

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 739

PRINTER'S NO. 1147

AMOUNT

\$10 M Pollution Control Technology Projects
(\$10 M) Natural Gas Access program
\$10 M High Performance Buildings
(\$10 M) Natural Gas Access program

FUND

Bond Proceeds

DATE INTRODUCED

April 3, 2013

PRIME SPONSOR

Senator Yaw

HISTORY OF BILL

Referred to ENVIRONMENTAL RESOURCES AND ENERGY, April 3, 2013
Reported as amended, May 1, 2013
First consideration, May 1, 2013
Second consideration, May 7, 2013
Re-referred to APPROPRIATIONS, May 7, 2013
Re-reported as amended, June 3, 2013

DESCRIPTION AND PURPOSE OF BILL

As amended, Senate Bill 739 makes changes to the Alternative Energy Investment Act by adding subsections to Section 304, Pollution Control Technology Projects and to Section 307, Commonwealth Financing Authority, of Chapter 3, the Alternative Energy Investment Program.

The bill as amended by A01690, adds a new subsection to Section 304 which 1) transfers \$10 million from the Department of Environmental Protection's Pollution Control Technology Projects restricted account to the CFA; 2) specifies the \$10 million be used for grants to schools, hospitals and small businesses to obtain access to natural gas; 3) requires the CFA to give priority to applications which will result in adjoining commercial or residential properties utilizing natural gas; and 4) specifies that the grants may provide up to 50% of the cost of the project.

Also, the amendment A01690 in Section 307, High Performance Buildings, changes the amount allocated by the Commonwealth Financing Authority (CFA) for grants and loans to meet energy efficient standards to small businesses and individuals for their primary residences, from \$25 million to \$15 million. It adds a subsection which specifies that the Authority allocate \$10 million for grants for natural gas access as specified in the preceding paragraph of this fiscal note. Amendment A01800 broadens the eligibility for the high performance buildings grants and loans to include businesses as well as individuals for the construction or renovation of single-family or multiunit dwellings.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Amendment A01757 adds a subsection to Section 307 (a) Projects, to include a new category of projects eligible for the CFA grants and loans. This amendment adds loans or grants to a public transportation agency, as defined by the Transit Revitalization Investment District Act, for clean energy projects within a transit revitalization investment district.

The act will take effect in 60 days.

FISCAL IMPACT:

The amended bill transfers \$10 million from the Pollution Control Technology Projects restricted account in the Department of Environmental Protection to the CFA. This restricted account was originally established following the passage of the Special Session's Act 1 of 2008. None of the \$25 million originally deposited into the account has been utilized for its intended purpose and a \$25 million balance currently remains. Therefore, because the original grant program was never established and implemented to utilize the money in this account, transferring \$10 million for the purpose of providing grants to obtain natural gas access will not have any negative impact.

As amended by A01690, the bill also reduces the amount of money the CFA allocates for grants and loans from bond proceeds to meet energy efficient standards to small businesses and to individuals for their primary residences from \$25 million to \$15 million, a \$10 million decrease. The bill adds a new subsection to Section 307, which requires the CFA to allocate \$10 million from bond proceeds for grants to schools, hospitals and small businesses, to obtain access to natural gas.

Amendments A01757 and A01800 expand the eligibility for the Act's existing grants and loans for projects, without changing the total amounts authorized in the Act for each of those programs. Therefore, no fiscal impact will result from these provisions.