

Testimony of James R. Powell

Statement of James R. Powell, Senior Policy Advisor, Southern States Energy Board, Norcross, Georgia, Before the Committee on Natural Resources Subcommittee on Insular Affairs and Subcommittee on Energy and Mineral Resources Joint Oversight Field Hearing. Topic: "*Charting a Clean Energy Future for the Insular Areas*," April 12, 2008.

Madame Chairwoman, Mr. Chairman and members of these committees, thank you for this opportunity to testify on "Charting a Clean Energy Future for the Insular Areas." Mr. Nemeth would very much like to have been testifying today, but he had a previous commitment outside of the country and requested that I serve as his surrogate.

The Southern States Energy Board (SSEB) is a non-profit interstate compact organization created in 1960 and established under Public Laws 87-563 and 92-440. The Board's mission is to enhance economic development and the quality of life in the South through innovations in energy and environmental policies, programs and technologies. Sixteen southern states and two territories comprise the membership of SSEB: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia and West Virginia. Each jurisdiction is represented by the governor and a legislator from the House and Senate. Governor Joe Manchin of West Virginia currently serves as the chair. The U. S. Virgin Islands (USVI) is a member and Governor John deJongh is a member of the Executive Committee.

On December 23rd, 1992, Governor Alexander A. Farrelly, signed Executive Order Number 338-1992 authorizing the USVI to become a member of SSEB. Executive order Number 341-1993 was signed on November 12th, 1993 and then Executive Order 364-1995 was signed on November 16th, 1995 by Governor Roy Schneider.

SSEB was created by state law and consented to by Congress with a broad mandate to contribute to the economic and community well-being of the citizens of the southern region. The Board exercises this mandate through the creation of programs in the fields of energy and environmental policy research, development and implementation, science and technology exploration and related areas of concern. SSEB serves its members directly by providing timely assistance designed to develop effective energy and environmental policies and representing members before governmental agencies at all levels.

SSEB's long-term goals are to:

- perform essential services that provide direct scientific and technical assistance to state governments;
- develop, promote and recommend policies and programs on energy, environment and economics that encourage sustainable development;

- provide technical assistance to executive and legislative policy makers and the private sector in order to achieve synthesis of energy, environment and economic issues that ensure energy security and supply;
- facilitate the implementation of energy and environmental policies between federal, state and local governments and the private sector;
- sustain business development throughout the region by eliminating barriers to the use of efficient energy and environmental technologies; and
- support improved energy efficient technologies that pollute less and contribute to a clean global environment, and protect indigenous natural resources for future generations.

The USVI clearly has opportunities today to move forward in reducing dependence on foreign resources for its energy supply. Over the past ten years, SSEB has provided the USVI with funding to conduct numerous projects related to bioenergy. Most recently, SSEB funded work in the amount of \$48,000 to assess the feasibility of collection and cleaning of the landfill biogas to insure the greatest possible use of available biogas resources in the territory.

As all the Nation moves forward, it is important to realize that the insular areas represent an important role and the USVI needs assistance from Congress to work toward a sustainable and clean energy future. Please refer to attachment A for comprehensive description of the work that SSEB with the U. S. Virgin Islands.

Energy Dilemma. The citizens of the Insular areas, including the USVI are currently experiencing some of the highest energy costs in our Nation, perhaps the world. For example, citizens in the USVI are currently paying around 35 cents per kilowatt hour for electricity while citizens in most of the Southeast region of the U. S. pay between 5 to 10 cents per kilowatt hour. Gasoline sells for around \$4.15 per gallon on St. Thomas while the price per gallon in the metropolitan Atlanta, Georgia area is around \$3.25. With the world price of oil hovering around \$106 per barrel these high costs appear to be increasing. Citizens of the Insular areas are forced to spend a higher percentage of their disposable income on energy as compared to people in parts of the continental U. S. Accordingly, many of the citizens of the Insular areas are forced to make quality of life choices such as purchasing food and medicine or paying a utility bill.

Energy Policy Act and Insular Areas Energy Assessment Report. Section 251 of the Energy Policy Act of 2005 (EPACT) directed the Secretary of Interior, in consultation with the Secretary of Energy and the head of government of each insular area, to update insular area energy plans to reflect findings, with the goals of reducing energy imports by 2012, increasing energy conservation and energy efficiency, and maximizing the use of indigenous resources. The Insular Areas Energy Assessment Report was prepared by the Pacific Power Association for the Department of Interior and released in the summer of 2006. This report is a comprehensive assessment totaling 453 pages that contains numerous recommendations designed to reduce the Insular areas dependence on imported petroleum and to increase the use of renewable energy resources while improving energy

efficiency measures. This broad based assessment should be used as the basis for the Insular areas to develop a comprehensive energy strategy for the future.

