

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

**SESSION LAW 2006-206
SENATE BILL 2051**

AN ACT TO REDUCE ENERGY, FUEL, AND WATER CONSUMPTION IN THE STATE THROUGH: (1) DEVELOPMENT OF A PLAN TO INCREASE THE AVAILABILITY AND USE OF ALTERNATIVE FUELS IN STATE-OWNED VEHICLE FLEETS; (2) PROVISION OF ENERGY ASSISTANCE TO LOW-INCOME PERSONS; (3) DEVELOPMENT OF A STRATEGIC PLAN TO EXPAND THE BIOFUELS INDUSTRY IN NORTH CAROLINA; AND (4) STUDY MECHANISMS TO IMPROVE ENERGY AND WATER CONSERVATION IN STATE-OWNED FACILITIES.

The General Assembly of North Carolina enacts:

PART I. DEVELOP PLAN FOR TARGETED CONVERSION OF FUELING FACILITIES TO PROMOTE THE AVAILABILITY AND USE OF ALTERNATIVE FUELS

SECTION 1. In order to promote attainment of the twenty percent (20%) reduction or displacement of petroleum products consumed in State-owned vehicle fleets by January 1, 2010, as required by Section 19.5 of S.L. 2005-276, the Department of Administration shall develop a plan for the targeted conversion of fuel dispensing facilities to provide greater availability of biodiesel, ethanol, and other alternative fuels. The Department shall consult with affected State agencies to identify measures to increase the efficiency and cost-effective utilization of resources and consider this information in the development of the plan. The Department of Administration shall submit the plan to the Joint Legislative Commission on Governmental Operations no later than November 1, 2006, and shall include updates on the progress in implementing the plan as part of the report required under Section 19.5(c) of S.L. 2005-276.

PART II. PROVIDE ENERGY ASSISTANCE TO LOW-INCOME PERSONS

SECTION 2. Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 34A. North Carolina Energy Assistance Act for Low-Income Persons.

"§ 143B-216.72A. Legislative findings and purpose.

(a) The General Assembly finds that:

- (1) Maintaining the general health, welfare, and prosperity of the people of this State requires that all citizens receive essential levels of heat and electric service regardless of their economic circumstances.
- (2) Serving the State's most vulnerable citizens, its low-income elderly, persons with disabilities, families with children, high residential energy users, and households with a high-energy burden, is a priority.
- (3) Conserving energy benefits all citizens and the environment.
- (4) Ensuring proper payment to public utilities and other entities providing energy services actually rendered is a responsibility of this State.
- (5) Declining federal low-income energy assistance funding necessitates a State response to ensure the continuity and further development of energy assistance and related policies and programs in this State.
- (6) Current energy assistance policies and programs have benefited North Carolina citizens and should be continued with the modifications provided in this Part.

(b) The General Assembly declares that it is the policy of this State that weatherization, replacement of heating and cooling systems, and other energy-related assistance programs be utilized to increase the energy efficiency of dwellings owned or occupied by low-income persons, reduce their total residential expenditures, and improve their health and safety. The State shall utilize all appropriate and available means to fund the Weatherization Assistance Program for Low-Income Families and the Heating/Air Repair and Replacement Program under G.S. 108A-70.30, and any other energy-related assistance program for low-income persons while, to the extent possible, identifying and utilizing sources of funding to achieve the objectives of this Part.

"§ 143B-216.72B. Definitions.

The following definitions apply to this Part:

- (1) Applicant. – A member of the family residing in the dwelling unit, the owner, or designated agent of the owner of a dwelling unit applying for program services.
- (2) Department. – The Department of Health and Human Services.
- (3) Secretary. – The Secretary of Health and Human Services.
- (4) Subgrantee. – An entity managing a weatherization project that receives a federal grant of funds awarded pursuant to 10 C.F.R. § 440 (1 January 2006 edition) from this State or other entity named in the Notification of Grant Award and otherwise referred to as the grantee.
- (5) Weatherization. – The modification of homes and home heating and cooling systems to improve heating and cooling efficiency by caulking and weather stripping, as well as insulating ceilings, attics, walls, and floors.

"§ 143B-216.72C. The Office of Economic Opportunity designated agency; powers and duties.

(a) The Office of Economic Opportunity of the Department shall administer the Weatherization Assistance Program for Low-Income Families established by 42 U.S.C. § 6861, et seq., and 42 U.S.C. § 7101, et seq.; the Heating/Air Repair and Replacement

Program established by the Secretary under G.S. 108A-70.30; and any other energy-related assistance program for the benefit of low-income persons in existing housing. The Office of Economic Opportunity shall exercise the following powers and duties:

- (1) Establish standards and criteria to carry out the provisions and purposes of this Part.
- (2) Develop policy, criteria, and standards for receiving and processing applications for weatherization assistance.
- (3) Make decisions and pursue appeals from decisions to accept or deny applications for weatherization, replacement of heating and cooling systems, and other energy-related assistance programs or otherwise participate in the State plan as a subgrantee or contractor.
- (4) Adopt rules, consistent with the laws of this State, that may be required by the federal government for grants-in-aid for the Weatherization Assistance Program for Low-Income Families, the Heating/Air Repair and Replacement Program, or other energy-related assistance programs for the benefit of low-income residents in existing housing. This section shall be liberally construed in order that this State and its citizens may benefit from such grants-in-aid.
- (5) Establish procedures for the submission of periodic reports by any community action agency or other agency or entity authorized to manage a weatherization project, replacement of heating and cooling systems, or other energy-related assistance project.
- (6) Implement criteria for periodic review of weatherization, replacement of heating and cooling systems, or other energy-related programs in existing housing for low-income households.
- (7) Solicit, accept, hold, and administer on behalf of this State any grants or bequests of money, securities, or property for the benefit of low-income residents in existing housing for use by the Department or other agencies in the administration of this Part.
- (8) Create a Policy Advisory Council within the Office of Economic Opportunity that shall advise the Office of Economic Opportunity with respect to the development and implementation of a Weatherization Program for Low-Income Families, the Heating/Air Repair and Replacement Program, and any other energy-related assistance program for the benefit of low-income persons in existing housing.

