



NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

**Completed NCSL activities under grant DE-FG02-04CH11251
September 25, 2004 to September 27th 2008**

The following activities were performed to address the changing work plan during these years:

- 1) **Technical Assistance to State Legislatures.** At the request of the relevant committee chair or from legislative leadership, NCSL will continue person-to-person work with state legislatures, focusing on multiple issues facing state legislatures in the regulation of the electric power industry.
 - NCSL performed technical assistance on utility procurement issues in Oklahoma on November 8, 2004.
 - NCSL performed energy-related technical assistance in Virginia in December 2004.
 - In March 2005, NCSL performed technical assistance in South Dakota, addressing state energy policy issues including transmission and renewable portfolio standards. The state later enacted legislation to establish a transmission finance authority (but then gave it no appropriation). NCSL also briefed the Vermont House and Senate Natural Resources and Energy Committees focusing on renewable portfolio standards. Vermont later adopted a portfolio standard, although the governor has threatened a veto.
 - In October, 2005, NCSL performed technical assistance in Maryland, addressing the progress and future of electric industry restructuring and related issues such as retail electricity prices.
 - In November 2005, NCSL performed technical assistance in Utah, addressing state energy policy issues including transmission, coal, gas, oil, and renewable energy as well as energy plans in other states.
 - NCSL performed a technical assistance program for the state of Maryland on February 9, 2006. The presentation focused on global energy supply, demand and prices, including electricity issues including integrated resource planning.
 - NCSL helped coordinate and invite legislators to the 2006 National Electricity Delivery Forum, co-sponsored by US DOE.
 - The Connecticut Legislature asked NCSL to participate in their second legislative energy summit in July 2006 to present on state experiences with electric industry restructuring.

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NCSL Staff provided the briefing to legislative leadership, energy committee chairs and staff. Connecticut was especially interested in how to re-create integrated resources planning in a restructured environment, looking at the California loading order as an example.

- On September 28 2007, NCSL had 7 legislators and one staffer from Colorado, New Mexico, Wyoming and Arizona attend a multi-state meeting of WGA and NWCC in Fort Collins, Colo., on Sept. 27-28. NCSL invited and sponsored Representative John Heaton, New Mexico; Representative Judy Solano, Colorado; Senator Chris Romer, Colorado; Tom Pollard, New Mexico Legislative Council Service; Representative Alice Madden, Colorado; Representative Kyrsten Sinema, Arizona; and Representative Lucy Mason, Arizona.

2) **Briefing Papers:** NCSL will research and write one briefing paper addressing procurement issues, and two subsequent papers on topics to be determined.

- DOE and NCSL previously determined that the briefing paper on procurement will also discuss infrastructure financing and financing of energy efficiency. With coordination of funding through the National Council on Electricity Policy/National Association of Regulatory Utility Commissioners (NARUC), this report will be published as two companion documents. Both documents have been peer-reviewed and final edits are being made, per NCSL's and NARUC's agreement to extend the target completion date for these items to April 2006. Electronic copies will be delivered to NARUC and DOE upon completion.
- NCSL has requested final review and comment from members of the National Council on Electricity Policy for both documents, which are titled *Financing Energy Efficiency* and *Building the Next Generation of Electricity Infrastructure: A Policymaker's Guide*. The documents have been through a review by members of NARUC and NASEO, as well as the National Council Executive Committee and NCSL's Advisory Committee. For details and publications, see www.ncouncil.org.
- NCSL developed a detailed outline of the briefing paper on procurement issues in June 2005. In its research, NCSL conducted numerous telephone interviews with experts in the field. Research on one creative procurement practice- the Wyoming Infrastructure Authority- led to a successful session during the Energy Leaders Forum (described under "Meetings".) Much of this work will be completed in the coming (3rds) quarter of this year.

3) **Coordination with the National Council on Electricity Policy:** NCSL will continue to coordinate with the partnering state-based organizations of the National Council and ensure that state legislators continue participation in the Council.

