

SENATE BILL 1389

By Southerland

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 5; Title 6; Title 7; Title 13; Title 64; Title 65;
Title 67 and Title 68, relative to energy.

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

SECTION 1. Tennessee Code Annotated, Title 7, Chapter 51, is amended by adding the following as a new part:

7-51-2401. Part definitions.

As used in this part:

(1) "Clean energy" means energy that is derived from a source known to produce significantly lower carbon emissions than traditional fossil fuels;

(2) "Political subdivision" means this state or a municipality, public corporation, body politic, authority, district, metropolitan government, county, agency, department, or board of one (1) or more of the entities listed;

(3) "Public utility" means:

(A) An entity subject to the jurisdiction of the water and wastewater financing board, or a successor board, in accordance with §§ 68-221-1008 and 68-221-1009;

(B) An entity subject to the jurisdiction of the utility management review board, or a successor board, in accordance with § 7-82-702; or

(C) A county-owned or municipal-owned utility that provides electric, broadband, natural gas, or propane services to the public; and

(4) "Renewable energy" means energy that is derived from a source that is naturally replenishing or that is virtually inexhaustible on a human timescale.

7-51-2402. Applicability.

This part does not apply to energy requirements for a certified green energy production facility, as defined in § 67-4-2004.

7-51-2403. Permissible sources of clean energy.

(a) A political subdivision that through ordinance, resolution, or other regulation imposes requirements or expectations related to the source of clean energy used by a public utility shall include the following as permissible sources:

- (1) Solar energy;
- (2) Photovoltaic cells and panels;
- (3) Hydropower;
- (4) Wind power;
- (5) Hydrogen fuel;
- (6) Nuclear power;
- (7) Natural gas;
- (8) Fuel cells;
- (9) Energy from waste-to-energy facilities;
- (10) Energy storage systems or technologies;
- (11) Geothermal energy;
- (12) Dedicated crops grown for energy production;
- (13) Industrial byproduct technologies that use fuel or energy that is a byproduct of an industrial process;
- (14) Waste heat recovery from capturing and reusing the waste heat in an industrial process for heating or generating mechanical or electric work;
- (15) Combined heat and power systems;
- (16) Pumped storage hydropower; and

(17) Compressed air energy storage.

(b) A public utility required by a political subdivision to implement or comply with requirements or expectations related to the source of clean energy used by the public utility meets the requirement if the public utility uses one (1) or more of the sources listed in subdivisions (a)(1)-(17).

7-51-2404. Permissible sources of renewable energy.

(a) A political subdivision that through ordinance, resolution, or other regulation imposes requirements or expectations related to the source of renewable energy used by a public utility shall include the following as permissible sources:

- (1) Solar energy;
- (2) Photovoltaic cells and panels;
- (3) Hydropower;
- (4) Wind power;
- (5) Hydrogen fuel;
- (6) Geothermal energy;
- (7) Biomass, including agricultural crops, wastes, or residues, wood or wood waste, animal waste or other animal byproducts, algae, or solid waste;
- (8) Renewable natural gas, as defined in § 65-5-114; and
- (9) Nuclear power.

(b) A public utility required by a political subdivision to implement or comply with requirements or expectations related to the source of renewable energy used by the public utility meets the requirement if the public utility uses one (1) or more of the sources listed in subdivisions (a)(1)-(9).

7-51-2405. Violations.

An ordinance, resolution, or other regulation in violation of this section is against public policy and void.

SECTION 2. The headings in this act are for reference purposes only and do not constitute a part of the law enacted by this act. However, the Tennessee Code Commission is requested to include the headings in any compilation or publication containing this act.

SECTION 3. This act takes effect July 1, 2023, the public welfare requiring it.