

## **Chapter 113B.**

### **North Carolina Energy Policy Act of 1975.**

#### **Article 1.**

(Repealed) Energy Policy Council.

**§ 113B-1. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-2. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-3. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-4. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-5. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-6. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-7. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-8. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-9. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-10. Repealed by Session Laws 2009-446, s. 7, effective August 7, 2009.**

**§ 113B-11. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§ 113B-12. Repealed by Session Laws 2024-57, s. 3F.2(a), effective December 11, 2024.**

**§§ 113B-13 through 113B-19. Reserved for future codification purposes.**

#### **Article 2.**

Energy Crisis Administration.

### **§ 113B-20. Definition; declaration of energy crisis.**

(a) Definition. – For purposes of this Article an energy crisis is a period of time during which the health, welfare or safety of the citizens of North Carolina are threatened by reason of an actual or impending acute shortage in usable, necessary energy resources.

(b) Declaration by Governor. – Upon a finding by the Governor that the conditions stated in subsection (a) do exist, the Governor may declare the existence of an energy crisis. (1975, c. 877, s. 4; 2024-57, s. 3F.2(b).)

### **§ 113B-20.1. Emergency Energy Program; components.**

(a) The Utilities Commission shall, in accordance with the provisions of this Article, develop contingency and emergency plans to deal with possible shortages of energy to protect public health, safety, and welfare, such plans to be compiled into an Emergency Energy Program.

- (b) If required for an update of the program provided under subsection (i) of this section:
- (1) Each electric utility and natural gas utility in the State shall prepare and submit to the Utilities Commission a proposed emergency curtailment plan setting forth proposals for identifying priority loads or users in the event of the declaration of an energy crisis pursuant to G.S. 113B-20 and proposals for supply allocation to such priority loads or users. Utilities regulated under Chapter 62 of the General Statutes may satisfy this requirement by submitting the General Load Reduction and System Restoration Plan that is prepared annually for the Utilities Commission.
  - (2) Each major oil producer doing business in this State as determined by the Utilities Commission shall prepare and submit to the Utilities Commission an analysis of how any national supply curtailment pursuant to federal regulations shall affect the supply for North Carolina and how priority users will be determined and available supplies allocated to such users.

(c) The Utilities Commission shall encourage the preparation of joint emergency curtailment plans and analyses. If such cooperative plans and analyses are developed between two or more utilities, major producers, or by an association of such companies, the joint plans or analyses may be submitted to the Utilities Commission in lieu of information required pursuant to subsection (b) of this section.

(d) The Utilities Commission shall collect from all relevant governmental agencies any existing contingency plans for dealing with sudden energy shortages or information related thereto.

(e) The Utilities Commission shall approve and recommend to the Governor guidelines for emergency curtailment to be known as the Emergency Energy Program and to be implemented upon adoption by the Governor after the declaration of an energy crisis and pursuant to G.S. 113B-20 and G.S. 113B-23. The program shall be based upon the plans presented to the Utilities Commission, upon independent analysis and study by the Commission, and upon information provided at the hearing or hearings, provided, however, that they are consistent with such federal programs and regulations as are already in effect at that time.

(f) The Emergency Energy Program shall provide for the maintenance of essential services, the protection of public health, safety, and welfare, and the maintenance of a sound basic State economy. For utilities regulated under Chapter 62 of the General Statutes, the program shall be consistent with the General Load Reduction and System Restoration Plan that is prepared annually for the Utilities Commission. Provisions also shall be made in the program to differentiate curtailment of energy consumption by users on the basis of ability to accommodate such curtailments and shall also include all of the following:

- (1) A variety of strategies and staged conservation measures of increasing intensity and authority to reduce energy use during an energy crisis, as defined in G.S. 113B-20, and guidelines and criteria for allocation of energy sources to priority users. The program shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and to allow a choice of appropriate responses.
- (2) Evidence that the program is consistent with requirements of federal emergency energy conservation and allocation laws and regulations.
- (3) Proposals to assist such individuals, institutions, agriculture, and businesses which have engaged in energy saving measures.

(g) The Utilities Commission shall carry out such investigations and studies as are necessary to determine if and when potentially serious shortages of energy are likely to affect North Carolina and the Commission shall make recommendations to the Governor concerning administrative and legislative actions required to avert such shortages, such recommendations to be included as a section of the Emergency Energy Program.

