

1 SB316  
2 199394-1  
3 By Senator Ward  
4 RFD: Transportation and Energy  
5 First Read: 18-APR-19

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8 SYNOPSIS: The Energy Security Act of 2015 contains  
9 language providing for the sunset of the act in  
10 2023.

11 This bill would remove the sunset provision  
12 from the Energy Security Act of 2015.

13  
14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

17  
18 Relating to electricity utility services; to amend  
19 Section 37-4-150, Code of Alabama 1975, to remove the sunset  
20 provision from the Energy Security Act of 2015.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Section 37-4-150, Code of Alabama 1975,  
23 is amended to read as follows:

24 "§37-4-150.

25 "(a) This section shall be known and may be cited as  
26 the Energy Security Act of 2015.

1           "(b) The Legislature hereby finds and declares that  
2 due to the economic, financial, and service impacts associated  
3 with the development of electric transmission facilities used  
4 for the furnishing of electric service to consumers in this  
5 state, it is in the public interest to provide incumbent  
6 electric suppliers the right to construct, own, operate, and  
7 maintain new transmission facilities that connect to their own  
8 electric systems. The Legislature further finds and declares  
9 that providing incumbent electric suppliers this right  
10 furthers their ability to satisfy their respective obligations  
11 to provide service to Alabama consumers. This section  
12 implements these findings.

13           "(c) As used in this section, the following words  
14 have the following meanings:

15           "(1) COMMISSION. The Alabama Public Service  
16 Commission.

17           "(2) ELECTRIC TRANSMISSION FACILITY. Any  
18 transmission line, substation, equipment, or other facility at  
19 a design voltage greater than 35,000 volts.

20           "(3) INCUMBENT ELECTRIC SUPPLIER. A utility that  
21 furnishes electric service for end-use to retail customers or  
22 non-jurisdictional electric supplier that furnishes electric  
23 service for end-use to retail customers or at wholesale for  
24 resale in Alabama.

25           "(4) NON-JURISDICTIONAL ELECTRIC SUPPLIER. Any of  
26 the following:

1           "a. A municipality that owns or operates an electric  
2 system.

3           "b. Any public corporation, cooperative corporation,  
4 membership corporation, agency, authority, board, or other  
5 entity or body which is engaged in the business of selling  
6 electricity to its members at wholesale, or purchasing  
7 electricity from, or distributing or selling electricity to,  
8 retail electric consumers in the state, which is not subject  
9 to the jurisdiction of the commission and which is organized  
10 and existing pursuant to the provisions of any of the  
11 following:

12           "1. A local act providing that the governing body of  
13 the entity is to be appointed by the governing body of a  
14 municipality and is authorized to furnish electricity to the  
15 public in the municipality or in the municipality and the  
16 surrounding territory.

17           "2. Article 9 of Chapter 50 of Title 11.

18           "3. Chapter 50A of Title 11.

19           "4. Article 15 of Chapter 50 of Title 11.

20           "5. Article 16 of Chapter 50 of Title 11.

21           "6. Chapter 5 of this title.

22           "7. Chapter 6 of this title.

23           "8. Chapter 7 of this title.

24           "9. Chapter 7 of Title 39.

25           "(5) UTILITY. A utility as defined in paragraph a.  
26 of subdivision (7) of Section 37-4-1 that is subject to the  
27 jurisdiction of the commission.

1           "(d) Subject to the requirements of applicable  
2 Alabama law, an incumbent electric supplier shall have the  
3 right to construct, own, operate, and maintain both the  
4 following:

5           "(1) Any new electric transmission facility in the  
6 state that would connect to its electric system.

7           "(2) Any upgrade to any electric transmission  
8 facility that it owns in this state.

9           "(e) The right to construct, own, operate, and  
10 maintain a new electric transmission facility that would  
11 connect to the electric systems of two or more incumbent  
12 electric suppliers belongs individually and proportionally to  
13 each such incumbent electric supplier whose electric system  
14 would connect to the new electric transmission facility,  
15 subject to any existing written agreement between the  
16 incumbent electric suppliers respecting the facilities, unless  
17 otherwise agreed upon in writing.

18           "(f) In recognition of the duty of a utility  
19 established in Section 37-1-49 to maintain its plant,  
20 facilities, and equipment in good operating condition, to  
21 render adequate service to the public, and to make such  
22 reasonable improvements, extensions, and enlargements of its  
23 plants, facilities, and equipment as may be necessary to meet  
24 the growth and demand of the territory which it is under the  
25 duty to serve, a utility may not waive its right to construct,  
26 own, operate, and maintain any new electric transmission  
27 facility in the state that would connect to its electric

1 system such that an entity who is not an incumbent electric  
2 supplier would have that right unless the utility has first  
3 applied to and received an order from the commission  
4 authorizing the waiver.

5 "(g) In the event of a dispute between incumbent  
6 electric suppliers concerning the right described in  
7 subsection (d) or (e), an incumbent electric supplier may  
8 petition the circuit court for the judicial circuit in which  
9 all or any portion of the electric transmission facility would  
10 be located to determine matters that are in dispute.

11 "(h) Nothing in this section shall do any of the  
12 following:

13 "(1) Subject any non-jurisdictional electric  
14 supplier to the jurisdiction or control of the commission.

15 "(2) Affect the right and power of any  
16 non-jurisdictional electric supplier to construct, own,  
17 operate, and maintain an electric transmission facility except  
18 as specifically provided herein, or the authority of the  
19 governing body thereof to determine whether to do so.

20 "(3) Apply to any electric transmission facility to  
21 be constructed, owned, operated, and maintained by a  
22 nonutility as defined by subdivision (5) of Section 37-4-1.

23 ~~"(i) This section shall sunset on July 1, 2023. By~~  
24 ~~July 1, 2022, the Speaker of the House and the Senate~~  
25 ~~President Pro Tempore shall appoint a committee of individuals~~  
26 ~~knowledgeable in the subjects addressed in this section and~~

1 ~~that committee shall report to the Legislature by January 1,~~  
2 ~~2023."~~

3           Section 2. This act shall become effective on the  
4 first day of the third month following its passage and  
5 approval by the Governor, or its otherwise becoming law.