

1 SB194
2 115990-1
3 By Senator Little (T)
4 RFD: Governmental Affairs
5 First Read: 12-JAN-10

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

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

25 The bill would establish 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 would also make an
3 appropriation from the State General Fund to the
4 fund for the fiscal year ending September 30, 2010,
5 and also for the fiscal year ending September 30,
6 2011.

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8 A BILL
9 TO BE ENTITLED
10 AN ACT
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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 its citizens will be improved by
3 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) (1) 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 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.

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

22 (b) It shall be the duty of the Permanent Joint
23 Legislative Committee on Energy Policy to review applications
24 and recommend to the commission for approval any public
25 interest energy research and development grants made from
26 funds available in the Public Interest Energy Research and
27 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 and 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
27 state appropriations, gifts, grants, federal funds, and any

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

16 (b) (1) There is hereby conditionally appropriated
17 the amount of one hundred thousand dollars (\$100,000) from the
18 State General Fund to the Public Interest Energy Research and
19 Development Grants Fund for the fiscal year ending September
20 30, 2010, and also for the fiscal year ending September 30,
21 2011, to be used to provide funding for the Public Interest
22 Energy Research and Development Grants Program as established
23 by this act.

24 (2) The above appropriation is conditional upon
25 funds being available in the State General Fund, the
26 recommendation of the Finance Director, and the approval of
27 the Governor.

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