

**H. B. 2348**

(By Delegates Manypenny and Fleischauer)  
[Introduced February 13, 2013; referred to the  
Committee on Government Organization then the Finance.]

**FISCAL  
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by  
adding thereto a new article, designated §24-2G-1 and §24-2G-  
2, all relating to the creation and implementation of a fund  
to encourage the development and use of renewable forms of  
energy and energy efficiency programs, projects and  
enterprises.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended  
by adding thereto a new article, designated §24-2G-1 and §24-2G-2,  
all to read as follows:

**ARTICLE 2G. WEST VIRGINIA ENERGY EXPANSION FUND.**

**§24-2G-1. Funding.**

(a) Beginning on August 31, 2013, the West Virginia Public  
Service Commission is hereby authorized to require a mandatory

1 charge per kilowatt-hour on all electricity consumers of the state  
2 to support the development and promotion of renewable energy and  
3 energy efficiency projects. The charge shall be \$0.00035 per  
4 kilowatt-hour in each calendar year through calendar year 2018.

5 (b) The revenues generated by the mandatory charge shall be  
6 remitted to the Treasurer and deposited into the West Virginia  
7 Energy Expansion Trust Fund, hereinafter referred to as the "Fund".  
8 The public purpose of the fund is to generate the maximum economic  
9 benefits over time from renewable energy and energy efficiency for  
10 the ratepayers of the state through a portfolio of initiatives and  
11 programs which advance and promote increased availability, use and  
12 affordability of renewable energy and energy efficiency and that  
13 foster the formation, growth, expansion and retention of renewable  
14 energy and energy efficiency measures and their related  
15 enterprises, institutions and projects to serve the state.

16 **§24-2G-2. Creation and implementation of the fund; board of**  
17 **directors.**

18 (a) There is hereby established a separate trust fund to be  
19 known as the West Virginia Energy Expansion Trust Fund. The fund  
20 shall be held by the Treasurer in an account or accounts separate  
21 from other funds. All amounts credited to the fund shall be held in  
22 trust and used solely for activities and expenditures consistent  
23 with the public purpose of the fund as set forth in subsection (a),  
24 section one of this article.

1       (b) The fund shall be administered by an independent nonprofit  
2 organization called the West Virginia Energy Expansion Trust,  
3 hereinafter referred to as the "Trust". The trust shall facilitate  
4 the development and implementation of renewable energy and energy  
5 efficiency programs, projects and enterprises.

6       (c) Public interests to be advanced through the trust's  
7 actions include, but are not limited to, the following:

8       (1) Development and increased use and affordability of  
9 renewable energy resources in the state;

10       (2) Stimulation of increased public and private sector  
11 investment in, and competitive advantage for, renewable energy and  
12 related enterprises, institutions and projects in the state;

13       (3) Stimulation of entrepreneurial activities in these and  
14 related enterprises, institutions and projects;

15       (4) Protection of the economic health of the citizens of the  
16 state through mitigation of increased costs of electricity; and

17       (5) Delivery to state consumers of the benefits created by  
18 increased fuel and electricity supply diversity.

19       (d) In furtherance of these public purposes and interests, the  
20 trust may expend moneys from the fund to make grants, contracts,  
21 loans, equity investments, energy production credits, bill credits  
22 and rebates to customers, to provide financial or debt service  
23 obligation assistance or to take any other actions, in the forms,  
24 under terms and conditions and pursuant to the selection procedures

1 and criteria as the trust considers appropriate and otherwise  
2 consistent with good business practices. Actions may include, but  
3 are not limited to, the following:

4 (1) Growth of the renewable energy-provider industry;

5 (2) Growth of the energy efficiency and retrofitting industry;

6 (3) Growth and recruitment of the renewable energy  
7 manufacturing sector;

8 (4) Use of renewable energy by electricity customers in the  
9 state;

10 (5) Reduction of energy costs to the consumer via energy  
11 efficiency measures and incentives;

12 (6) Public education and training regarding renewable energy  
13 and energy efficiency;

14 (7) Product and market development;

15 (8) Pilot and demonstration projects and other activities  
16 designed to increase the use and affordability of renewable energy  
17 resources by and for state consumers; and

18 (9) Provision of financing in support of the development and  
19 application of renewable energy and energy efficiency technologies  
20 at all levels, including, but not limited to, commercialization  
21 activities.

