

1 HB80
2 116494-2
3 By Representative Graham
4 RFD: Government Appropriations
5 First Read: 12-JAN-10
6 PFD: 01/06/2010

1 ENGROSSED

2
3
4 A BILL
5 TO BE ENTITLED
6 AN ACT
7

8 To establish the Alabama Public Interest Energy
9 Research and Development Grants Program to provide funding for
10 energy related public interest energy research and
11 development; to create a new executive agency to be known as
12 the Commission on Public Interest Energy Research and
13 Development Grants which will have sole discretion to
14 distribute appropriations by the Legislature and other funds
15 allocated for public interest energy research and development
16 grants; to establish the Public Interest Energy Research and
17 Development Grants Fund within the State Treasury; and to make
18 an appropriation from the State General Fund to the fund for
19 the fiscal year ending September 30, 2010, and also for the
20 fiscal year ending September 30, 2011.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. The Legislature hereby finds and declares
23 all of the following:

24 (1) It is in the best interest of the people of the
25 state and the quality of life of its citizens will be improved

1 by providing environmentally sound, safe, reliable, and
2 affordable energy services and products.

3 (2) To improve the quality of life of the state's
4 citizens, it is proper and appropriate for the state to
5 develop a sustained program of public interest energy research
6 and development for projects that are not adequately provided
7 for by competitive and regulated energy markets.

8 (3) Public interest energy research and development
9 projects should advance energy science and technologies of
10 value to Alabama's citizens and take advantage of Alabama's
11 unique portfolio of energy resources, including fossil fuel
12 and bioenergy resources.

13 Section 2. (a) The Public Interest Energy Research
14 and Development Grants Program is hereby created. The program
15 shall include a full range of research and development
16 activities that are not adequately provided for in the
17 competitive and regulated markets. The Commission on Public
18 Interest Energy Research and Development Grants established in
19 Section 3 of this act shall administer the program.

20 (b) The general goals of this program are to
21 develop, and help bring to market, technologies that enhance
22 Alabama's unique portfolio of energy resources and potential
23 energy sources, particularly the significant fossil fuel and
24 bioenergy resources of the state; provide increased
25 environmental benefits; increase energy reliability in times
26 of crisis; and lower energy costs.

1 (c) To achieve the goals established in subdivision
2 (b), the Commission on Public Interest Energy Research and
3 Development Grants shall adopt a portfolio approach for the
4 program that does all of the following:

5 (1) Effectively balances the risks, benefits, and
6 time horizons for various activities and investments that will
7 provide benefits for Alabama citizens.

8 (2) Emphasizes innovative fossil fuel and bioenergy
9 supply and end use technologies, focusing on their
10 reliability, affordability, and environmental attributes.

11 (3) Includes projects that have the potential to
12 enhance the production, reliability, storage, and distribution
13 capabilities of current energy sources as well as potential
14 fossil fuel and bioenergy sources.

15 (4) Accelerates knowledge transfer and technological
16 innovations.

17 (5) Demonstrates a balance between short-term,
18 mid-term, and long-term potential.

19 (6) Ensures that prior, current, and future research
20 not be unnecessarily duplicated.

21 (7) Provides for the future market utilization of
22 projects funded through the program.

23 (8) Stimulates growth-oriented fossil fuel and
24 bioenergy enterprises within the state.

25 (9) Ensures an open project selection process and
26 encourages the awarding of research funding for a diverse type

1 of research as well as a diverse award recipient base and
2 equally considers research proposals from the public and
3 private sectors.

4 (10) Encourages partnerships and collaborative
5 projects between private enterprises, Alabama's universities,
6 and research organizations in fossil fuels and bioenergy.

7 (11) Coordinates with other research programs.

8 (d) To ensure the efficient implementation and
9 administration of the program, the Commission on Public
10 Interest Energy Research and Development Grants shall do both
11 of the following:

12 (1) Develop procedures for the solicitation of grant
13 applications for projects or program funding and to ensure
14 efficient program management.

15 (2) Evaluate and select programs and projects, based
16 on merit, that will be funded under the program.

