

Amendment No. 1 to SB2540

Southerland
Signature of Sponsor

AMEND Senate Bill No. 2540

House Bill No. 2038*

by deleting all language after the caption and substituting:

WHEREAS, maintaining a reliable, affordable, resilient, and responsive energy infrastructure that is staffed by a proficient workforce and empowered by policies that strategically position Tennessee for the ever-growing energy needs of this State is vital to maintaining Tennessee's economic strength, quality of life, and energy security; and

WHEREAS, ensuring that these components of infrastructure, workforce, and policy exist requires a well-informed, documented, strategic plan; and

WHEREAS, this plan must include a framework of imperatives to ensure that reliable, affordable, resilient, and responsive energy infrastructure capabilities intersect with safety, security, schedule, and supply-chain factors when energy supply, production, and distribution methods are evaluated; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 204, is amended by adding the following as a new section:

68-204-111.

(a) The council shall develop an energy policy for this state, to be known as the Tennessee Energy Policy, and referred to as "the policy" for purposes of this section, and shall document, update, and maintain such policy. The policy must establish a vision for this state for all types of energy production. The council may commission studies, as needed, including a study on natural gas demand, signal forecasting, current infrastructure capacities, and recommendations for where this state needs to make

investments in such infrastructure to meet natural gas demand, as well as any supplemental natural gas demand as related to peak and supplemental electricity production.

(b) The council shall submit the initial draft of the policy to the comptroller of the treasury no later than December 31, 2024. The initial draft must contain the following:

(1) A bridging strategy that addresses this state's ability to meet energy demand over the next ten (10) years, including outage risk reduction strategies. Such bridging strategy should initially focus on electricity and natural gas as energy sources;

(2) Strategic considerations of fuel and supply method changes to address what has evolved into a more 'just-in-time' approach to managing our fuel supply;

(3) A list of existing opportunities to leverage this state's capabilities and infrastructure to expand this state's electricity generation capacity and natural gas supply;

(4) A list of ways to improve this state's energy needs forecasting relative to demand, including improvements specifically for such needs over the next ten (10), fifteen (15), and twenty (20) years;

(5) A framework of imperatives that must include:

(A) Quality measures to ensure reliability of the state's energy;

(B) End user cost management;

(C) The ability to endure and manage emergent energy demand;

(D) Safe transport, storage, production, environmental, and waste management;

(E) Physical and cyber security measures;

(F) Consideration of emerging baseload technologies interfaced with a bridging strategy to a new baseload electric and gas capacity, along with near-term peak demand options; and

(G) An assessment of the supply chain for the evolving fuel supply, storage, by-product, and waste disposition;

(6) Opportunities and barriers to accomplishing the state's energy goals, including:

(A) Existing regulations, policies, or processes related to energy;

(B) Existing energy infrastructure and options to extend or retool such infrastructure capabilities; and

(C) Workforce needs, availability, and preparation;

(7) Recommendations for legislation to address this state's energy policy;

(8) Recommendations to the governor on actionable items to be taken by executive agencies. Such recommendations must be organized by department; and

(9) Strategies to address long-term energy production infrastructure and capacities.

(c) The council shall review the policy no less than once per year and submit a report outlining any changes and maturation of the policy to the comptroller of the treasury no later than December 31 of each year.

SECTION 2. This act takes effect July 1, 2024, the public welfare requiring it.