(b) The Secretary shall have final decision-making authority with regard to all functions described in this Part."

PART III. DEVELOP BIOFUELS INDUSTRY STRATEGIC PLAN

SECTION 3.1. There is established the Biofuels Industry Strategic Plan Work Group. The purpose of the Work Group is to develop a strategic plan for expansion of biofuels as an industry in North Carolina. The Work Group shall include representatives

of the College of Agriculture and Life Sciences at North Carolina State University, the School of Agriculture and Environmental Sciences at North Carolina Agricultural and Technical State University, the North Carolina Biotechnology Center, and the Rural Economic Development Center, Inc. In developing this strategic plan, the Work Group shall delineate the increasing role of biotechnology in the development of biofuels and may consult with all of the following:

- (1) The Department of Administration.
- (2) The Department of Agriculture and Consumer Services.
- (3) The Department of Commerce.
- (4) The Department of Environment and Natural Resources.
- (5) The Department of Transportation.
- (6) The University of North Carolina System.
- (7) The Community College System.
- (8) The North Carolina Solar Center at North Carolina State University.
- (9) The North Carolina Farm Bureau Federation.
- (10) The North Carolina State Grange.
- (11) The North Carolina Agribusiness Council.
- (12) The North Carolina Forestry Association.
- (13) Representatives of private industry that are engaged in biotechnology and the biofuels industry.
- (14) Any other entity that the Biofuels Industry Strategic Plan Work Group deems appropriate, particularly entities that are engaged in biotechnology and the biofuels industry.

SECTION 3.2. The Biofuels Industry Strategic Plan Work Group shall submit an interim report on the development of the strategic plan, including any preliminary findings, recommendations, and legislative proposals, to the Environmental Review Commission no later than 15 January 2007. The Biofuels Industry Strategic Plan Work Group shall submit a final report on the development of the strategic plan, including any findings, recommendations, and legislative proposals, to the Environmental Review Commission no later than 1 April 2007.

PART IV. CONDUCT STUDY TO IMPROVE ENERGY AND WATER CONSERVATION IN STATE-OWNED FACILITIES

SECTION 4.1. In an effort to improve energy and water conservation by State departments, agencies, and institutions, the Joint Legislative Oversight Committee on Capital Improvements shall study the following:

- (1) The role of repair and renovation investments and related costs in reducing energy and water use in existing State-owned facilities by twenty percent (20%) by January 1, 2012.
- (2) The construction and design of new facilities, facility additions, and facility renovations with the goal of reducing energy and water use by twenty percent (20%) by January 1, 2012.

- (3) The State's method of funding and planning capital projects to improve the integration of long-term operating costs, such as energy and water use, into the design of State facilities.
- (4) The State's method of funding utility costs for State facilities and whether this method of funding creates adequate incentives for State departments, agencies, and institutions to reduce energy and water use, thereby reducing the State's utility costs.
- (5) The costs and benefits of constructing green buildings, Leadership in Energy and Environmental Design (LEED) certified buildings, building commissioning, and other design and construction techniques when constructing new State-owned facilities, facility additions, and facility renovations.
- (6) The relationship of guaranteed energy savings contracts to the State's investment in State-owned capital facilities.
- (7) Any other issue the Committee determines is pertinent to the reduction of energy and water use in State-owned facilities.

SECTION 4.2. No later than February 1, 2007, the Joint Legislative Oversight Committee on Capital Improvements shall submit a report, including any recommendations or legislative proposals, to the 2007 General Assembly.

PART IVA. CONDUCT STUDY OF THE NORTH CAROLINA UTILITIES COMMISSION REGULATING THE PRODUCTION AND DISTRIBUTION OF GASOLINE AND OTHER RELATED PETROLEUM PRODUCTS

SECTION 4A.1. The General Assembly finds that the cost, availability, and distribution of gasoline and other related petroleum products have become as critical to the general public and the State's economy as electric power, natural gas, and other public utilities currently regulated by the North Carolina Utilities Commission. Accordingly, the Joint Legislative Utility Review Committee established under Article 12A of Chapter 120 of the General Statutes shall study the desirability and the feasibility of the North Carolina Utilities Commission regulating the production and distribution of gasoline and other related petroleum products as a public utility.

SECTION 4A.2. No later than February 1, 2007, the Joint Legislative Utility Review Committee shall submit a report, including its findings and any recommendations or legislative proposals, to the 2007 General Assembly.

PART V. EFFECTIVE DATE

SECTION 5. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 27th day of July, 2006.

s/ Beverly E. Perdue
President of the Senate

s/ James B. Black
Speaker of the House of Representatives

s/ Michael F. Easley
Governor

Approved 9:46 a.m. this 8th day of August, 2006