- NCSL coordinated work with the Council, participating in monthly conference calls. NCSL has also encouraged its members to participate in calls: several legislators participated in the conference calls and contributed to discussion.

4) **Information Assistance, Coordination and Outreach:** NCSL staff will respond daily to information requests from state legislatures regarding energy and utility issues.

- NCSL received and answered an average of 10 information requests per month from many states on electricity-related issues during the project. These included various aspects of

public utility commission regulation, standard-offer-service bidding, rate cap expirations, state actions to repeal restructuring, energy conservation programs and demand side management, low-income utility bill assistance, reliability standards, climate change, renewable energy policy , resource procurement, bidding, rate cap expirations, energy conservation programs in state buildings, pay-as-you-save energy efficiency funding, reliability policy, general energy prices, low-income utility bill assistance and many other issues.

5) **Meetings.** NCSL will hold a session at its large Annual Meeting on electric industry regulatory issues and will also hold an introductory seminar for state legislators who are new to energy issues.

- At the 2005 NCSL Annual Meeting, NCSL hosted a session on transmission and reliability issues. Julia Souder of DOE's Office of Electricity Delivery and Energy Reliability participated in this session, along with Jim Fama of the Edison Electric Institute, Commissioner Susan Wefald of the North Dakota Public Service Commission, and Ellen Petrill of the Electric Power Research Institute. The session attracted impressive attendance and was one of the best-attended energy sessions of the meeting.
- On November 17-19, 2005 NCSL held the Energy Leaders Forum- a two-day meeting for committee chairs and some senior legislative staff. Electricity issues were a major focus of the meeting, which attracted 36 legislators and staff from 26 states. Members of the Advisory Council on Energy (ACE) attended the Forum. The Forum was followed by a meeting of ACE, which resulted in several activities that will bring similar energy outreach to more legislators and staff.
- A session on electric industry restructuring called *The Electric Utility Industry and Power Markets*, was held at the NCSL Annual Meeting in August, 2006
- At the Nashville Annual Meeting in August, 2006, the Energy and Electric Utilities Committee held the following electricity-related sessions.

10:15 am – Noon Bayou E Level M (Mezzanine)	The Electric Utility Industry and Power Markets How is the electric utility industry dealing with rising energy costs, increased demand and restructuring? What role do FERC, RTOs and power marketers play in shaping the wholesale and retail power markets? Where do state utility commissions fit into the "big picture" of state electric industries? Moderator: Bill Julian, California Panelists: Lisa Crutchfield, PECO Energy Company Commissioner Richard Morgan, District of Columbia Marilyn Showalter, Public Power Council Curt Seidlits, TXU
Noon - 1:00 pm Bayou E Level M (Mezzanine)	ENERGY EFFICIENCY AND THE ELECTRONICS INDUSTRY How can the electronics industry engage in reducing power demand? What efforts have they already taken to implement improvements in the usage and design of their products? Panelists: Mark Newton, Dell

	Doug Johnson, Consumer Electronics Association
1:00 - 2:30 pm Bayou E Level M (Mezzanine)	<p>ENERGY INTERCONNECTION: THINKING OUTSIDE THE BOX</p> <p>Energy infrastructure is an intricate network of generation facilities, pipelines and transmission lines. Beyond this complex layer of the energy system are links to many other sectors, such as resource extraction, transportation and communications. Our reliance on the energy infrastructure emphasizes the need to recognize the interconnections between these sectors. This session covers the connections among the energy infrastructure and other critical networks that rely on and support the energy network.</p> <p>Panelists: William Cooper, The Center for Liquefied Natural Gas Mike Howard, Electric Power Research Institute Martin Edwards, Interstate Natural Gas Association of America</p>

- NCSL held a transmission corridors session at the NCSL Annual Meeting in Boston in August 2007. Mark Whitenton from DOE presented during this session.
- At the NCSL Fall Forum on Thursday, Nov. 29, 2007, in Phoenix, the Standing Committee on Agriculture, Environment and Energy held a nuclear power session (description below) followed by an infrastructure finance session (description below).

