

1 HB518
2 138448-2
3 By Representative Wren
4 RFD: Agriculture and Forestry
5 First Read: 14-MAR-12

1 ENGROSSED

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4 A BILL
5 TO BE ENTITLED
6 AN ACT
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8 To establish the Alabama Public Interest Energy and
9 Fuel Research and Development Grants Program to provide
10 funding for energy and fuel related public interest energy
11 research and development; to provide that the program is
12 established within the Department of Agriculture and
13 Industries Center for Alternative Fuels; to provide that the
14 Commissioner of Agriculture and Industries shall evaluate and
15 distribute appropriations by the Legislature and other funds
16 allocated for public interest energy and fuel research and
17 development grants based on advisory commission input; to
18 establish the Public Interest Energy and Fuel Research and
19 Development Grants Fund within the State Treasury; to create
20 the Advisory Commission on Public Interest Energy and Fuel
21 Research and Development Grants; and to make an appropriation
22 from the State General Fund to the fund for the fiscal year
23 ending September 30, 2012, and also for the fiscal year ending
24 September 30, 2013.

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 and alternative fuel 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 and
8 alternative fuel research and development for projects that
9 are not adequately provided for by competitive and regulated
10 energy markets.

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

17 Section 2. (a) The Public Interest Energy and Fuel
18 Research and Development Grants Program is hereby created. The
19 program shall be implemented and administrated by the
20 Commissioner of Agriculture and Industries through the
21 Department of Agriculture and Industries Center for
22 Alternative Fuels. The program shall include a full range of
23 energy and alternative fuel research and development
24 activities that are not adequately provided for in the
25 competitive and regulated markets. The Advisory Commission on
26 Public Interest Energy and Fuel Research and Development
27 Grants established in Section 3 of this act shall advise the

1 commissioner regarding the operation of the program, and make
2 specific recommendations regarding the awarding of grants and
3 funds for projects in the program.

4 (b) The general goals of this program are to develop
5 and help bring to market technologies that enhance Alabama's
6 unique portfolio of energy and fuel resources and potential
7 energy and fuel sources, particularly the significant fossil
8 fuel, alternative fuel, and bioenergy resources of the state;
9 provide increased environmental benefits; increase energy and
10 fuel reliability in times of crisis; and lower energy and fuel
11 costs.

12 (c) In order to achieve program goals, the
13 commissioner shall adopt a portfolio approach for the program
14 that does all of the following:

15 (1) Effectively balances the risks, benefits, and
16 time horizons for various activities and investments that will
17 provide benefits for Alabama citizens, based on advisory
18 commission input.

19 (2) Emphasizes innovative fossil fuel, alternative
20 fuel, and bioenergy supply and end use technologies, focusing
21 on their reliability, affordability, and environmental
22 attributes.

23 (3) Includes projects that have the potential to
24 enhance the production, reliability, storage, and distribution
25 capabilities of current energy and fuel sources as well as
26 potential fossil fuel, alternative fuel, and bioenergy
27 sources.

1 (4) Accelerates knowledge transfer and technological
2 innovations.

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

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

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

9 (8) Stimulates growth-oriented fossil fuel,
10 alternative fuel, and bioenergy enterprises within the state.

11 (9) Ensures an open project selection process based
12 on commission advisory recommendations and encourages the
13 awarding of research funding for a diverse type of research as
14 well as a diverse award recipient base and equally considers
15 research proposals from the public and private sectors.

16 (10) Encourages partnerships and collaborative
17 projects between private enterprises, Alabama's universities,
18 and research organizations in fossil fuels and bioenergy.

19 (11) Coordinates with other research programs.

20 (d) To ensure the efficient implementation and
21 administration of the program, the commissioner shall do the
22 following:

23 (1) Develop procedures for the solicitation of grant
24 applications for projects or program funding and ensure
25 efficient program management.

1 (2) Evaluate programs and projects, based on merit,
2 and advisory commission input that will be funded under the
3 program.

4 Section 3. (a) There is hereby created the Advisory
5 Commission on Public Interest Energy and Fuel Research and
6 Development Grants, hereinafter referred to as the advisory
7 commission, which shall advise the commissioner regarding the
8 distribution of any funds available in the Public Interest
9 Energy and Fuel Research and Development Grant Fund
10 established in Section 5 of this act. The advisory commission
11 shall be composed of the following members:

12 (1) The Chair of the Permanent Joint Legislative
13 Committee on Energy Policy, who shall serve as chair.