Section 252 of EPACT 2005 directed the Secretary of Energy, in consultation with the Secretary of the Interior to assess and report to Congress on projects with the greatest potential for reducing dependence on fossil fuels used to generate electricity, and to promote distributed energy, in the insular areas. DOE was authorized to provide technical and financial assistance, on a matching basis with local utilities, for feasibility studies and for implementation of projects the Secretary of Energy determines are feasible and appropriate. Funding is authorized at \$500,000 per year for feasibility studies and \$44 million per year for project implementation. Unfortunately, Congress has not provided funding for the implementation of this important EPACT provision and should act to do so in an expeditious manner. In a letter to Congress this month, the heads of government of some Insular areas have requested Congress to “fund feasibility studies of projects and strategies identified in the Assessment that would significantly reduce our dependence on imported fossil fuels, or provide needed distributed generation in remote insular areas. The economic future of our communities depends on our ability to reduce our reliance on costly fossil fuels by increasing the efficiency with which we use such fuels and by exploiting local renewable energy resources.”

Comprehensive Energy Strategy. In August 2007, Governor John deJongh asked SSEB to assist in the development and implementation of a Comprehensive Energy Strategy that will be designed to increase the standard of living of the citizens of the Territory by assuring the long-term availability of affordable, secure supplies of energy. A secondary goal is to become a Caribbean and worldwide showcase for the development and use of renewable energy. The Insular Areas Energy Assessment Report has proven to be an important resource for the project team.

Integral to this direct service to the USVI is adequate funding to truly implement an effective comprehensive energy strategy that is sustainable for the future. As part of this service, SSEB works with Mr. Bevan Smith, Director of the VIEO and others as designated to establish clear, realistic goals. As a first step, the USVI has assessed current and future types, amounts and sources of energy imported into the Territory. Additionally, this work will assist in identifying the amount of energy used by various sectors, the cost of energy to the end users and to the extent possible an analysis of how this energy is being used within each sector (e.g. domestic hot water, diesel highway and off-highway use). The intent is also to project the types and amounts of energy that will be required over the next 20 to 30 years in the USVI. Important to implementing the strategy is identification of all potential energy options with a primary focus on renewable energy, energy efficiency and conservation. Once data is collected and analyzed the intent is that potential energy solutions will result in a number of options for implementation in the future. Of course, the implementation of energy plan requires resources and most likely, policy incentives to achieve success.

State Energy Program. DOE’s State Energy Program (SEP) provides grants to states and territories for energy efficiency and renewable energy programs and projects. States

and territories use SEP grant funding to address their energy priorities and to adopt emerging renewable energy and energy efficiency technologies. SEP is the only federally funded program that provides financial and technical resources directly to the states and territories. With SEP funds and the resources leveraged by them, the state and territory energy offices develop and manage a variety of programs geared to increase energy efficiency, reduce energy use and costs, develop alternative energy and renewable energy sources, promote environmentally conscious economic development, and reduce reliance on imported oil. The program was funded at \$36.6 million in FY 2006, \$49.4 million for FY 2007 and at \$44.5 million for FY2008. However, DOE plans to include on \$33 million in the competitive allocations.

SEP funding allocations to states and territories are based on an antiquated formula that needs to be updated to reflect the current world energy and economic realities. The Insular areas receive only a minimal amount of SEP funding under the current allocation formula. For example, in FY 2007 the USVI received \$259,000 in SEP funding while Texas received \$2,782,000. In fact, the total Insular area SEP funding formula allocation for FY2007 was \$974,000 vice \$44,456,000 for the states and the District of Columbia.

The Insular areas need every opportunity available to improve energy efficiency, increase of use of renewable energy and to reduce our 100% dependence on imported fossil fuels.

Weatherization Assistance Program. Under current Statute, the Insular areas do not participate in the DOE's Weatherization Assistance Program (WAP). The reasons why the Insular areas were not included when the program began in 1976 is akin to folklore. However, if the Insular areas were included in the program and received a funding allocation under the current formula it would likely be a small amount. In fact, some would question if the funding would be adequate to even operate an Insular area WAP. The formula used to allocate WAP funding is antiquated and needs to be updated to reflect the current world energy and economic realities. Legislation is required to include the Insular areas in WAP. Congress should consider including the Insular areas in the WAP and direct DOE to update the allocation formula to include criteria such as current energy costs, demographics and climate, Congress should also require DOE to provide a minimum allocation of at least \$2 million to the Insular areas. This amount funding would ensure the operation of a meaningful and robust program.

DOE did not request any funding for the WAP in the FY2009 budget request. This reduces heating and cooling costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety. It is essential that Congress fully fund this critical energy assistance program at the FY2008 amount of \$227.2 million.

Territorial Energy Offices. The Territorial Energy Offices are an important part of equation in the Insular areas quest to reduce their dependence on imported petroleum and to establish a clean energy economy. The energy policies and programs of the Territorial Energy Offices are vital to ensuring economic growth, increased energy efficiency and an increased reliance on clean renewable energy sources. These offices have become

experts on researching, demonstrating and deploying emerging clean energy technologies.