22 The trust shall generally employ a preference for competitive  
23 procurement. The trust shall endeavor to leverage the full range of  
24 resources, expertise and participation of other state and federal

1 agencies in the design and implementation of programs under this  
2 section.

3 (e) The trust shall, in consultation with the Treasurer and an  
4 independent board of directors established pursuant to subsection  
5 (i) of this section, adopt a detailed strategic plan for the  
6 application of the fund in support of the design, implementation,  
7 evaluation and assessment of a renewable energy and energy  
8 efficiency program or programs for the state, subject to periodic  
9 revision, that ensures the fund is employed to provide financial  
10 and nonfinancial resources to overcome barriers facing renewable  
11 energy and energy efficiency enterprises, markets and projects  
12 consistent with the public purposes and interests set forth in this  
13 section. The plan shall specify proposed program designs and  
14 priorities. The trust shall also develop an annual program plan and  
15 operating budget for review and approval by the board. In  
16 developing these plans, the trust may consult and utilize the  
17 services of other state agencies and such technical assistance as  
18 the trust determines necessary or appropriate to the effective  
19 discharge of its responsibilities and duties relative to the fund.

20 (f) Subject to the approval of the board and in consultation  
21 with the Treasurer, investment activity of moneys from the fund may  
22 consist of the following:

23 (1) An equity fund to provide risk capital to renewable energy  
24 enterprises, institutions and projects;

1       (2) A revolving loan fund to provide loans to energy  
2 enterprises, manufacturers, institutions, projects, intermediaries  
3 and end-users;

4       (3) A dedicated rebate fund to incentives cost-saving energy  
5 efficiency measures; and

6       (4) A market-growth assistance fund to be used to attract  
7 private capital to the equity and debt funds.

8       To implement these investment activities, the trust may  
9 retain, through a bid process, a public or private sector  
10 investment fund manager or managers who have prior knowledge and  
11 experience in fund management and possess related skills in  
12 renewable energy and related technologies development, to direct  
13 the investment activity described herein and to seek other fund  
14 cosponsors to contribute public and private capital.

15       (g) For the purposes of expenditures from the fund, renewable  
16 energy technologies eligible for assistance include the following:  
17 Solar photovoltaic and solar thermal electric energy; wind energy;  
18 geothermal energy; fuel cells; landfill gas; waste-to-energy which  
19 is a component of conventional municipal solid waste plant  
20 technology; naturally flowing water and hydroelectric; low  
21 emission, advanced biomass power conversion technologies; anaerobic  
22 digesters and storage and conversion technologies connected to  
23 qualifying generation projects using best available technologies.

1 These funds may also be used for appropriate joint energy  
2 efficiency and renewable energy projects.

3 (h) The use by the trust of moneys to implement the provisions  
4 of this section is considered to be an essential governmental  
5 function.

6 (i) The Governor, with the advise and consent of the Senate,  
7 shall appoint a board of directors to assist and oversee the  
8 division in matters related to the fund and in its management and  
9 implementation. The board shall include not more than fifteen  
10 individuals with experience in matters related to the general  
11 purpose and activities of the fund and with the knowledge and  
12 experience in at least one of the following areas: Electricity  
13 generation and supply; economic, financial or investment consulting  
14 expertise relative to the fund; development or commercialization of  
15 renewable energy resources; institutions of higher education; and  
16 renewable energy and energy efficiency issues. The board further  
17 shall include a member of the office of the Treasurer, a member of  
18 the Public Service Commission and two members of the West Virginia  
19 Legislature.

20 (j) Beginning with the fiscal year ending in 2014, the board  
21 shall annually submit to the Governor and the Legislature a report  
22 detailing the expenditure and investment of moneys from the fund  
23 over the previous fiscal year and the ability of the fund to meet  
24 the requirements and provisions of this section and any

1 recommendations for improving the ability of the board, the trust  
2 and the fund to meet the requirements and provisions herein.

NOTE: The purpose of this bill is to create and implement a fund to encourage the development and use of renewable forms of energy and energy efficiency programs, projects and enterprises.

This article is new; therefore, it has been completely underscored.