

1 SB72  
2 134456-2  
3 By Senator Ward  
4 RFD: Energy and Natural Resources  
5 First Read: 07-FEB-12  
6 PFD: 11/29/2011

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8 SYNOPSIS: This bill would create the Alabama Public  
9 Interest Energy and Fuel Research and Development  
10 Grants Program within the Department of Agriculture  
11 and Industries Center for Alternative Fuels to  
12 provide funding for public interest energy and fuel  
13 research and development projects. The program  
14 would be administered by the Commissioner of  
15 Agriculture and Industries through the Center for  
16 Alternative Fuels.

17 This bill would create an advisory  
18 commission to make recommendations regarding the  
19 program.

20 The bill would create a special fund in the  
21 State Treasury to provide funding for energy  
22 related research and development.

23 This bill would provide appropriations for  
24 the administration of the program.

25  
26 A BILL  
27 TO BE ENTITLED

1 AN ACT

2  
3 To establish the Alabama Public Interest Energy and  
4 Fuel Research and Development Grants Program to provide  
5 funding for energy and fuel related public interest energy  
6 research and development; to provide that the program is  
7 established within the Department of Agriculture and  
8 Industries Center for Alternative Fuels; to provide that the  
9 Commissioner of Agriculture and Industries shall evaluate and  
10 distribute appropriations by the Legislature and other funds  
11 allocated for public interest energy and fuel research and  
12 development grants based on advisory commission input; to  
13 establish the Public Interest Energy and Fuel Research and  
14 Development Grants Fund within the State Treasury; to create  
15 the Advisory Commission on Public Interest Energy and Fuel  
16 Research and Development Grants; and to make an appropriation  
17 from the State General Fund to the fund for the fiscal year  
18 ending September 30, 2012, and also for the fiscal year ending  
19 September 30, 2013.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

23 (1) It is in the best interest of the people of the  
24 state and the quality of life of its citizens will be improved  
25 by providing environmentally sound, safe, reliable, and  
26 affordable energy and alternative fuel services and products.

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

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

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

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

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

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

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

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

25 (4) Accelerates knowledge transfer and technological  
26 innovations.

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

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

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

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

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

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

17                   (11) Coordinates with other research programs.

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

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

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

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

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

11           (2) The Lieutenant Governor.

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

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

14           (5) The Commissioner of Agriculture and Industries.

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

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

23           (d) The advisory commission shall meet at least once  
24 each quarter.

25           (e) Members of the advisory commission may  
26 participate in a meeting by means of conference telephone,  
27 video conference, or similar communications equipment by means

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

8 (f) The advisory committee members shall serve  
9 without compensation.

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

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



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

21           (b) There is hereby appropriated the amount of one  
22 hundred thousand dollars (\$100,000) from the State General  
23 Fund to the Public Interest Energy Research and Development  
24 Grants Fund for the fiscal year ending September 30, 2012, and  
25 also for the fiscal year ending September 30, 2013, to be used  
26 to provide funding for the Public Interest Energy Research and  
27 Development Grants Program as established by this act.

1                   Section 6. All laws or parts of laws which conflict  
2 with this act are repealed.

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