THE POSSIBILITIES OF NUCLEAR ENERGY

There are 104 commercial nuclear plants in 31 states generating 20 percent of electricity in the United States. Several energy companies from around the country are exploring the possibilities of licensing new generators. This session will explore nuclear power and the impacts for surrounding communities including economic development, environmental issues and waste disposition.

Presiding: *Representative John Heaton, New Mexico*

Speakers:

Edward Sproat, Director, Office of Civilian Radioactive Waste Management, U.S. Department of Energy

Bethe Cunningham, President/CEO, Lea County Economic Development Corporation

ROUNDTABLE ON INFRASTRUCTURE FINANCING

Joint Session Sponsored by the Budgets & Revenue; Transportation; and Agriculture, Environment & Energy Committees and the Women's Legislative Network

Funds to build and maintain America's critical infrastructure are not keeping pace with needs, inflation, or competing demands. This session will begin with an update on federal efforts to shore up funding sources and conclude with a roundtable for legislators to discuss state efforts to ensure America's infrastructure meets Americans' needs. ***Note: this will include an opportunity to discuss water, energy, and other AEE related infrastructure needs.***

Presiding: *Representative Deborah Hudson, Delaware*

Speakers:

Jack Basso, Director of Management & Business Development, American Association of State Highway and Transportation Officials
Steve Brown, Executive Director, Environmental Council of the States

- NCSL held two sessions at the recent NCSL Spring Forum on Friday, April 25, 2008 in Washington, DC, for the Agriculture, Environment and Energy Committee.

NUCLEAR POWER – INTERIM STORAGE ISSUES

With the future of Yucca Mountain in question, this session will look at the opportunities and challenges facing many states. Hear the latest from state legislators and experts looking at innovative storage solutions for nuclear waste.

Speakers:

Delegate Sally Jameson, Maryland

Representative Deborah Simpson, Maine

Mike Lawrence, Manager of Nuclear Programs, Pacific Northwest National Laboratory

Please Note: The Committee will be voting on an amendment to the "Radioactive Waste Management" policy at the end of this session.

RENEWABLE PORTFOLIO STANDARDS

With more than half the states & over 40 percent of the nation's electrical load operating under state-passed Renewable Portfolio Standards (RPS), much of the conversation has shifted focus in the last year to the federal level. Three separate proposals to implement a national RPS were widely debated by Congress in 2007; however, none were included in the enacted Energy Security and Independence Act. With the prospect of such language being taken up in 2008, States must consider the possible implications. What are the pros and cons of a National RPS for both states with an RPS & those without?

Speakers:

Kevin Porter, Senior Analyst, Exeter Associates, Inc.

nes, EVP, Supply Technologies, Renewables, and Demand Side Planning, Southern Company

ergy Analyst, Union of Concerned Scientists

- NCSL held a 2-day Energy Efficiency Institute on June 23-24, 2008 in Denver. Twenty legislators and staff attended. Session looked at options, potential and the various policy options available to state legislators. See www.ncsl.org/?tabid=13018 for agenda and presentations.
- NCSL hosted DOE's Summer Energy Outlook and Building Resiliency Workshop on April 22-23, 2008 in Denver, Colorado. Four legislators attended (there were over 80 participants total). Presentations are posted at: www.ncsl.org/?tabid=13017.
- NCSL sponsored the Smart Electric Grid Forum in April 2008. Over 75 people registered for the meeting. The agenda and presentations are available online: www.ncsl.org/?tabid=13020.
- : NCSL held its Energy Policy Summit: "The Future of State Electricity Policy," as part of its Legislative Summit in New Orleans on Tuesday, July 22, 2008. The agenda and presentations are at www.ncsl.org/?tabid=13015.