Under the leadership of Mr. Bevan Smith, Director, the VIEO has grown into an award winning organization that manages a multitude of meaningful energy efficiency and renewable energy programs that directly benefit the citizens of the USVI. Some of these popular programs are: building energy program, discretionary grants, energy rebates, and solar energy. In addition, the VIEO holds a number of education outreach events throughout the year that are designed to increase the awareness of the general public on energy efficiency and renewable energy programs and practices. Also, Mr. Smith was instrumental in bringing the best practice of net metering to the USVI. He worked in a collaborative manner with the utility and the Public Services Commission to develop and implement a successful program. At the request of Governor deJongh and the concurrence of the Senate, the VIEO was recently relocated from the Department of Planning and Natural Resources to the Office of the Governor. This important organizational relocation sends a strong message to the Insular areas that the Governor is keenly interested in USVI energy issues.

Hawaii Clean Energy Initiative. According to a DOE press release dated January 28, 2008, DOE and Hawaii joined in a Memorandum of Understanding (MOU) establishing the Hawaii Clean Energy Initiative (HCEI), a long-term partnership designed to transform Hawaii's energy system to one that utilizes renewable energy and energy efficient technologies for a significant portion of its energy needs. The partnership aims to put Hawaii on a path to supply 70% of its energy needs using clean energy by 2030, which could reduce 72% of Hawaii's current crude oil consumption. While a specific amount of funding was not identified, DOE committed to the provision of technical and policy expertise and capabilities to help demonstrate reliable, affordable and clean energy technologies in Hawaii.

DOE agreed to immediately engage experts in clean energy technology development to help Hawaii to launch several projects with public and private sector partners that target early opportunities and critical needs for Hawaii's transition to a clean energy economy, including:

- Designing cost-effective approaches for the exclusive use of renewable energy on smaller islands;
- Designing systems to improve stability of electric grids operating with variable generating sources, such as wind power plants on the islands of Hawaii and Maui;
- Minimizing energy use while maximizing energy efficiency and renewable energy technologies at new large military housing developments;
- Expanding Hawaii's capability to use locally grown crops and byproducts for producing fuel and electricity; and
- Assisting in the development of comprehensive energy regulatory and policy frameworks for promoting clean energy technology use.

The HCEI is the type of attention and dedication that the Insular areas desperately need to help reduce their dependence on imported petroleum and to establish a clean energy

economy. Congress should inquire as to why Hawaii was selected non-competitively for this initiative and why the Insular areas were not provided an opportunity to compete. Congress should require DOE to engage the Insular areas with an effort similar to HCEI. The same amount of attention and resources should also be provided to the Insular areas.

Conclusion. SSEB is proud of the strong relationship we have enjoyed with the USVI for over 16 years. We are committed to doing everything within our ability to help the USVI attain a stronger economy and improve the quality of life for its citizens. As mentioned previously, we are working closely with Mr. Bevan Smith, Director of the VIEO. We commend Mr. Smith for his outstanding accomplishments with limited resources. We thank the committee for asking us to participate in this hearing. We believe with Congresswoman Christiansen's leadership equitable opportunities will enable the Insular areas to work toward a sustainable clean energy future that will strengthen the USVI's economy and improve the quality of life for all future generations.

Southern States Energy Compact Creating the Southern States Energy Board “Benefits to the U.S. Virgin Islands”

Enactment of Compact into Law – 1962

U.S. Virgin Islands Executive Order Numbers 364-1995, 341-1993 and 338-1992

Contents of “Benefits to the U.S. Virgin Islands” Report

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I. Southern States Energy Board: History and Mission

The Southern States Energy Board (SSEB) is a non-profit interstate compact created in 1960 and established under Public Laws 87-563 and 92-440. The Board’s mission is to enhance economic development and the quality of life in the South through innovations in energy and environmental programs and technologies. Sixteen southern states and two territories comprise the membership of SSEB: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia and West Virginia. Each jurisdiction is represented by the governor and a legislator from the House and Senate. The Southern States Energy Board is presided over by a governor who serves as chair and a vice-chair and treasurer who are legislative members. Ex-officio, non-voting board members include a federal representative appointed by the President of the United States, the Southern Legislative Conference Energy and Environment Committee Chair and SSEB’s executive director, who serves as secretary.

SSEB was created by state law and consented to by Congress with a broad mandate to contribute to the economic and community well-being of the citizens of the southern region. The Board exercises this mandate through the creation of programs in the fields of energy and environmental policy research, development and implementation, science and technology exploration and related areas of concern. SSEB serves its members directly by providing timely assistance designed to develop effective energy and environmental policies and representing members before governmental agencies at all levels.

The Southern States Energy Board's long-term goals are to:

- perform essential services that provide direct scientific and technical assistance to state governments;
- develop, promote and recommend policies and programs on energy, environment and economics that encourage sustainable development;
- provide technical assistance to executive and legislative policy makers and the private sector in order to achieve synthesis of energy, environment and economic issues that ensure energy security and supply;
- facilitate the implementation of energy and environmental policies between federal, state and local governments and the private sector;
- sustain business development throughout the region by eliminating barriers to the use of efficient energy and environmental technologies; and
- support improved energy efficient technologies that pollute less and contribute to a clean global environment while protecting indigenous natural resources for future generations.

II. The U.S. Virgin Islands and the Southern States Energy Compact

The U.S. Virgin Islands entered into the Southern States Energy Compact (Executive Order Numbers 364-1995, 341-1993 and 338-1992) in 1992. Attachment I of this report contains the exact language of the Executive Orders.