(h) In addition to the above information and recommendations, the program shall contain proposals for implementation of such recommendations which include procedures, rules and regulations, and agency administrative responsibilities for implementation and shall further contain procedures for fair and equitable review of complaints and requests for special exemptions from emergency conservation measures or emergency allocations.

(i) The Commission shall update the Emergency Energy Program upon finding that an update is justified.

(j) The Governor shall have the authority to accept, administer, and enforce federal programs, program measures, and permissive delegations of authority delegated to the Governor by the President of the United States, Congress, or the United States Department of Energy, on behalf of the State of North Carolina, which pertain to actions necessary to deal with an actual or impending energy shortage. (2024-57, s. 3F.2(b).)

#### **§ 113B-21. Creation of Legislative Committee on Energy Crisis Management.**

(a) Upon the declaration of an energy crisis by the Governor, a Legislative Committee on Energy Crisis Management shall be created to consist of the Speaker, the Speaker Pro Tempore of the House of Representatives, the President Pro Tempore of the Senate, and the majority leader of the Senate.

(b) The Legislative Committee shall convene within 24 hours following the declaration of an energy crisis, as provided in G.S. 113B-20.

(c) Members of the Legislative Committee shall be reimbursed for their services pursuant to the provisions of G.S. 138-5. (1975, c. 877, s. 4; 1977, c. 23, s. 1; 1983 (Reg. Sess., 1984), c. 1034, s. 135; 2013-365, s. 8(j); 2024-57, s. 3F.2(b).)

#### **§ 113B-22. Procedures for adopting emergency proposals; emergency powers.**

(a) Upon the declaration of an energy crisis, the Governor shall submit to the Legislative Committee for its prompt consideration such emergency orders, rules and regulations as deemed necessary to alleviate the effects of the energy crisis.

(b) The Governor shall immediately consult with the Legislative Committee about the emergency proposals. The emergency orders, rules, or regulations shall become effective at a time specified by the Governor, but no earlier than 48 hours after submission to the Legislative Committee, provided that they may take effect only if approved by a majority vote of the Council of State after the Council makes a finding that an energy crisis exists.

(c) No order, rule, or regulation promulgated under the provisions of this section shall remain in effect for more than 48 hours unless the Governor consults with the Legislative Committee. Such consultation is separate and apart from the consultation required by subsection (a) of this section.

(d) The Governor's orders, rules and regulations, promulgated, subject to consultation with the Legislative Committee, pursuant to this section, may also include, by way of further enumerated example rather than limitation, provisions for the establishment and implementation of programs, controls, standards, priorities, and quotas for the allocation, conservation and

consumption of energy resources; the suspension and modification of existing standards and requirements affecting or affected by the use of energy resources, including those relating to air quality control and the hours and days during which public buildings may or may not be required to remain open; and the establishment and implementation of regional programs and agreements for the purposes of coordinating the energy resource programs and actions of the State with those of the federal government and of other states and localities. (1975, c. 877, s. 4; 1983 (Reg. Sess., 1984), c. 1034, ss. 136, 137; 2024-57, s. 3F.2(b).)

#### **§ 113B-23. Administration of plans and procedures.**

(a) Upon the declaration of an energy crisis, pursuant to G.S. 113B-20, the Utilities Commission shall become the emergency energy coordinating body for the State and shall carry out all of the following duties:

- (1) Identify and determine the nature and severity of expected energy shortages.
- (2) Provide for daily communications with and gather information from significant energy producers, distributors, transporters and major consumers, as determined by the Utilities Commission, to carry out its responsibilities pursuant to this section.
- (3) Provide data, carry out continuing assessments of the crisis situation, and make recommendations to the Governor and to the Legislative Committee on Energy Crisis Management for further action.

(b) Upon the declaration of an energy crisis, the Governor shall order the Utilities Commission and other appropriate State and local agencies to implement and enforce the Emergency Energy Program pursuant to G.S. 113B-20.1 and any emergency rules, orders, or regulations approved pursuant to G.S. 113B-22.

(c) Upon the declaration of an energy crisis, the Governor may employ such measures and give such direction to State and local offices and agencies as may be reasonable and necessary for the purpose of securing compliance with the provisions of this Article and with emergency rules, orders and regulations issued pursuant to G.S. 113B-22. (1975, c. 877, s. 4; 1983 (Reg. Sess., 1984), c. 1034, s. 138; 2013-365, s. 8(k); 2024-57, s. 3F.2(b).)