- At the 2005 NCSL Annual Meeting, NCSL hosted a session on transmission and reliability issues. Julia Souder of DOE's Office of Electricity Delivery and Energy Reliability participated in this session, along with Jim Fama of the Edison Electric Institute, Commissioner Susan Wefald of the North Dakota Public Service Commission, and Ellen Petrill of the Electric Power Research Institute. The session attracted impressive attendance and was one of the best-attended energy sessions of the meeting. Presentations from the session are available on the NCSL website at <http://www.ncsl.org/programs/energy/AM05Pres.htm>
- 6) **Transmission-Related Activities:** NCSL will collaborate with state-based organizations National Governors Association, the National Association of Regulatory Utility Commissioners and the National Association of State Energy Officials on a number of issues related to electricity transmission.
- NCSL co-wrote with the National Governor's Association a document, *State Policy-Makers' Guide to Regional Electric Transmission Practices*, published in October 2006, describing regional transmission institutions and providing basic lessons learned from those institutions.
 - NCSL published the document along with *Increasing Regionalization of the Electric Industry*, which was authored by NCSL, peer-reviewed and copyedited in September 2006.
- 7) **Briefing Papers:** NCSL will research and write one briefing paper addressing procurement issues, and two subsequent papers on topics to be determined.
- The program wrote an article for NCSL's *State Legislatures* magazine on the expiration of rate caps, with a focus on Maryland in March 2005.
 - NCSL finalized the "Financing Energy Efficiency" document.
 - The "Building the Next Generation of Electricity Infrastructure: A Policymaker's Guide" developed in collaboration with the National Council on Electricity policy was published in March 2007
 - The program wrote an article for NCSL's *State Legislatures* magazine in September 2006 titled, "Electric Shock," which covered electric restructuring.
 - NCSL published, "Connecting the Grid: A Review of State and Regional Transmission Practices" in February 2007
 - NCSL published "Regional Reliance: Why Transmission Coordination is Key" in March 2007.
 - NCSL finalized the Energy Efficiency Legisbrief and published it in October 2008.
 - The energy program published an article related to the constraints states are facing with building coal-fired power plants, which was featured as the cover story to the March 2008 issue of *State Legislatures* magazine. See www.ncsl.org/default.aspx?tabid=12990.
- 8) **Coordination with the National Council on Electricity Policy:** NCSL will continue to coordinate with the partnering state-based organizations of the National Council and ensure that state legislators continue participation in the Council.
- 2 NCSL staff attended the Council's Steering Committee meeting on September 30-October 1, 2004 in Chicago, Illinois.

- A reprint of the successful “Electricity Transmission: A Primer” were sent to all constituencies of National Council members, including many legislators. NCSL arranged for Rep. Hermina Morita of Hawaii to present an overview of her state’s energy policy activities on the Council’s August 11, 2005 conference call. NCSL appointed two new legislative members to the Council- Rep. Sheryl Allen of Utah and Rep. Tony Klein of Vermont.
- NCSL participated in the National Council Face-to-Face meeting on Friday, September 29, 2006 in Washington, DC. Members met to discuss the year’s activities and develop priorities for the coming year.
- NCSL Participated in monthly coordinating calls with the Council and the National Association of Regulatory Utility Officials and the National Association of State Energy Officials throughout 2005-2008.
- NCSL attended the annual meeting of the National Council in Washington, DC, on April 14-15, 2008. NCSL shared its electricity-related activities with the council.
- NCSL participated in the Council’s September 15 energy efficiency financing workshop, October 4 Council meeting and October 5 distributed generation workshop in fall of 2005. During the January 2006 conference call, NCSL briefed Council members on upcoming electricity-related issues that will be addressed in state legislatures during the 2006 session. Several legislators participated in the conference calls.
- For details and publications, see www.ncouncil.org.