III. Office of the Governor

By virtue of his election as the Governor of the U.S. Virgin Islands, **The Honorable John P. deJongh** currently serves as a member of the Southern States Energy Board.

IV. SSEB Programs and Activities

SSEB conducts numerous activities related to the powers set forth under Article V of the compact. **Please see the specific spreadsheet that delineates the benefits to the U.S. Virgin Islands through its membership in the Southern States Energy Board for \$1,207,004.49 (for its annual appropriation of \$25,297).** The following list entails general activities of the Board that comply with its legislative powers.

Advisory Committees

- Industry Consortia and Partnerships
- Public/Private Coalitions
- Peer Matching and Professional Development
- Memorandums of Understanding
- State Regulatory Processes
- Federal Regulatory Processes
- Technical and Policy Analysis
- Site Support for Demonstration Projects
- Regulatory Review of New and Innovative Technologies for Commercialization
- Training State Environmental Regulators
- Training Industry Environmental Managers
- Information Dissemination

SSEB projects are designed to comply with the powers of the Board and its mission. Below, brief descriptions denote the relationship of the Board's activities and its powers. In return for appropriations rendered by its members, the Southern States energy Board provides value-added services through a number of projects that also provide funding to its members:

American Energy Security – examines the undue burden currently being placed on our liquid transportation fuels through foreign oil imports and provides a strategy for energy security and independence to ensure fuel price stability and future economic prosperity. In August 2005, the Board unanimously commissioned the American Energy Security Study, which was completed in July 2006. The study established a national plan to replace imported oil with domestic alternative fuels. This bipartisan national leadership initiative, continues in 2007 under the leadership of Chairman Joe Manchin, III, Governor of West Virginia.

Southeast Regional Carbon Sequestration Partnership (SECARB) - utilizes a regional approach to determine the options that exist for sequestering carbon dioxide as part of the President's Global Climate Change Initiative. Currently in Phase II of the program, SECARB is one of seven regional programs nationwide that is validating, through field testing, sequestration technologies and corresponding infrastructure approaches related to regulatory, permitting and outreach. More than 100 entities in the South are participating in this \$34 million effort managed by the Southern States Energy Board. For more information, please visit www.secarbon.org.

Clean Coal and Energy Technologies Collaboration Committee – analyzes global markets for clean coal technologies and advanced power systems; coal mining equipment infrastructure, transportation costs; financing and investment in coal power generation; education and training for the region’s mining workforce; coal utilization for liquid transportation fuels; and the impact of state and federal laws. The Committee is a regional partnership consisting of federal government officials, state administrative officials, state legislators, non-profit organizations and private industry. The Committee provides technical expertise and assists in the identification of issues that sustain the use of coal and the coal industry domestically and internationally. Recently, the Committee has been examining education and training programs for the region’s miners. Within the next five years, retirements will claim almost half of the mining workforce in our coal producing states. The Committee is working with educational institutions in coal producing states to enhance education and business opportunities for the new generation of miners that will be entering the industry.

Electric Utility Task Force – provides a forum for the southern states to exchange knowledge and ideas on electric utility issues. The Task Force is concerned with issues such as state and local tax revenues, stranded costs recovery, deliverability and reliability of energy supplies and how to involve residential consumers in the process. State officials and the electric utility industry hold discussions on interconnections, regional transmission organizations, independent system operators, water requirements for energy technologies, microgrids, etc.

Associate Members Program– fosters economic development in the southern region with a forum for the region’s businesses and industries to provide expertise on critical energy and environmental policies as well as the social and economic impact that those policies have on the region. These activities are integral to providing a balanced and responsible approach to environmental regulation that is economic and efficient. Over the past year, the Associate Members have and will continue to focus on gas and electric utility industry restructuring, air quality issues, carbon sequestration, potential for future nuclear plants and opportunities for collaboration on environmental technologies and issues.

Southeastern Biomass State/Regional Partnership – stimulates use of renewable energy resources and technologies by providing direct funding to states for cost-shared grants. Through the use of direct grants to states from SSEB, the program encourages economic development through public/private partnerships that demonstrate bioenergy technology applications. These projects generate jobs, improve the environment and foster economic development through the use of these indigenous, renewable resources. In the U.S. Virgin Islands, the Partnership is funding a program to assess the feasibility of collection and cleaning of the landfill biogas to insure the greatest possible use of available biogas resources in the territory. Total benefits of **\$48,000** have been awarded to the Department of Planning and Natural Resources, Virgin Islands Energy Office from November 1, 2005 to June 14, 2007.

The goals of the Partnership are to:

- improve government and industry capabilities and effectiveness in the production and use of biomass resources;
- support planning efforts that make these resources available;
- encourage economic development through private and public investment in biomass technologies; and
- engage in research projects that demonstrate biomass technology applications.

The Southeastern Biomass State/Regional Partnership hosts a web site at <http://www.serbep.org> to disseminate information on bioenergy projects, technologies and contacts in the region. The site also provides links and other information related to biomass.

