

1 HB80  
2 115752-1  
3 By Representative Graham  
4 RFD: Government Appropriations  
5 First Read: 12-JAN-10  
6 PFD: 01/06/2010

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8 SYNOPSIS: This bill establishes the Alabama Public  
9 Interest Energy Research and Development Grants  
10 Program to provide funding for energy related  
11 public interest research and development projects  
12 that advance science or technology for Alabama's  
13 unique portfolio of energy resources, particularly  
14 the significant fossil fuel and bioenergy resources  
15 of the state.

16 This bill creates a new executive agency to  
17 be known as the Commission on Public Interest  
18 Energy Research and Development Grants which will  
19 have sole discretion to distribute appropriations  
20 by the Legislature and other funds allocated for  
21 public interest energy research and development  
22 grants. The Permanent Joint Legislative Committee  
23 on Energy Policy shall be an advisory committee to  
24 the commission.

25 The bill establishes the Public Interest  
26 Energy Research and Development Grants Fund within  
27 the State Treasury to receive appropriations from

1 the Legislature and other gifts, grants, federal  
2 funds, and other funds. The bill also makes a  
3 conditional appropriation from the State General  
4 Fund to the Fund for the fiscal year ending  
5 September 30, 2010, and also for the fiscal year  
6 ending September 30, 2011.

7  
8 A BILL  
9 TO BE ENTITLED  
10 AN ACT

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

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. The Legislature hereby finds and declares  
27 all of the following:

1           (1) It is in the best interest of the people of the  
2 state and the quality of life of its citizens will be improved  
3 by providing environmentally sound, safe, reliable, and  
4 affordable energy services and products.

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

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

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

22           (b) The general goals of this program are to  
23 develop, and help bring to market, technologies that enhance  
24 Alabama's unique portfolio of energy resources and potential  
25 energy sources, particularly the significant fossil fuel and  
26 bioenergy resources of the state; provide increased

1 environmental benefits; increase energy reliability in times  
2 of crisis; and lower energy costs.

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

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

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

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

17 (4) Accelerates knowledge transfer and technological  
18 innovations.

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

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

23 (7) Provides for the future market utilization of  
24 projects funded through the program.

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

1           (9) Ensures an open project selection process and  
2 encourages the awarding of research funding for a diverse type  
3 of research as well as a diverse award recipient base and  
4 equally considers research proposals from the public and  
5 private sectors.

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

9           (11) Coordinates with other research programs.

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

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

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

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

1 the Director of the Department of Economic and Community  
2 Affairs, the President of the Public Service Commission, and  
3 the 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.  
27 The committee shall evaluate grant proposals based on the

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

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

23 Section 4. (a) There is hereby created in the State  
24 Treasury a fund to be known as the Public Interest Energy  
25 Research and Development Grants Fund. The fund may receive  
26 state appropriations, gifts, grants, federal funds, and any  
27 other funds both private and public. The fund shall be kept



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

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

23 The above appropriations are conditional upon funds  
24 being available in the State General Fund, the recommendation  
25 of the Finance Director, and the approval of the Governor.

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

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