#### **§ 113B-24. Enforcement; penalties for violations.**

(a) The Attorney General and the law-enforcement authorities of the State and its political subdivisions shall enforce the provisions of this Article and all orders, rules and regulations promulgated pursuant to G.S. 113B-22.

(b) Any person who violates this Article or any rules, orders or regulations promulgated pursuant to G.S. 113B-22 or knowingly or willfully submits false information in any report required herein shall be guilty of a Class 1 misdemeanor.

(c) The provisions of this Article or any rules, orders or regulations promulgated pursuant to G.S. 113B-22 may be enforced by bringing an action to enjoin such acts or practices as may be in violation and, upon a proper showing, a temporary restraining order or a preliminary or permanent injunction shall be issued. The relief sought may include a mandatory injunction commanding any person to comply with any such order, rule or regulation and restitution of money received in violation of any such order, rule or regulation. The Attorney General shall bring any action under this subsection upon the request of the Governor, the Legislative Committee on Energy Crisis Management, the Utilities Commission, or upon the Attorney General's direction if such action is deemed advisable and in the public interest. The Attorney General may institute such action in the

Superior Court of Wake County, or, in the Attorney General's discretion, in the superior court of the county in which the acts or practices constituting a violation occurred, are occurring or may occur. (1975, c. 877, s. 4; 1993, c. 539, s. 878; 1994, Ex. Sess., c. 24, s. 14(c); 2024-57, s. 3F.2(b).)

### Article 3.

#### Revenues From Offshore Energy Production.

#### **§ 113B-30. (Contingent effective date – see notes) Allocation of revenues from offshore energy production; creation of Offshore Energy Management Fund.**

(a) Any revenues and royalties paid to the State as a result of offshore leasing, exploration, development, and production of all energy resources shall be deposited in the Offshore Emergency Fund until the Fund reaches two hundred fifty million dollars (\$250,000,000). The Offshore Energy Management Fund is an interest-bearing special revenue fund to be established within the State treasury. This Fund shall be used only for emergency preparation, emergency response, emergency environmental protection, or mitigation associated with a release of liquid hydrocarbons or associated fluids directly related to offshore energy exploration, development, production, or transmission. Once the Fund balance reaches the amount of two hundred fifty million dollars (\$250,000,000), the funds shall be used as provided in subsection (b) of this section. If monies are withdrawn from this Fund to carry out the provisions in this section, all revenues and royalties paid to the State as a result of offshore leasing, exploration, development, and production of all energy resources shall be deposited in the Fund until a total of two hundred fifty million dollars (\$250,000,000) is reestablished. Once the Fund balance reaches the amount of two hundred fifty million dollars (\$250,000,000), the funds shall be used as provided in subsection (b) of this section.

(b) Any revenues and royalties paid to the State as a result of offshore leasing, exploration, development, and production of all energy resources in excess of the amount needed to establish the Fund created in subsection (a) of this section are annually appropriated and shall be used for the following purposes:

- (1) Seventy-five percent (75%) of such revenues and royalties shall be credited to the General Fund.
- (2) Five percent (5%) of such revenues and royalties shall be credited to the North Carolina Highway Trust Fund established under G.S. 136-176.
- (3) Five percent (5%) of such revenues and royalties shall be transferred to the Community Colleges System Office to establish and manage a fund for curriculum development and implementation as well as financial assistance for students attending community college to receive vocational training through this curriculum in fields directly related to energy exploration and development and related energy infrastructure.
- (4) Five percent (5%) of such revenues and royalties shall be transferred to the Board of Governors of The University of North Carolina System to establish and manage research and development funds for programs directly related to energy research and development.
- (5) Five percent (5%) of such revenues and royalties shall be transferred to the Department of Environmental Quality for conservation, protection, and mitigation, including, but not limited to, beach and inlet management projects, dredging operations, channel navigation and maintenance, public beach and water access, water quality management, and habitat restoration.

- (6) Three percent (3%) of such revenues and royalties shall be transferred to the State Ports Authority for expansion and maintenance of State Port infrastructure associated with energy-related commerce.
- (7) Two percent (2%) of such revenues and royalties shall be transferred to the Department of Commerce for recruitment of energy-related industries to the State. (2013-365, s. 6; 2015-241, s. 14.30(u).)