

HOUSE BILL 738

By Mumpower

AN ACT to amend Tennessee Code Annotated, Title 65,
relative to energy conservation and alternative
sources of energy.

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

SECTION 1. Tennessee Code Annotated, Title 65, Chapter 4, is amended by adding Sections 2 through 6 as a new part 6:

SECTION 2. This part shall be known and may be cited as the "Tennessee Energy Conservation Endorsement Act of 2009".

SECTION 3. The general assembly finds that the United States is confronted with a severe and very real energy crisis. Simply stated, the convergence of increased demand, tight supplies and extreme weather conditions has resulted in spiking energy prices. In 2008, the governor of this state established a task force on energy policy. The general assembly recognizes that enormous amounts of energy are wasted by consumers of all economic levels due to inadequate insulation of buildings and other inefficient uses of energy. The public interest of the citizens of this state will be served by increased conservation of natural gas and oil, as well as the use of alternative forms of energy.

SECTION 4. As used in this part, unless the context otherwise requires, "energy conservation programs and measures" includes:

- (1) Programs to help mitigate the financial impact of energy prices on consumers through energy conservation initiatives such as education, diagnostics and remediation;
- (2) Programs that result in the improvement of load factors, contribute to reductions in peak power demands, and promote efficient load management, including

the adoption of interruptible service equipment and alternative or additional metering equipment designed to implement new rate structures; and

(3) Programs that encourage the use of renewable energy technologies or sources, including solar energy, wind power, geothermal energy, biomass conversion, or the energy available from municipal, industrial, or agricultural wastes.

SECTION 5. It shall be considered a proper and essential function of public utilities regulated by the Tennessee regulatory authority to engage in energy conservation programs and measures that conserve, as well as distribute, electrical energy and supplies of natural gas, oil, and other fuels.

SECTION 6.

(a)

(1) The Tennessee regulatory authority is authorized to propose, develop, solicit, approve, require, implement, and monitor energy conservation programs and measures by public utilities that cause such utilities to incur costs of service and investments which conserve, as well as distribute, electrical energy and existing supplies of natural gas, oil, and other fuels.

(2) After proper notice and hearing, the programs and measures may be approved and ordered into effect by the authority if it determines such programs and measures will be beneficial to the ratepayers of such public utilities and to the utilities themselves.

(3) In such instances, the authority may determine that the cost of such conservation measures is a proper cost of providing utility service.

(4) The authority shall promulgate rules and issue such orders as necessary to implement the requirements of this part.

(b) Nothing in this part shall be construed as limiting the ability or the power of the authority to order, require, promote, or engage in other energy conserving programs or measures.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.