17 Section 3. (a) There is hereby created the
18 Commission on Public Interest Energy Research and Development
19 Grants, hereinafter referred to as the commission, which shall
20 be a grant-making agency to receive and, by majority vote of
21 the membership or of those voting, to distribute any funds
22 available in the Public Interest Energy Research and
23 Development Grant Fund established in Section 4 of this act.
24 The commission shall consist of the State Oil and Gas
25 Supervisor, the State Climatologist, the Lieutenant Governor,
26 the Director of the Department of Economic and Community

1 Affairs, the President of the Public Service Commission, The
2 Chair of the Permanent Oil and Gas Study Committee, and the
3 Commissioner of Agriculture and Industries. The Lieutenant
4 Governor, the President of the Public Service Commission, and
5 the Commissioner of Agriculture and Industries shall each
6 appoint a member to the commission. The membership of the
7 commission shall be inclusive and reflect the racial, gender,
8 geographic, urban/rural, and economic diversity of the state.
9 The commission shall annually report to the Legislature by the
10 second legislative day of each regular session to what extent
11 the commission has complied with the diversity provisions in
12 this act. The chair of the commission shall be the Lieutenant
13 Governor, who shall vote only in the case of a tie. The
14 commission shall elect a secretary who shall be responsible
15 for and maintain all documents related to the commission. The
16 commission shall meet at least twice each quarter or until all
17 grant funds have been awarded for each fiscal year. The
18 commission members shall serve without compensation but the
19 commission shall receive funds and/or staffing for
20 administrative support from the Legislature.

21 (b) It shall be the duty of the Permanent Joint
22 Legislative Committee on Energy Policy to review applications
23 and recommend to the commission for approval any public
24 interest energy research and development grants made from
25 funds available in the Public Interest Energy Research and
26 Development Grants Fund established in Section 4 of this act.

1 The committee shall evaluate grant proposals based on the
2 relevance of such proposals to the purposes for which such
3 grants shall be made; the extent to which such grant proposal
4 advances the program objectives; the ability of the grant
5 recipient to fulfill the objectives of the grant proposal; and
6 the extent to which the grant proposal can benefit the
7 greatest number of citizens. The committee shall act in an
8 advisory role only. All grants recommended for approval or
9 rejection by the committee shall be forwarded to the
10 Commission on Public Interest Energy Research and Development
11 Grants which shall review each grant for compliance with the
12 criteria listed herein and shall approve or disapprove each
13 grant. The commission shall have absolute discretion to award
14 or reject any grant. The commission shall report to the
15 committee within 14 days after any meeting all actions taken.

16 (c) The commission shall prepare and submit to the
17 Legislature, not later than March 31 of each year, a report on
18 grants made pursuant to this act and progress toward achieving
19 the goals set forth for the program. The report shall include
20 information on the names of the recipients, the amount of
21 awards, the types of projects funded, an evaluation of the
22 success of previously funded projects, and recommendations for
23 improvements in the program.

24 Section 4. (a) There is hereby created in the State
25 Treasury a fund to be known as the Public Interest Energy
26 Research and Development Grants Fund. The fund may receive

1 state appropriations, gifts, grants, federal funds, and any
2 other funds both private and public. The fund shall be kept
3 separate and apart from all other moneys in the treasury and
4 shall be used for the purposes set forth in this act only by
5 warrant of the Comptroller upon the State Treasurer, upon
6 itemized vouchers, approved by the chair of the Commission on
7 Public Interest Energy Research and Development Grants. No
8 funds may be withdrawn or expended except as budgeted and
9 allotted according to Article 4 of Chapter 4 of Title 41, Code
10 of Alabama 1975. The unobligated balance of the fund shall be
11 invested by the State Treasurer for the benefit of the fund.
12 Any interest earnings on the fund shall be credited only to
13 the fund. Any unallocated appropriations made by the
14 Legislature to the fund shall not revert at the end of any
15 state fiscal year, but shall remain available for expenditure
16 in subsequent fiscal years.

17 (b) There is hereby ~~conditionally~~ appropriated the
18 amount of one hundred thousand dollars (\$100,000) from the
19 State General Fund to the Public Interest Energy Research and
20 Development Grants Fund for the fiscal year ending September
21 30, 2010, and also for the fiscal year ending September 30,
22 2011, to be used to provide funding for the Public Interest
23 Energy Research and Development Grants Program as established
24 by this act.

1 ~~The above appropriations are conditional upon funds~~
2 ~~being available in the State General Fund, the recommendation~~
3 ~~of the Finance Director, and the approval of the Governor.~~

4 Section 5. All laws or parts of laws which conflict
5 with this act are repealed.

6 Section 6. This act shall become effective
7 immediately upon its passage and approval by the Governor, or
8 its otherwise becoming law.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15

16
17
18
19

House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Government Ap-
propriations 12-JAN-10

Read for the second time and placed
on the calendar with 1 substitute
and 14-JAN-10

Read for the third time and passed
as amended 19-JAN-10

Yeas 94, Nays 0, Abstains 0

Greg Pappas
Clerk