

If it's the middle of March at the Tennessee General Assembly, it's crunch time. With a mid-April target adjournment date, committees are beginning to close. Tempers becoming short, anxiety rising. Many bills that have been lingering around for weeks will soon meet their final resolution, some of them quietly taken off calendars while others will meet a public fate of a committee vote that goes against them. In January every bill has hope and promise as session begins, but eventually legislative reality sets in.

### **Broadband Expansion Meets Headwind**

With the growing importance and need of high speed broadband, it was expected this year the topic would receive attention from lawmakers. TMEPA's legislation from last year ([SB1134/HB1303](#)) that would allow a municipal electric system to offer broadband service outside of its electric service area was carried over to this year with growing support, and it was joined by several other bills. [SB1990](#) would allow municipal electric systems to expand where they offer broadband but only under such limited conditions that it is expansion in name only. Rep. Art Swann, chairman of the House Business and Utilities Subcommittee where broadband legislation is referred, filed a caption or placeholder bill ([HB2408](#)) this year to try to find a solution to this perennial issue. After the bill was transferred to Rep. Mike Carter, several amendments have been floated to see if something would gain enough support to pass. One amendment would allow electric cooperatives or municipal systems to offer broadband in areas of electric cooperatives without enough broadband competition after a petition process. Another amendment simply allowed electric cooperatives the ability to offer internet and related services, something that is currently prohibited under state law. Despite the efforts of many legislators, other legislators are wanting to wait on broadband studies currently being conducted by TACIR and the Department of Economic and Community Development. The former is expected to be completed in January 2017, and the later to be completed in June 2016. Perhaps the best demonstration of the legislative environment for broadband issue is two weeks ago when a resolution ([HJR482](#)) that simply urged internet providers to serve in more rural areas received a thirty minute discussion and two no votes. This week we will find out if legislation will move forward this year, or if it will continue on into next year.

### **Residents Voting on Disposing of an Electric Plant**

This year TMEPA is carrying legislation to the General Assembly that clarifies the statute on how to dispose or sell a municipal electric system. The bill ([HB1766](#)) amends the [statute](#) that requires a referendum before a city can dispose of its electric system so that the language matches the clear intent of the statute. TMEPA's legislation seeks to make sure that every system would need the final approval of the residents of the city before a city could sell or dispose of the electric system. The bill will be heard in House and Senate committees this week.

### **Makeup of Municipal Electric System Boards**

TMEPA is opposing legislation that would add seats to the boards of municipal electric systems that serve more than one county. [SB1602](#) would require the governing body of a city operating a municipal electric systems to create a new position on the supervisory board for every county served by the utility. This would affect many of systems that offer electric service in multiple counties. The [Municipal Electric Plant Act](#) already requires two additional positions on a board to represent a county whose residents represent more than sixty percent (60%) of the utility's customers. Even should the bill be amended to limit how many systems it applies to, the precedent for all systems would be a dangerous one. The bill will be heard in a Senate committee this year, however it is not likely to be heard in the House this year.

### **Protect Infrastructure from Drones**

With the increasing use of drones for personal and business use, state law is trying to keep up. [SB2106](#) would create the offense of using a drone to fly within 250 feet of a critical infrastructure facility for the purpose of conducting surveillance, gathering information about the facility or electronically recording critical infrastructure data. The bill has passed the Senate with language that includes in the definition of critical infrastructure "an electrical power generation system, electrical transmission system, either as a whole system or any individual

component of the system, or electrical distribution substation.” The House is expected to pass the legislation this week.

### **New Energy Authorities**

Legislation ([SB2430](#)) is on the move to allow Tennessee’s home rule cities to convert their electric system to an energy authority. Other cities are able to have the legislature pass a private act authorizing such a shift, but home rule cities are not subject to private acts. The bill still follows a nearly similar process as the private acts have called for in the past. Tullahoma Utilities Board has filed a private act ([HB2633](#)) that would allow it to become an energy authority. Both bills will be heard in committees this week.

### **Cogeneration and Distributed Generation Legislation**

The hot topic for the electric utility industry has several bills in this year’s legislative session. [SB2352](#) allows local governments to lend money to property owners who would install energy efficient devices or alternative energy generation, with the loans paid back with each year’s property taxes. [SB1853](#) gives the Tennessee Regulatory Authority the ability to regulate rates and other aspects of cogeneration and distributed generation facilities, and imposes net metering. A caption or placeholder bill ([HB2114](#)) was filed with amendments recently circulated that would allow entities to install distributed generation, offer it for resale, and not be classified as an electric utility. None of these bills are moving forward this year, but the topic will likely see more discussion around the legislature in the near future.