

State of South Dakota

EIGHTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2008

744P0098

HOUSE BILL NO. 1123

Introduced by: Representatives Dykstra, Boomgarden, Brunner, Buckingham, Burg, Carson, Cutler, Davis, Deadrick, Dennert, DeVries, Dreyer, Elliott, Faehn, Gassman, Gillespie, Gilson, Glenski, Gosch, Hackl, Halverson, Hargens, Haverly, Heineman, Hills, Howie, Hunt, Jerke, Juhnke, Kirkeby, Koistinen, Krebs, Lust, McLaughlin, Miles, Moore, Nelson, Noem, Novstrup (Al), Novstrup (David), Olson (Betty), Olson (Russell), Olson (Ryan), Pederson (Gordon), Peters, Pitts, Putnam, Rausch, Rave, Rhoden, Rounds, Sigdestad, Steele, Street, Tidemann, Turbiville, Van Etten, Vanneman, Vehle, Weems, Wick, and Willadsen and Senators Knudson, Dempster, Garnos, Gray, Hanson (Gary), Heidepriem, Hunhoff, Kloucek, Lintz, McCracken, Peterson (Jim), and Sutton

1 FOR AN ACT ENTITLED, An Act to establish a state renewable and recycled energy objective
2 and to provide certain reporting requirements.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. There is hereby established a state renewable and recycled energy objective that
5 ten percent of all electricity sold at retail within the state by the year 2015 be obtained from
6 renewable energy and recycled energy sources. The objective shall be measured by qualifying
7 megawatt hours delivered at retail or by certificates representing credits purchased and retired
8 to offset nonqualifying retail sales. This objective is voluntary, and there is no penalty or
9 sanction for a retail provider of electricity that fails to meet this objective. The objective applies
10 to each retail provider of electricity in the state, regardless of the ownership status of the



1 electricity retailer. Any municipal or cooperative utility that receives wholesale electricity
2 through a municipal power agency or generation and transmission cooperative may aggregate
3 its renewable and recycled energy objective resources to meet this objective.

4 Section 2. Electricity qualifies for meeting the state renewable and recycled energy
5 objective if the source meets the requirements of §§ 49-34A-94 to 49-34A-96, inclusive, and
6 the public utilities commission's rules for tracking, recording, and verifying renewable energy
7 certificates.

8 Section 3. For the purpose of calculating the amount of electricity from a renewable energy
9 and recycled energy source needed to meet the state renewable and recycled energy objective,
10 a retail provider may deduct from its baseline of total retail sales the proportion of electricity
11 obtained from a hydroelectric facility with an inservice date before July 1, 2008.

12 Section 4. Before using new renewable and recycled energy after July 1, 2008, to meet the
13 objective, the retail provider or its generation supplier shall make an evaluation to determine if
14 the use of new renewable and recycled energy is reasonable and cost effective considering other
15 electricity alternatives. After making such an evaluation and considering the state renewable and
16 recycled energy objective, the retail provider or its generation supplier may use the electricity
17 alternative that best meets its resource or customer needs.

18 Section 5. Beginning on December 1, 2008, each retail provider shall annually report to the
19 Public Utilities Commission on the provider's energy sales during the twelve month period
20 ending on the preceding September thirtieth. This report shall include information regarding
21 qualifying electricity delivered and renewable energy and recycled energy certificates purchased
22 and retired as a percentage of annual retail sales and a brief narrative report that describes steps
23 taken to meet the state renewable and recycled energy objective over time and identifies any
24 challenges or barriers encountered in meeting the objective. The last annual report shall be made

1 on December 1, 2017. The commission shall make the data and narrative reports available and
2 accessible to the public on the internet. The commission shall compile the data obtained from
3 the reports and submit the data to the Legislature by the following January first. A distribution
4 cooperative may aggregate its reporting through generation and transmission cooperatives and
5 a municipal utility may aggregate its reporting through a municipal power agency.

6 Section 6. A portion or all of the renewable energy and recycled energy objective may be
7 met by the purchase and retirement of renewable energy and recycled energy certificates
8 representing credits from a qualified source and facility pursuant to this Act. Renewable energy
9 and recycled energy certificates do not need to be acquired from an in-state facility.