**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Energy transmission loan program.

Sponsored by: Joint Minerals, Business & Economic Development Interim Committee

A BILL

for

AN ACT relating to public utilities; creating the energy transmission loan program; specifying eligibility and requirements for the energy transmission loan program; specifying terms, conditions and obligations for energy transmission loans; specifying duties; requiring reports; authorizing funds for borrowing purposes as specified; providing definitions; requiring rulemaking; and providing for effective dates.

Be It Enacted by the Legislature of the State of Wyoming:

****

STAFF COMMENT

This bill draft is based on another loan program that the Legislature enacted, simply to provide a format for this bill draft. The percentages and amounts included in this bill draft are only included as placeholders.

The Committee will need to make several decisions about this bill draft and the energy transmission loan program, including: (1) the agency to administer the program; (2) the amount of funding available for loans and the source of that funding; (3) entities eligible for loans under this program; (4) terms, conditions, and rates for energy transmission loans; and (5) eligible uses of loan funds (i.e., new construction only, or maintenance on existing infrastructure).

For reference, the statutes authorizing the Wyoming Energy Authority to provide financing for energy-related projects are included as a separate document in the meeting materials.

****

Section 1. W.S. 37-19-101 through 37-19-103 are created to read:

CHAPTER 19

ENERGY TRANSMISSION LOAN PROGRAM

37-19-101. Definitions.

(a) As used in this chapter:

(i) "Director" means the director of the office of state lands and investments;

(ii) "Energy transmission infrastructure" means any property or infrastructure that is used to transport or deliver electric energy, including but not limited to power lines, poles, towers, converters, transformers and substations. "Energy transmission infrastructure" shall not include any property or facility that generates electricity;

(iii) "Financial institution" means a bank or credit union having a place of business within this state and that is chartered under state or federal law;

(iv) "Office" means the office of state lands and investments;

(v) "Program" means the energy transmission loan program created by this chapter;

(vi) "Public utility" means any person, including cooperative electric utilities, that performs any of the functions specified in W.S. 37-1-101(a)(vi)(C), that is authorized to engage in business in Wyoming and that is primarily engaged in the generation, transmission or sale of electric energy. "Public utility" includes any electric utility owned or operated by a city or town.

37-19-102. Energy transmission loan program; eligibility; requirements.

(a) The energy transmission loan program is hereby created to provide loans to public utilities for energy transmission infrastructure.

(b) The office of state lands and investments shall administer the program in accordance with this chapter.

(c) The state loan and investment board shall:

(i) Promulgate any rules necessary to implement the program;

(ii) Establish a process by which financial institutions may register to administer and process energy transmission loans issued under the program;

(iii) Develop an application for energy transmission loans, including specifying the documentation required to apply, and provide applications to participating financial institutions for distribution;

(iv) Review all applications from public utilities and participating financial institutions to ensure that energy transmission loans are approved and made in accordance with this chapter;

(v) Oversee the disbursement and repayment of funds from energy transmission loans.

(d) Subject to available funding under W.S. 37-19-103, energy transmission loans shall be made and disbursed in accordance with all of the following:

(i) Applications for energy transmission loans shall be filed with a registered financial institution, or, if there is no registered financial institution, the office. In addition to all documents and materials that the office requires, the application shall include information on the energy transmission project for which the loan is sought and whether the project will create new transmission capacity or expand the transmission capacity of existing infrastructure;

(ii) Upon receipt of a complete application and all required documentation, the financial institution and the office shall review the application and documentation to determine whether the public utility qualifies for an energy transmission loan under this chapter. In determining whether a public utility's application qualifies for a loan under this chapter, the office may request the assistance of the public service commission, the Wyoming energy authority and any other governmental entity. Upon receiving a request for assistance under this paragraph, the public service commission, the Wyoming energy authority and any other applicable local or state governmental entity shall provide the requested assistance;

(iii) The financial institution and the director shall forward a recommendation to the state loan and investment board whether to approve or reject the loan and any terms or conditions that should be included for the loan;

(iv) Upon receipt of a recommendation from the director and the financial institution, the state loan and investment board shall review the recommendation and ensure that the applicant public utility qualifies for a loan under this chapter. Upon the board determining that an applicant qualifies for a loan under this chapter, the director may approve the application and, if approved, shall disburse funds available under W.S. 37-19-103 to the financial institution for disbursement to the public utility or, if requested by the public utility, if the financial institution is unable to accept the funds or if no financial institution is participating in the transaction, for disbursement directly to the public utility, and specify any terms and conditions that shall be included as part of the loan agreement. Loans qualifying for disbursement under this subsection shall not require further approval by the state loan and investment board beyond the requirements of this paragraph.

(e) Energy transmission loans issued under this chapter shall be used only for the following purposes:

(i) The construction of new energy transmission infrastructure in Wyoming;

(ii) The renovation, retrofitting or expansion of existing energy infrastructure in Wyoming, provided that the renovation, retrofit or expansion results in increased electric transmission capacity in Wyoming.

(f) Energy transmission loans issued under this chapter shall:

(i) Require an origination fee of two percent (2%) of the loan amount, to be distributed to the financial institution or, if no financial institution is involved in the transaction, the office, for processing the loan. The public utility shall pay the origination fee required under this paragraph. For purposes of this paragraph, the office may require an additional origination fee to be paid by the public utility if the additional fee is necessary to account for a decreased amount of investment earnings as a result of the energy transmission loan program;

(ii) Not exceed the aggregate amount specified in W.S. 37-19-103;

(iii) Not exceed fifty million dollars ($50,000,000.00) for each public utility applying under this chapter;

(iv) Be secured by the energy transmission infrastructure that is constructed, renovated, retrofitted or expanded using the proceeds of the loan. The director may require additional collateral or security if necessary to ensure that the public utility repays the loan in accordance with the terms and conditions of the loan; and

(v) Contain repayment terms, provided that:

(A) Full repayment shall occur not later than thirty (30) years after the issuance of the loan;

(B) Interest shall be charged on the loan at a rate that is not less than the rate of return earned on the legislative stabilization reserve account in the previous fiscal year or three percent (3%), whichever is greater.

(g) Each public utility receiving a loan under this chapter shall make repayments to the office. Upon receiving payments, the office shall deposit the funds received, including interest and any fees associated with the loan, to the legislative stabilization reserve account.

(h) Not later than October 1 of each year, the office shall annually review the program and report to the joint minerals, business and economic development interim committee on the loans made under the program, all outstanding loan commitments, repayments received and the amount remaining available for loans based on W.S. 37-19-103 and the loans issued under the program.

37-19-103. Energy transmission loans; funding authority; appropriations.

(a) The director, with approval from the governor, is authorized to borrow from the legislative stabilization reserve account up to two hundred million dollars ($200,000,000.00) as necessary to provide funding for loans meeting the requirements of this chapter. All loan repayments, including interest and fees, shall be deposited in the legislative stabilization reserve account.

(b) The director shall report to the joint appropriations committee, the joint minerals, business and economic development interim committee, the president of the senate and the speaker of the house immediately upon each exercise of the loan authority granted by this section.

Section 2. The office of state lands and investments shall promulgate all rules necessary to implement this act.

Section 3.

(a) Except as provided in subsection (b) of this section, this act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(b) Section 1 of this act is effective July 1, 2027.

(END)