Southern States Biobased Alliance- promotes the development and use of biomass, bioenergy, biofuels and biobased products in the South. Formed by the Southern States Energy Board in 2001, the membership of the Alliance consists of a governor’s representative and a state legislator from each SSEB member state. Its mission is to provide leadership and develop strategies that will foster a biobased industry and boost rural economies in the southern states.

Southeast Water Resources and Conservation Roundtable Initiative – organizes key regional stakeholders to identify and address the region’s water supply and conservation high-priority needs and specific actions for addressing those needs. SSEB serves as secretariat to the roundtable and participates with the University of Tennessee’s Energy, Environment and Resources Center and other regional experts in formulating a strategic plan that will include four priority areas:

- improving acquisition and dissemination of reliable and consistent regional water data;
- increasing state/regional water conservation and end-use efficiency efforts;
- educating the public and decision makers on water management/supply issues; and
- facilitating state and regional water management planning including conflict resolution.

Southern States Waste Management Coalition (SSWMC) – a unique public/private partnership whose mission is to develop, promote and encourage implementation of a balanced and responsible integrated approach to regional solid waste management that is environmentally sound and economically sustainable. SSWMC emphasizes projects that provide information and guidance to state and local decision-makers as they develop integrated solid waste management programs. Coalition activities and publications reflect this emphasis by developing tools for state and local officials that assist them in implementing various elements of solid waste management systems. SSWMC hosts a web site at <http://www.sswmc.org> to enhance information access on integrated solid waste management while soliciting involvement and attention to solid waste management issues for all interested parties.

Radioactive Materials Transportation Committee – reviews and assesses regional issues relating to the transportation of spent nuclear fuel and high-level radioactive waste. Members of the Committee are gubernatorially-appointed state emergency response planners, radiological health professionals and other knowledgeable officials with the skill and expertise to address a broad range of technical, legal and institutional issues. The Committee currently is considering numerous issues related to the transportation of spent nuclear fuel from nuclear plants around the region to the proposed Yucca Mountain repository in Nevada.

Transuranic Waste Transportation Working Group – provides U.S. Department of Energy (DOE) with a regional perspective on transportation policies associated with the shipment of TRU waste in the southern region. SSEB provides approximately \$1.4 million annually in pass through funding to states to support route designation, emergency response planning, the training of first responders, purchases of equipment, special communications devices, and other transportation planning such as weather protocols. The working group coordinates with the DOE to ensure the safe and routine transportation of transuranic wastes throughout the region in future years.

Foreign Research Reactor Spent Nuclear Fuel Transportation Working Group – supports member states in cooperation with the U.S. Department of Energy in developing transportation plans to safely return foreign research reactor spent nuclear fuel from countries abroad to the Savannah River Site (SRS) in Aiken, South Carolina. Most recently, SSEB is working with the Council of state Governments-Midwestern Office and the Western Governors’ Association to form a Cross-Country Transportation Working Group. The purpose of the working group is to provide DOE with a forum to develop a transportation plan for the safe and efficient highway transport of foreign research reactor fuel from SRS to the Idaho National Engineering and Environmental Laboratory (INEEL). SSEB states involved in the working group are Georgia, Kentucky, South Carolina and Tennessee.

Southern Emergency Response Council (SERC) – operates under the Southern Agreement for Mutual State Radiological Assistance Agreement signed into by 14 governors beginning in 1972. The participating states include: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Virginia. This agreement led to the creation of the Southern Mutual Radiation Assistance Plan (SMRAP). The purpose of SMRAP is to provide a mechanism for coordinating radiological emergency assistance capabilities among participating states. SMRAP outlines the mutual aid agreement, the implementation process, emergency response contacts and available state resources. Each year SSEB hosts a meeting of SERC members to provide an opportunity to review and revise the SMRAP.

The Partnership for Pipeline Safety – is a cooperative venture between the National Association of State Fire Marshals, the Southern States Energy Board and the U.S. Department of Transportation. In accordance with the 2002 Pipeline Safety Improvement Act, natural gas transmission pipeline operators are required to identify and more frequently inspect “high consequence areas,” where accidents could have disastrous effects for local communities. The Act also requires pipeline operators to communicate with emergency planners and local first responders to provide a better understanding of the potential consequences if a pipeline is compromised and develop a plan of action to mitigate damages and impacts in the community. The Partnership for Pipeline Safety developed a pilot program to encourage interaction between the operators and the first responders. The program has been tested, and a textbook, instructor’s guide and DVD on pipeline emergencies have been developed. The Partnership currently is in the process of distributing and sharing this curriculum in training session with fire serve personnel throughout the country.

With respect to liquefied natural gas (LNG), the Partnership has identified the need for a risk assessment of the vulnerability of and potential homeland security threats to LNG technologies and facilities. A comprehensive safety and security planning tool for LNG facilities is being designed by the Partnership and will be augmented by additional comprehensive training materials. Additionally, a training program is being devised in LNG basics and safety, communications, security measures, local issues based on topography, emergency response, etc.

