

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 566 Session of
2007

INTRODUCED BY BENNINGHOFF, BARRAR, CALTAGIRONE, CLYMER,
CREIGHTON, CURRY, DALEY, FABRIZIO, GEIST, GEORGE, GINGRICH,
GRUCELA, HERSHEY, HUTCHINSON, KOTIK, MENSCH, D. O'BRIEN,
PETRARCA, READSHAW, SCHRODER, WATSON, YOUNGBLOOD, YUDICHAK
AND HORNAMAN, MARCH 6, 2007

REFERRED TO COMMITTEE ON ENVIRONMENTAL RESOURCES AND ENERGY,
MARCH 6, 2007

AN ACT

1 Establishing the Pennsylvania Energy Freedom Support Account
2 within the Energy Development Fund; and providing for the
3 Federal Government Research Support Program, for the
4 Municipal Energy Freedom Grant Program and for the powers and
5 duties of the Energy Development Authority.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Pennsylvania
10 Energy Freedom Support Act.

11 Section 2. Declaration of policy.

12 The General Assembly finds and declares that:

13 (1) Pennsylvania faces a tremendous challenge to meet
14 its energy needs while protecting the public and the
15 environment.

16 (2) Without adequate funding for basic energy research,
17 Pennsylvania will suffer the consequences of falling behind

on energy information, projects and programs affecting the quality of life now and in the future.

(3) The absence of State financial backing of university-based energy research represents missed opportunities for Pennsylvania to participate in Federal research programs that require local cost-share funding and it places the Commonwealth in a poor competitive position with respect to other states rich in energy resources.

(4) Pennsylvania local governments also face increasing energy costs, while at the same time struggle to deliver basic community services to their residents and businesses.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Account." The Pennsylvania Energy Freedom Support Account established under section 4.

"Authority." The Energy Development Authority of the Commonwealth.

"Cost-share grant." The Commonwealth's share of the cost of carrying out a particular project which cost includes an appropriate allowance for the administrative expenses involved in carrying out the project.

"Eligible municipality." A county, city, district, municipality, municipal authority, political subdivision, borough, incorporated town, township, poor district or other public instrumentality that has the authority to contract for the construction, reconstruction, alteration or repair of a public building or other public work or public improvement, including, but not limited to, highway work.

1 "Fund." The Energy Development Fund.

2 "Secretary." The Secretary of the Budget of the
3 Commonwealth.

4 "University." An institution of higher learning that
5 provides facilities for teaching and research and is authorized
6 to grant academic degrees within this Commonwealth.

7 Section 4. Pennsylvania Energy Freedom Support Account.

8 (a) Establishment.--There is established within the Energy
9 Development Fund a restricted receipt account to be known as the
10 Pennsylvania Energy Freedom Support Account. Interest that
11 accrues in the account shall be credited to the account.

12 (b) Receipts.--The secretary may transfer funds from the
13 fund to the account necessary to comply with the requirements of
14 this act.

15 Section 5. Federal Government Research Support Program.

16 (a) State cost share.--Subject to the restrictions and
17 limitations set forth below, universities may draw up to 20%, or
18 \$20,000, whichever is greater, as a State cost share for
19 Department of Energy research grants or cooperative agreements.

20 (b) Restrictions and limitations.--The eligibility for cost-
21 share grants shall be restricted to Pennsylvania-based nonprofit
22 universities. Only Department of Energy basic energy research
23 grant awards or cooperative agreements shall be eligible for the
24 Federal Government Research Support Program. Other grants or
25 agreements for technology transfer, weatherization or other
26 nonbasic energy research sponsored by the Department of Energy
27 shall not be eligible.

28 (c) Application.--To be eligible for cost-share grants from
29 the program, a university must make application to the authority
30 to request a cost-sharing grant for a research project sponsored

1 by the Department of Energy. The application shall be on the
2 form required by the authority and shall include or demonstrate
3 the following:

4 (1) The name and address of the applicant.

5 (2) A statement that the applicant is an eligible
6 recipient under the program.

7 (3) A statement of the amount of grant sought.

8 (4) A brief description of the project.

9 (5) Evidence of an approved Department of Energy grant
10 award or agreement.

11 (6) A commitment from the applicant to complete the
12 project.

13 (d) Review.--The authority shall review the application to
14 determine if the applicant has met all of the criteria set forth
15 in subsection (c). The authority shall review applications in
16 the order in which they are received.

17 (e) Approval.--

18 (1) Upon being satisfied that all requirements under
19 subsection (c) have been met, the authority shall approve the
20 application and award a grant.

21 (2) The authority shall award grants subject to maximum
22 award limitation and based upon the availability of moneys in
23 the account.

24 (3) Prior to providing grant funds to an applicant, the
25 authority shall enter into a contract with the applicant. The
26 contract shall include provisions requiring the applicant to
27 use the grant to pay the cost share required under the terms
28 of the award or agreement with the Department of Energy.

29 (4) The authority may award a grant to an eligible
30 applicant in an amount greater than \$20,000 if the Department

1 of Energy award or agreement is in excess of one year. For a
2 multiple-year award or agreement, the authority may award up
3 to 20% or \$20,000, whichever is greater, for each year of the
4 award.