14 (2) The Lieutenant Governor.

15 (3) The Speaker of the House of Representatives.

16 (4) The President of the Public Service Commission.

17 (5) The Commissioner of Agriculture and Industries.

18 (b) In addition to the members provided in
19 subsection (a), the Lieutenant Governor, the President of the
20 Public Service Commission, and the Commissioner of Agriculture
21 and Industries shall each appoint a member to the committee
22 who is not a member of the Legislature.

23 (c) The membership of the committee shall be
24 inclusive and reflect the racial, gender, geographic,
25 urban/rural, and economic diversity of the state.

26 (d) The advisory commission shall meet at least once
27 each quarter.

1 (e) Members of the advisory commission may
2 participate in a meeting by means of conference telephone,
3 video conference, or similar communications equipment by means
4 of which all persons participating in the meeting may hear
5 each other at the same time. Participation by such means shall
6 constitute presence in person at a meeting for all purposes,
7 including the establishment of a quorum. Telephone or video
8 conference or similar communications equipment shall also
9 allow members of the public the opportunity to simultaneously
10 listen to or observe the meetings.

11 (f) The advisory committee members shall serve
12 without compensation.

13 Section 4. (a) The commissioner through the Center
14 for Alternative Fuels shall evaluate grant proposals based on
15 the relevance of such proposals to the purposes for which such
16 grants shall be made; the extent to which such grant proposal
17 advances the program objectives; the ability of the grant
18 recipient to fulfill the objectives of the grant proposal; and
19 the extent to which the grant proposal can benefit the
20 greatest number of citizens. The commissioner shall consider
21 only those grant proposals which receive the support of a
22 majority of advisory commission members present and voting.

23 (b) The commissioner shall prepare and submit to the
24 Legislature, not later than March 31 of each year, a report on
25 grants made pursuant to this act and progress toward achieving
26 the goals set forth for the program. The report shall include
27 information on the names of the recipients, the amount of

1 awards, the types of projects funded, an evaluation of the
2 success of previously funded projects, and recommendations for
3 improvements in the program.

4 Section 5. (a) There is hereby created in the State
5 Treasury for administration by the Department of Agriculture
6 and Industries Center for Alternative Fuels a fund to be known
7 as the Public Interest Energy and Fuel Research and
8 Development Grants Fund. The fund may receive state
9 appropriations, gifts, grants, federal funds, and any other
10 private and public funding. The fund shall be kept separate
11 and apart from all other moneys in the Treasury and shall be
12 used for the purposes set forth in this act only by warrant of
13 the Comptroller upon the State Treasurer, upon itemized
14 vouchers, approved by the Commissioner of Agriculture and
15 Industries. The commissioner shall expend and deduct from the
16 fund 20 percent of those amounts used for the operation of the
17 center and the program pursuant to this act. No funds may be
18 withdrawn or expended except as budgeted and allotted
19 according to Article 4 of Chapter 4 of Title 41, Code of
20 Alabama 1975. The unobligated balance of the fund shall be
21 invested by the State Treasurer for the benefit of the fund.
22 Any interest earnings on the fund shall be credited only to
23 the fund. Any unallocated appropriations made by the
24 Legislature to the fund shall not revert at the end of any
25 state fiscal year, but shall remain available for expenditure
26 in subsequent fiscal years.

1 (b) There is hereby appropriated the amount of
2 twenty thousand dollars (\$20,000) from the State General Fund
3 to the Public Interest Energy Research and Development Grants
4 Fund for the fiscal year ending September 30, 2012, and also
5 for the fiscal year ending September 30, 2013, to be used to
6 provide funding for the Public Interest Energy Research and
7 Development Grants Program as established by this act.

8 Section 6. All laws or parts of laws which conflict
9 with this act are repealed.

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

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Agriculture and
Forestry..... 14-MAR-12

Read for the second time and placed
on the calendar..... 22-MAR-12

Read for the third time and passed
as amended..... 12-APR-12

Yeas 88, Nays 0, Abstains 0

Greg Pappas
Clerk