Energy and Environment Information – Annually, numerous requests for specific technical and policy information occur from SSEB members, state and federal government officials, legislators and other parties, including the general public. These requests include developing specific reports, analyses and providing references. SSEB provides direct technical and analytical support to its constituents on a variety of energy and environmental issues facing the region. SSEB maintains a website, accessible at <http://www.sseb.org>, serving as a primary link to relevant energy and environment information sources on the internet.

In addition, the information center responds to numerous specific requests from Board members, state legislators and administrators as well as other interested parties and the public. These requests include developing specific reports, analyses and providing references.

V. Common Questions and Answers Regarding State Participation in the Board

1. Should my state’s participation in the compact be continued? To what extent and in what ways would the absence of the compact affect the public health, safety or welfare?

Participation by all states in the compact is critical not only to the state but also to the region. All of the activities of the Board, as described in this report, assist the southern region in the development of a sound economy, proper utilization and diversity of energy sources, and increased industrialization, while providing for adequate protection of the environment to ensure public health, safety and welfare. In addition, SSEB often undertakes state-specific projects with those same goals in mind.

Listed below are **value-added services to SSEB member states** and its citizens receive as a member of the compact.

- ◆ Obtaining funding for state and regional projects at the request of its membership, committees and working task forces (this funding provided as a pass-through to states generally is far in excess of appropriations paid to SSEB by its members);
- ◆ Negotiating collective funding for member states on programs that support energy and environmental research, education and training, technology development, regulatory reform and other key issue areas;
- ◆ Funding the direct participation of state officials in projects and activities in order to enable states to remain current on new programs, trends and technologies while decreasing the impact of travel on member state budgets;

- ◆ Working directly with businesses and industries on specific *economic development* projects that create and sustain jobs and expand the economy;
- ◆ Providing regional forums, conferences and workshops in member states that stimulate and promote *economic development*;
- ◆ Conducting training and other professional development activities that address energy and environmental programs and technologies; and
- ◆ Providing research and recommending *solutions* to specific issues on request of member state officials and businesses.

2. What is the cost to each state to participate in the compact and what types of expenses are involved?

The annual appropriation for each state is found in the table below. The annual appropriation is based on population (\$2,015 - VI), per capita income (\$5,957 - VI) and an equal share (\$17,325). The expenses are for regional and state specific research and development projects, grants to states administered by SSEB, salaries, overhead, printing & postage, and conference and travel. The annual SSEB budget is based on projected state appropriations, federal funding and associate membership dues. The budget for each fiscal year is presented at the SSEB annual meeting. The SSEB members vote to approve the proposed budget for the upcoming fiscal year. The approved budget is mailed to all Board members who were not in attendance at the annual meeting.

The Board has not requested an increase in state appropriations since 1987.

State Appropriation Schedule

STATE	POPULATION	PER CAPITA INCOME	EQUAL SHARE	PROPOSED PAYMENT
Alabama	\$7,040	\$8,207	\$17,325	\$32,572
Arkansas	\$5,645	\$8,057	\$17,325	\$31,027
Florida	\$19,310	\$10,577	\$17,325	\$47,212
Georgia	\$8,810	\$9,647	\$17,325	\$35,782
Kentucky	\$6,545	\$8,327	\$17,325	\$32,197
Louisiana	\$7,820	\$8,672	\$17,325	\$33,817
Maryland	\$7,655	\$12,212	\$17,325	\$37,192
Mississippi	\$4,685	\$7,067	\$17,325	\$29,077
Missouri	\$8,735	\$10,187	\$17,325	\$36,247
North Carolina	\$10,775	\$8,942	\$17,325	\$37,042
Oklahoma	\$5,828	\$9,359	\$17,325	\$32,512
Puerto Rico	\$5,780	\$2,492	\$17,325	\$25,597
South Carolina	\$5,900	\$8,147	\$17,325	\$31,372
Tennessee	\$8,285	\$8,657	\$17,325	\$34,267
Texas	\$27,695	\$10,382	\$17,325	\$55,402
U.S. Virgin Islands	\$2,015	\$5,957	\$17,325	\$25,297
Virginia	\$9,845	\$11,192	\$17,325	\$38,362
West Virginia	\$3,560	\$7,847	\$17,325	\$28,732
TOTALS	\$155,928	\$155,928	\$311,850	\$623,706

3. ***Have any party states withdrawn from the compact or filed notice of their intentions to withdraw under the provisions of Article VIII(c)? If so, which states and what were their stated reasons for withdrawing?***

No party state has withdrawn from the compact since its inception.

4. ***Does the compact duplicate other functions of state government or of other interstate agreements?***

The compact is a unique instrument of the southern states, dedicated to energy and environmental programs and services, that is not duplicated by any other body either in membership or substantive agenda. It is further unique in that it has a federal representative appointed by the President of the United States.

5. ***How often do the Board and its committees meet?***

The SSEB meets once a year in late summer and in conjunction with the Southern Governors' Association. Special meetings of the Board may be held upon call of the Chairman at such place and time as determined by the Chairman. Committees, coalitions, task forces and working groups meet during the year as determined by state officials.