5 (f) Limitations.--

6 (1) An eligible applicant may not apply for a cost-share
7 grant from the account before official notification of a
8 research grant award or agreement by the Department of
9 Energy.

10 (2) In no case shall the aggregate amount of grants paid
11 in any fiscal year under this act exceed the annual
12 appropriation to the authority for the program.

13 (3) A grant awarded under this act shall in no way
14 constitute an entitlement derived from the Commonwealth or a
15 claim on any other funds of the Commonwealth.

16 Section 6. Municipal Energy Freedom Grant Program.

17 (a) Establishment.--There is hereby established within the
18 authority a program to be known as the Municipal Energy Freedom
19 Grant Program. The program shall be administered by the
20 authority to provide grants of matching funds equal to 50% of
21 the proposed project costs to eligible municipalities for the
22 installation of qualified energy efficiency measures within
23 buildings owned and operated by a municipality.

24 (b) Application.--An eligible municipality may submit an
25 application to the authority requesting a grant of matching
26 funds for the installation of energy efficiency measures. The
27 application shall be on a form required by the authority and
28 shall include or demonstrate all of the following:

29 (1) The name and address of the applicant.

30 (2) A statement that the applicant is an eligible

1 recipient under the program.

2 (3) A statement of the amount of matching funds sought.

3 (4) A brief description of the project.

4 (5) Evidence of an energy audit of the facility or other
5 similar report that provides the appropriate document to
6 support the energy efficiency measures for which matching
7 funds are being requested.

8 (6) A commitment from the applicant to complete the
9 project and to provide 50% of the total cost of all energy
10 efficiency measures to be installed under the proposed
11 project.

12 (c) Review.--The authority shall review the application to
13 determine if the applicant has met all of the criteria set forth
14 in subsection (b). The authority shall review applications in
15 the order in which they are received.

16 (d) Eligible efficiency measures.--An "eligible efficiency
17 measure" is a program or facility alteration designed to reduce
18 energy consumption or operating costs and includes, but is not
19 limited to:

20 (1) Insulation of a building structure or system within
21 a building.

22 (2) Storm windows or doors, caulking or weather
23 stripping, multiglazed windows or doors, heat-absorbing or
24 heat-reflective glazed and coated window or door systems,
25 additional glazing, reductions in glass area or other window
26 and door system modifications that reduce energy consumption.

27 (3) An automated or computerized energy control system.

28 (4) A heating, ventilating or air conditioning system
29 modification or replacement.

30 (5) Replacement or modification of lighting fixtures to

1 increase the energy efficiency of a lighting system without
2 increasing the overall illumination of a facility, unless an
3 increase in illumination is necessary to conform to
4 applicable State or local building codes for the lighting
5 systems after the proposed modification is made.

6 (6) An energy recovery system.

7 (7) A system that produces steam or forms of energy such
8 as heat as well as electricity for use within a building or
9 complex of buildings.

10 (8) An energy conservation measure that provides
11 operating cost reductions based on life cycle cost analysis.

12 (9) The installation of an energy information and
13 control system that monitors consumption, redirects systems
14 to optimal energy sources and manages energy-using equipment.

15 (10) An indoor air quality improvement.

16 (11) A daylighting system.

17 (12) An energy-efficient street lighting or traffic
18 signal system.

19 (13) A renewable or onsite-distributed power generation
20 system.

21 (14) A geothermal heat pump system, which is a system of
22 pipes, heat exchangers and building ductwork using the latent
23 heat of the earth to heat and cool buildings.

24 (15) Any other measures approved by the authority that
25 from time to time may be developed and proven to be cost
26 effective in reducing energy consumption and costs.

27 Section 7. Development of guidelines.

28 Prior to the disbursement of any grant matching funds from
29 the account, the authority shall develop and issue guidelines
30 for the application and use of the matching funds, including all

1 applicable eligibility criteria which shall also describe the
2 manner of application for financial assistance and an
3 application for assistance under this section. The authority
4 shall provide these guidelines to the chairman and minority
5 chairman of the Environmental Resources and Energy Committee of
6 the Senate and the chairman and minority chairman of the
7 Environmental Resources and Energy Committee of the House of
8 Representatives 90 days prior to issuing the guidelines to the
9 general public. The authority shall provide a reasonable
10 opportunity for eligible applicants to apply for matching funds
11 under section 6 before making any financial assistance
12 announcements or awards.

13 Section 8. Annual report.

14 The authority shall annually make a report to the
15 Environmental Resources and Energy Committee of the Senate and
16 the Environmental Resources and Energy Committee of the House of
17 Representatives on the activities undertaken pursuant to this
18 act, including, but not limited to:

19 (1) The number of cost-share grants awarded to support
20 Department of Energy research grants or cooperative agreement
21 awards.

22 (2) The name of each educational institution receiving a
23 cost-share grant, including information about the amount and
24 duration of the cost-share grant award and a description of
25 the research being supported.

26 (3) A description of each grant of matching funds
27 awarded under the Municipal Energy Freedom Grant Program.

28 Section 9. Effective date.

29 This act shall take effect in 60 days.