

One Hundred Second Legislature - Second Session - 2012

Introducer's Statement of Intent

LB1087

Chairperson: Senator Chris Langemeier

Committee: Natural Resources

Date of Hearing: February 03, 2012

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

It is the intent of LB 1087 to support and promote the use of natural gas as a motor vehicle fuel in the state of Nebraska.

LB 1087 creates the Compressed Natural Gas Innovation Fund to be used by the State Energy Office to provide compressed natural gas (CNG) innovation grants and for administrative costs.

The State Energy Office shall establish and administer a grant program for compressed natural gas innovation projects, defined as infrastructure investment relating to storage, distribution, or dispensing of compressed natural gas. Entities eligible to receive such grants are Nebraska residents, businesses, or public utilities. Grants from the Compressed Natural Gas Innovation Fund can provide up to 20% of the funding for a project, with grant amounts capped at \$200,000. CNG innovation projects must be within one mile of I-80. No more than one grant shall be approved per county within the first five years of the program.

LB 1087 creates the Natural Gas Fuel Board to advise the State Energy Office regarding the promotion of natural gas as a motor vehicle fuel. The board shall provide recommendations relating to:

- Distribution and infrastructure development for natural gas to be used as a motor vehicle fuel;
- Loans, grants, and tax incentives to encourage the use of natural gas as a motor vehicle fuel; and,
- Such other matters as it deems appropriate.

The Natural Gas Fuel Board shall consist of 8 members appointed by the Governor, including:

- One member representing a jurisdictional utility;

- One member representing a metropolitan utilities district;
- One member representing the interests of the transportation industry;
- One member representing the interests of the business community, specifically fueling station owners or operators;
- One member representing natural gas marketers or pipelines;
- One member representing automobile dealerships or repair businesses;
- One member representing labor interests; and,
- One member representing environmental interests, specifically air quality.

The board must be initially appointed by October 1, 2012. Board members will serve four-year terms following the staggered terms of the initial appointments.

The Legislature shall appropriate funds to implement LB 1087, the Compressed Natural Gas Innovation Act.

Principal Introducer: _____

Senator Jeremy Nordquist