6. ***Do you foresee the need for any changes in the compact or the need for any legislation in my state relating to the compact?***

Currently there are no items related to the Board or compact that require legislative action. However, when the compact was altered in 1978, the legislative counsels of the southern states added the subject of "environmental issues" to the Board's purview. The Board has accepted this mission and is the lead interstate organization for the region on environmental programs and issues. Some Board members have suggested that the Board may desire to change its name to the "Southern States Energy and Environment Board" to more accurately reflect the current mission and mandate of the organization. To date, no action has been taken to change the name of the Board.

7. ***Please provide a brief comment relating to the benefits received from the compact.***

The Board attempts to "give back" more than it receives each year to each of its member states. In addition, the Board funds numerous programs that either are state specific or regional. Many regional forums sponsored by SSEB enable states to meet as a group to examine the impact of federal programs, interstate applications (such as power plant development or siting of interstate transmission lines), industry dislocations or potential regional decision-making opportunities. These meetings are essential to growth and economic development for the southern states and the region as a whole.

8. ***Article II (k) requires the Board to file an annual report with the Governor of each member state, with copies to each state's legislature. Have annual reports been filed?***

Each year the annual report is presented to the Governors and State Legislators at the Board's annual meeting. Governors or Legislators not attending the annual meeting receive the report by mail. In addition, SSEB mails the annual report to each state's legislature and other interested parties such as state energy, environmental and economic development officials. A financial report supplements the annual report.

SSEB publishes a number of issue-specific reports, primers and guidebooks. Each year's list of publications is included in the annual report. Many of the publications are available for download from SSEB's website located at <http://www.sseb.org>.

VI. SSEB Contact

For additional information regarding the benefits of the Southern States Energy Board to the U.S. Virgin Islands, contact:

Mr. Kenneth J. Nemeth
Executive Director and Secretary to the Board
Southern States Energy Board
6325 Amherst Court
Norcross, Georgia 30092
Phone: (770) 242-7712
Fax: (770) 242-9956; (770) 242-0421
Direct Email: nemeth@sseb.org
SSEB Website: www.sseb.org

VII. Attachment I: U.S. Virgin Islands Executive Order Numbers 364-1995, 341-1993 and 338-1992

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES
Department of Planning and Natural Resources
Virgin Islands Energy Office

RECEIVED
NOV 27 1995
SSEB

Office of the Director

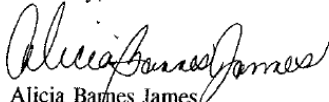
November 21, 1995

Mr. Kenneth J. Nemeth
Executive Director
Southern States Energy Board
3091 Governor's Lake Drive
Suite 400
Norcross, Georgia 30071

Dear Ken,

Enclosed please find a copy of Executive Order No. 364-1995 as executed by both Governor Schneider and Lt. Governor Mapp. Thank you for your efforts on behalf of the Virgin Islands Energy Office in accomplishing this task.

Sincerely,


Alicia Barnes James
Director

ABJ/ljt

Enclosure



THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE
Charlotte Amalie, V.I. 00802
340-774-0001

EXECUTIVE ORDER NO. 364 - 1995

TO AMEND EXECUTIVE ORDER NO. 341-1993, PERTAINING TO THE VIRGIN ISLANDS ENERGY OFFICE


Pursuant to the authority vested in me by Section 11 of the Revised Organic Act of 1954, as amended, it is hereby ordered as follows:

SECTION 1. Executive Order No. 341-1993 Section 3 is hereby deleted in its entirety and a new Section 3 inserted to read as follows:

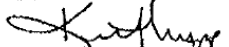
"3. The membership fee for the Southern States Energy Board will be paid for by the VIEO from any funds available, including its Federal grants program and/or Stripper Well fund based on the availability of said funds."

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Government of the United States Virgin Islands to be affixed at Charlotte Amalie, St. Thomas, Virgin Islands, this 16th day of November, A.D., 1995.




ROY L. SCHNEIDER
GOVERNOR

ATTEST:


KENNETH E. MAPP
LIEUTENANT GOVERNOR

STANDARD FORM NO. 64	7671	Date <u>11/20</u>	Page <u>1</u> of <u>1</u>
From <u>Alexander A. Farrelly</u>		To <u>Boyd</u>	
One <u>Boyd</u>		Phone # <u>1</u>	
X# <u>2-2133</u>		Fax #	



THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE
Charlotte Amalie, V.I. 00802
809-774-0801
EXECUTIVE ORDER NO. 341 - 1993

To authorize membership on the Southern States Energy Board

WHEREAS, the Southern States Energy Board was created by State law in 1961 and consented to by Congress in 1962 with a broad mandate to contribute to the economic and community well-being of the citizens of the southern region; and

WHEREAS, the Southern States Energy Board is a public not-for-profit interstate compact agency that serves as the regional energy and environmental representative for sixteen (16) southern States and the Commonwealth of Puerto Rico; and

WHEREAS, the Southern States Energy Board provides technical staff support, policy and program development, implementation and information services to member jurisdictions; and

WHEREAS, the primary support for the Southern States Energy Board is derived from the appropriations of its members determined by a formula written in the original compact, with additional support obtained from the Federal Government and corporate sources; and

