The bill earmarks the interest from such penalty funds to be used exclusively for the development of renewable energy generation by the school districts.

The purpose of the bill is to advance renewable energy technologies by creating a stable policy that will enable long-term financing and contracts. A diverse energy portfolio will also result in lower energy costs. With less reliance on the volatile price of fossil-fuels, there will be an added bonus of a more stable energy economic environment.

With Nebraska's current heavy reliance on coal-fired generation, our public power districts are currently sending hundreds of millions of dollars in tax revenues to the State of Wyoming to purchase coal. Rather than exporting these dollars, Nebraska could site additional renewable energy generation facilities throughout Nebraska and thus invest these dollars in much needed rural local economies.

In addition, the environmental, health, and fiscal benefits from reducing our dependence on fossil-fuel energy sources will accrue to all citizens including:

1. Reduction in fish advisories and impaired water due to mercury from fossil-fuel emissions;
2. Reduction in amount of water used by traditional fossil fuel generation;
3. Decrease public Medicaid expenditures related to pollution emissions from coal-fired plants;
4. Reduction in asthma and other respiratory-related illnesses; and
5. Reduction in regulatory costs because renewable energy generation sources (particularly wind energy) do not require air and waste permits and subsequent regulatory oversight of these permits.

Principal Introducer:

Senator Amanda McGill