

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 491**

Introduced by Haar, 21.

Read first time January 20, 2009

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to energy; to provide for home energy  
2 efficiency loans; to create a fund; to define terms;  
3 and to provide duties for the State Energy Office.  
4 Be it enacted by the people of the State of Nebraska,

1           Section 1. The Legislature finds that it is vital for  
2 Nebraska's residents to be as efficient as possible in their use  
3 of energy. It further finds the following benefits from increasing  
4 energy efficiency: (1) A reduction in utility bills; (2) tax  
5 dollar savings; (3) a reduction in the amount of money expended on  
6 imported fuel sources; (4) a reduction in the need for new power  
7 plants and other energy infrastructure; (5) a reduction in negative  
8 environmental impacts of energy generation and consumption; (6) the  
9 generation of positive economic activity; and (7) job creation.

10           Sec. 2. Energy-efficiency improvement includes a device,  
11 method, or material that reduces consumption or increases  
12 efficiency in the use of electricity or natural gas for a residence  
13 of an eligible property owner, including, but not limited to,  
14 insulation or ventilation, storm or thermal doors or windows,  
15 awnings, caulking or weatherstripping, heating and air conditioning  
16 systems, and efficient lighting and energy control or management  
17 systems.

18           Sec. 3. (1) The Home Energy Efficiency Fund is created.  
19 It is the intent of the Legislature that the Home Energy Efficiency  
20 Fund be eligible to receive grants, loans, and federal funds to the  
21 extent available. Any money in the fund available for investment  
22 shall be invested by the state investment officer pursuant to  
23 the Nebraska Capital Expansion Act and the Nebraska State Funds  
24 Investment Act.

25           (2) Entities eligible to administer the fund include: A

1 public power district organized under Chapter 70, article 6; a  
2 rural public power district organized under Chapter 70, article 8;  
3 an electric cooperative corporation organized under the Electric  
4 Cooperative Corporation Act; a nonprofit corporation organized  
5 for the purpose of furnishing electric service; a joint entity  
6 organized under the Interlocal Cooperation Act; or a municipality.  
7 In order to be eligible to receive funds from the Home Energy  
8 Efficiency Fund, an eligible entity shall create a home energy  
9 efficiency program. Such program shall include the following:  
10 (1) A mechanism to identify residential properties that need  
11 energy-efficiency improvements; (2) a process of making property  
12 owners aware of the program; and (3) a process for administering  
13 the loan program created under section 4 of this act. Funds shall  
14 be allocated to eligible entities based on the number of customers  
15 served in relation to the funds contained in the Home Energy  
16 Efficiency Fund. Eligible entities shall use no more than five  
17 percent of the funds allocated to them for administration of their  
18 programs.

19           Sec. 4. (1) An eligible entity shall approve  
20 energy-efficiency loan applications for proposed energy-efficiency  
21 improvements which reduce energy use or result in a more efficient  
22 use of available energy resources. In determining whether to  
23 approve or deny such application, the eligible entity shall  
24 consider the type of improvements proposed and the life expectancy,  
25 projected energy savings, and simple payback of the improvements.

1 For purposes of this subsection, simple payback means the cost  
2 of the improvements divided by the first year's estimated savings  
3 resulting from the improvements.

4 (2) Following approval of an energy-efficiency loan  
5 application pursuant to this section, each eligible entity shall  
6 submit vouchers against the Home Energy Efficiency Fund to the  
7 Director of Administrative Services. Each eligible entity shall  
8 maintain records of the amount of funds loaned, the balance  
9 of the fund, and repayments to the fund. Each eligible entity  
10 shall compile records of all loan applications and the amount of  
11 energy and financial savings resulting from approved loans. First  
12 priority for loans shall go to properties occupied by persons whose  
13 household income is at or below one hundred fifty percent of the  
14 federal Office of Management and Budget income poverty guidelines.

15 Sec. 5. The State Energy Office shall create loan  
16 application forms and standard contracts for repayment of loans.  
17 Loans shall be repaid in monthly payments, with the first payment  
18 due six months after the date the energy-efficiency improvements  
19 that are completed. Such loans shall carry no interest or finance  
20 charge, and payments shall be deposited by the State Treasurer into  
21 the Home Energy Efficiency Fund. The amount of each payment shall  
22 be established by each eligible entity and shall be based upon  
23 the amount of energy savings resulting from the energy-efficiency  
24 improvements that are established by the approved loan application.