WHEREAS, the United States Virgin Islands has numerous energy and environmental issues and projects which would benefit from the regional technical expertise available through the Southern States Energy Board, including, but limited to implementation of the Comprehensive Solid Waste Management Plan; wastewater management; electric power and water production;

NOW, THEREFORE, I, Alexander A. Farrelly, Governor of the United States Virgin Islands, by virtue of the authority vested in me by the Revised Organic Act of 1954, as amended, hereby order as follows:

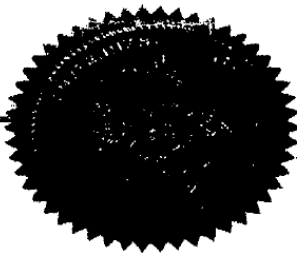
1. That the United States Virgin Islands shall seek membership on the Southern States Energy Board.

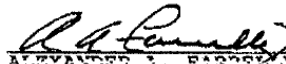
2. That the United States Virgin Islands shall be represented on the Board by the Governor, the Director of the Virgin Islands Energy Office, the Governor's Executive Assistant, or their designees.

Executive Order No. 341 - 1993
Page 2

3. That at least the first two years of membership will be paid by the Energy Office through funding approved under its Federal Grants, and in years three and beyond, the cost of membership will be incorporated in the General Budget of the Government of the Virgin Islands.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Government of the United States Virgin Islands to be affixed at Charlotte Amalie, St. Thomas, Virgin Islands, this 12th day of November, A.D., 1993.




ALEXANDER A. FARRELLY
GOVERNOR

ATTEST:

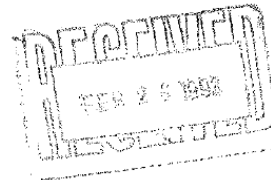

DEREK M. HODGE
LIEUTENANT GOVERNOR



THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE

Charlotte Amalie, V.I. 00802
809-774-0001



December 23, 1992

Mr. Kenneth Nemeth
Executive Director
Southern States Energy Board
3091 Governor's Lake Drive
Suite 400
Norcross, Georgia 30071

Dear Mr. Nemeth:

We are pleased that our request for membership to the Southern States Energy Board (SSEB) has been accepted. We anticipate that the technical support skills of your organization will be a well used component in the research, development and implementation of our waste, energy, and environmental solutions.

Preliminary discussions have taken place between my staff and your organization. These discussions have been informative and my staff is eager to begin work with SSEB especially in the area of solid waste management.

I have attached a signed copy of the Executive Order #338-1992 authorizing Virgin Islands membership on the Board and naming my representatives. Director Claudette Young-Hinds has begun to process the documents for payment of the appropriate membership fees.

I look forward to a long and fruitful relationship on the SSEB.

Cordially,

Alexander A. Farrelly
Governor

cc: Commissioner of Public Works
Commissioner of Finance
Director, Capital Improvement Projects
Executive Assistant to the Governor
Director, VIEO
Special Assistant to the Governor



THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE

Charlotte Amalie, V.I. 00802
809-774-0001

EXECUTIVE ORDER NO. 338 - 1992

To authorize membership on the Southern States Energy Board

WHEREAS, the Southern States Energy Board was created by State law in 1961 and consented to by Congress in 1962 with a broad mandate to contribute to the economic and community well-being of the citizens of the southern region; and

WHEREAS, the Southern States Energy Board is a public not-for-profit interstate compact agency that serves as the regional energy and environmental representative for sixteen (16) southern States and the Commonwealth of Puerto Rico; and

WHEREAS, the Southern States Energy Board provides technical staff support, policy and program development, implementation and information services to member jurisdictions; and

WHEREAS, the primary support for the Southern States Energy Board is derived from the appropriations of its members determined by a formula written in the original compact, with additional support obtained from the Federal Government and corporate sources; and

WHEREAS, the United States Virgin Islands has numerous energy and environmental issues and projects which would benefit from the regional technical expertise available through the Southern States Energy Board, including, but limited to implementation of the Comprehensive Solid Waste Management Plan; wastewater management; electric power and water production;

NOW, THEREFORE, I, Alexander A. Farrelly, Governor of the United States Virgin Islands, by virtue of the authority vested in me by the Revised Organic Act of 1954, as amended, hereby order as follows:

1. That the United States Virgin Islands shall seek membership on the Southern States Energy Board.

2. That the United States Virgin Islands shall be represented on the Board by the Governor, the Director of the Virgin Islands Energy Office, the Governor's Executive Assistant, or their designees.

Executive Order No. 338 - 1992


Page 2

3. That at least the first two years of membership will be paid by the Energy Office through funding approved under its Federal Grants, and in years three and beyond, the cost of membership will be incorporated in the General Budget of the Government of the Virgin Islands.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Government of the United States Virgin Islands to be affixed at Charlotte Amalie, St. Thomas, Virgin Islands, this 2nd day of December, A.D., 1992.


ALEXANDER A. FARRELLY
GOVERNOR

ATTEST:


DEREK M. HODGE
LIEUTENANT GOVERNOR