March 24, 2005

S 1085. RENEWABLE ENERGY PORTFOLIO STANDARD. *TO PROMOTE THE DEVELOPMENT OF RENEWABLE ENERGY IN THE STATE THROUGH IMPLEMENTATION OF A RENEWABLE ENERGY PORTFOLIO STANDARD*. Amends GS 62-2(a) to make it a policy of the State to promote the diversification of energy resources and private investment in renewable energy resources. Enacts new GS 62-155.1 requiring that beginning on January 1, 2007, at least 1% of the kilowatt hours of electricity sold to retail electric customers (means direct purchasers of electric power) in NC by each electricity supplier (includes public utilities, electric membership corporations, and municipalities that sell electricity to retail electric customers) be generated from renewable energy resources (includes solar, wind, small hydroelectric, geothermal, methane gas, and biomass energy). Percentage is to increase annually so that by January 1, 2016, at least 10% of the kilowatt hours of electricity sold to cited NC customers will be so generated.

Requires NC Utilities Comm'n to initiate a proceeding and adopt rules implementing the section's provisions. Authorizes Comm'n to adopt a procedure as an alternative to the public utility rate-fixing procedure in GS 62-133, to adjust the rates due solely to the costs of complying with new statute. Beginning on January 1, 2007, Comm'n is to track the amount of electricity from renewable resources sold in State in order to measure progress toward goal cited above. Comm'n must report by January 1 each year to Joint Legislative Utility Review Committee and to Environmental Review Comm'n on percentage of such electricity sold in State. First report must be submitted by January 1, 2008.

Intro. by Albertson.

Ref. to Agriculture GS 62

August 11, 2005

S 1085. RENEWABLE ENERGY PORTFOLIO STANDARD (NEW). Intro. 3/24/05. Senate committee substitute deletes all provisions of 1st edition and replaces it with *AN ACT TO PROMOTE THE DEVELOPMENT OF RENEWABLE ENERGY DERIVED FROM CERTAIN FORMS OF BIOMASS IN ORDER TO MAKE THE ENVIRONMENTALLY SUPERIOR DISPOSAL OF ANIMAL WASTE ECONOMICALLY FEASIBLE AND IN ORDER TO PROTECT THE ENVIRONMENT BY PROMOTING THE RECOVERY OF CHEMICALS USED IN THE WOOD PULPING PROCESS, TO EXTEND CERTAIN TAX CREDITS FOR INVESTING IN RENEWABLE ENERGY, TO REQUIRE THAT CERTAIN ENTITIES THAT RECEIVE ECONOMIC DEVELOPMENT INCENTIVES PARTICIPATE IN THE NC GREENPOWER PROGRAM, TO REQUIRE THE UTILITIES COMMISSION TO REPORT ANNUALLY ON INTERCONNECTIVITY, AND TO APPROPRIATE FUNDS TO PROMOTE THE DEVELOPMENT OF BIOMASS ENERGY*. Includes new definitions of "biomass" and "biomass energy" applicable to the bill only. Amends GS 105-129.16A, effective beginning with the 2006 tax year, to increase the ceiling on the credit for investing in renewable energy nonresidential property from $250,000 to $2.5 million and to include pool heating in the residential property ceiling for solar energy equipment. Delays sunset until January 1, 2011. Effective beginning with the 2006 tax year, provides that in order to be eligible for the following tax credits, a taxpayer must make a qualifying contribution to NC GreenPower Corporation in the year the taxpayer engages in the activity for which the taxpayer claims a credit and in each year the taxpayer claims an installment or carryforward of a credit: Bill Lee credits, recycling facility, research and development, computer manufacturing facility, and cigarette manufacturing for export. Also provides that in order to qualify for a job development investment grant, business must make qualifying contribution to GreenPower, effective when bill becomes law. Defines "qualifying contribution."

Requires that by November 1 of each year the NC Utilities Comm'n submit a report to the Joint Legislative Review Committee that outlines technical considerations governing the interconnection of small independent power producers to the electric power grid. Appropriates from the General Fund to the State Energy Office $1 million for 2005-06 and $1 million for 2006-07 and requires that those funds be allocated to NC GreenPower to be used to supplement the amount required to be paid by an electric utility as avoided cost under GS 62-156(b) to purchase up to 100 megawatt-hours of biomass energy per fiscal year. Sets forth additional conditions for

NC GreenPower's receipt of funds. Also requires that State Energy Office and NC GreenPower spend funds in a manner that provides generators of biomass a means to manage and dispose of biomass without adding to any profit derived by biomass generators from the underlying activities that generate the biomass. Makes technical and conforming changes.