WEST VIRGINIA LEGISLATURE
SEVENTY-NINTH LEGISLATURE
REGULAR SESSION, 2010

ENROLLED
COMMITTEE SUBSTITUTE
FOR
COMMITTEE SUBSTITUTE
FOR

Senate Bill No. 518

(Senators McCabe, Caruth, Browning, Barnes, Hall, Sypolt, Deem, Boley, Guills, K. Facemyer, Minard, Plymale, Wells, Stollings, Jenkins, Edgell, Williams, D. Facemire, Palumbo, Green, Tomblin (Mr. President), Yost, Fanning, Helmick, White, Kessler, Chafin, Laird, Unger, Snyder, Prezioso, Foster and Oliverio, original sponsors)

[Passed March 13, 2010; to take effect July 1, 2010.]
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[Passed March 13, 2010; to take effect July 1, 2010.]

AN ACT to amend and reenact §5B-2F-2 of the Code of West Virginia, 1931, as amended, relating to the duties of the Division of Energy and the Office of the Director for Energy Development.

Be it enacted by the Legislature of West Virginia:

That §5B-2F-2 of the Code of West Virginia, 1931, as amended, be amended and reenacted, to read as follows:

ARTICLE 2F. DIVISION OF ENERGY.
§5B-2F-2. Purpose; office of Director for Energy Development; director to be member of Public Energy Authority; division to develop energy policy and development plan; contents of energy policy and development plan; and division to promote energy initiatives.

(a) Effective July 1, 2007, the Division of Energy is created as a state agency under the Department of Commerce. The division may receive federal funds. The division shall be administered by a director, who shall be appointed by the Governor, by and with the advice and consent of the Senate, and shall continue to serve until his or her successor is appointed and qualified as provided. The director shall be selected with special preference and consideration given to his or her training, experience, capacity and interest in energy policy and development activities.

(b) Creation of the division is intended to provide leadership for developing energy policies emphasizing the increased efficiency of energy use, the increased development and production of new and existing domestic energy sources, the increased awareness of energy use on the environment and the economy, dependable, efficient and economical statewide energy systems capable of supporting the needs of the state, increased energy self-sufficiency where the ratio of indigenous to imported energy use is increased, reduce the ratio energy consumption to economic activity and maintain low-cost energy. The energy policies and development plans shall also provide direction for the private sector.

(c) The director shall administer the daily operations of the Public Energy Authority provided under the provisions of chapter five-d of this code. The director shall also have authority over the Office of Coalfield Community Development, created by the provisions of article two-a of this
chapter, and the energy efficiency program existing under
the West Virginia Development Office which are hereby
transferred to the division. The director shall effectuate
coordination of these entities relative to the purposes
provided in this article.

(d) The division shall develop an energy policy and shall
report the same back to the Governor and the Joint
Committee on Government and Finance before December
1, 2007. The energy policy shall be a five-year plan setting
forth the state's energy policies and shall provide a
direction for the private sector. Prior to the expiration of
the energy policy, the division shall begin review of the
policy and submit a revised energy policy to the Governor
and the Joint Committee on Government and Finance six
months before the expiration of the policy.

(e) The director shall be a member of the Public Energy
Authority and as such shall attend and participate in all
official meetings and public hearings conducted under the
auspices of the authority.

(f) The division shall prepare and submit an annual
energy development plan to the Governor and the Joint
Committee on Government and Finance on or before
December 1, of each year. The development plan shall
relate to the division's implementation of the energy policy
and the activities of the division during the previous year.
The development plan shall include any recommended
legislation. The Public Energy Authority, the Office of
Coalfield Community Development, the energy efficiency
program, the Department of Environmental Protection
and the Public Service Commission, in addition to their
other duties prescribed by this code, shall assist the
division and the director in the development of an energy
policy and related development plans. The energy devel-
oment plan shall set forth the plans for implementing the
state's energy policy and shall provide a direction for the
private sector. The energy development plan shall recognize the powers of the Public Energy Authority as to development and financing of projects under its jurisdiction and shall make such recommendations as are reasonable and practicable for the exercise of such powers.

(g) The division shall hold public hearings and meetings with notice to receive public input regarding proposed energy policies and development plans. The energy policy and development plans required by subsections (d) and (f) of this section shall address increased efficiency of energy use, traditional and alternative energy, water as a resource and a component of energy production, energy distribution systems, the siting of energy facilities, the increased development and production of new and existing domestic energy sources, increased awareness of energy use on the environment and the economy, energy infrastructure, the development and implementation of renewable, clean, technically innovative and advanced energy projects in this state. Projects may include, without limitation, solar and wind energy, low-impact hydro power, geothermal, biomass, landfill gas, fuel cells, renewable hydrogen fuel technologies, waste coal, coal mine methane, coal gasification to ultraclean fuels, solid waste to fuel grade ethanol and coal liquefaction technologies.

(h) The division may propose rules for legislative approval in accordance with the provisions of article three, chapter twenty-nine-a of this code designed to implement an energy policy and development plan in accordance with the provisions of this chapter.

(i) The energy policy and development plans required by subsections (d) and (f) of this section shall identify and report on the energy infrastructure in this state and include without limitation energy infrastructure related to protecting the state’s essential data, information systems and critical government services in times of emergency,
Inoperativeness or disaster. In consultation with the Director of the Division of Homeland Security and Emergency Management, the director of the division shall encourage the development of energy infrastructure and strategic resources that will ensure the continuity of governmental operations in situations of emergency, inoperativeness or disaster.

In preparing or revising the energy policy and development plan, the division may rely upon internal staff reports or the advice of outside advisors or consultants and may procure such services with the consent of the Secretary of Commerce. The division may also involve national, state and local government leadership and energy experts.

The division shall prepare an energy use database, including without limitation, end-use applications and infrastructure needs for different classes of energy users including residential, commercial and industrial users, data regarding the interdependencies and sources of electricity, oil, coal, water and gas infrastructure, data regarding energy use of schools and state-owned facilities and collect data on the impact of the energy policy and development plan on the decisions and strategies of energy users of the state.

The division shall promote collaboration between the state's universities and colleges, private industry and nonprofit organizations to encourage energy research and leverage available federal energy research and development resources.

The division shall promote initiatives to enhance the nation's energy security through research and development directed at transforming the state's energy resources into the resources that fuel the nation.

The Performance Evaluation and Research Division of the Legislative Auditor's office shall perform an agency
review of the Division of Energy in 2010 as part of its review of the Department of Commerce as set forth in article four, chapter ten of this code.

(o) The division shall work with the President of the United States and his or her administration to develop a plan that would allow West Virginia to become the leader in transitioning the United States to a new energy future.

(p) The division is to determine the best way for West Virginia to utilize its resources and any federal funding to develop the technologies that are necessary for such a transition.

(q) The division is to clearly articulate West Virginia's position on an energy solution for the United States that encompasses clean coal, natural gas, transtech energy technologies and renewable energy technologies.

(r) The division shall develop and distribute an informational program and policies that emphasize the importance of West Virginia energy resources and their positive impact on the eastern seaboard and the nation.

(s) The division shall monitor legal challenges to the energy industries in the state and submit a report quarterly to the Joint Committee on Government and Finance. The report shall contain information relating to any litigation that challenges any statute that could affect the production, distribution and utilization of natural resources of the state.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

Takes effect July 1, 2010.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within bill approved this the Day of 2010.

Governor
PRESENTED TO THE GOVERNOR

APR 01 2010

Time 4:10p