

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 2194\***

Short Title: Energy Emergencies Preparedness. (Public)

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Sponsors: Representatives Cunningham, McComas (Primary Sponsors); Coleman, Goforth, Harrison, Insko, Lucas, McAllister, Rapp, Underhill, Wainwright, and Wray.

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Referred to: Appropriations.

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May 18, 2006

A BILL TO BE ENTITLED

1  
2 AN ACT TO UPDATE THE NORTH CAROLINA ENERGY EMERGENCY PLAN,  
3 TO IMPROVE PLANNING AND COORDINATION FOR AN ENERGY  
4 EMERGENCY OR ENERGY CRISIS AMONG ALL LEVELS OF  
5 GOVERNMENT, AND TO APPROPRIATE FUNDS, AS RECOMMENDED BY  
6 THE JOINT STUDY COMMITTEE ON EMERGENCY PREPAREDNESS AND  
7 DISASTER MANAGEMENT RECOVERY.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** The General Assembly makes the following findings:

- 10 (1) Ninety percent (90%) of the petroleum used for fuel in North Carolina  
11 reaches this State via two pipelines that originate in the Gulf coast  
12 region.
- 13 (2) In the summer and fall of 2005, Hurricanes Katrina and Rita caused  
14 severe damage to Gulf coast refineries and to the pipelines that supply  
15 fuel to North Carolina. North Carolina experienced major disruptions  
16 in its petroleum supplies that almost reached emergency proportions.
- 17 (3) As a result of the disruptions, the Governor curtailed all nonessential  
18 travel by State agencies. In addition, units of local government were in  
19 danger of not having sufficient fuel to supply their first responder and  
20 other vital services.
- 21 (4) The State and units of local government purchase their fuel through the  
22 State's competitive bidding procedure under Article 3 of Chapter 143  
23 of the General Statutes, which requires the contract to be awarded to  
24 the lowest bidder. The contracts for fuel purchases by the State and by  
25 units of local government are awarded to independent fuel distributors  
26 whose supplies were the first to be curtailed during the fuel disruptions  
27 this summer. Consequently, neither the State nor units of local

1 government had contracts with fuel distributors that ensured that their  
2 most vital fuel needs would receive priority during this summer's  
3 supply disruptions.

4 (5) The North Carolina Energy Emergency Plan is produced by the State  
5 Energy Office as part of the North Carolina Emergency Operations  
6 Plan. The North Carolina Emergency Operations Plan was developed  
7 by the Department of Crime Control and Public Safety under  
8 G.S. 166A-5. Under the North Carolina Emergency Operations Plan,  
9 the State Energy Office of the Department of Administration is the  
10 lead technical agency responsible for responding to and recovering  
11 from fuel shortages in the State.

12 (6) The North Carolina Energy Emergency Plan is designed to do all of  
13 the following:

- 14 a. Determine North Carolina's essential energy facilities.
- 15 b. Assess potential threats and possible consequences of energy  
16 disruptions.
- 17 c. Identify response measures and options.
- 18 d. Coordinate local, State, and federal governments and their  
19 agencies.

20 (7) The North Carolina Energy Emergency Plan was last revised in 2003.  
21 The North Carolina Energy Emergency Plan does not adequately  
22 address the type of emergency the State experienced last summer, a  
23 natural disaster, or a serious terrorist attack on infrastructure.

24 (8) Better coordination and planning is needed within and among State  
25 agencies, federal agencies, and units of local government to ensure that  
26 public fuel supply requirements are properly prioritized during an  
27 energy emergency or energy crisis and to ensure that critical and  
28 emergency governmental functions can be maintained during an  
29 energy emergency or energy crisis.

30 **SECTION 2.** The State Energy Office shall update the North Carolina  
31 Energy Emergency Plan consistent with the findings under Section 1 of this act. In  
32 order to accomplish this task, the State Energy Office shall conduct a study of the  
33 State's ability to adequately respond to an energy emergency or energy crisis of a high  
34 magnitude. As part of this study, the State Energy Office shall:

- 35 (1) Review and recommend the revision of existing energy emergency  
36 plans of appropriate State agencies and units of local government or  
37 recommend to a particular unit of government that it should develop an  
38 energy emergency plan, if it currently has none.
- 39 (2) Clarify the roles and responsibilities among State and federal agencies  
40 and units of local government in the event of an emergency petroleum  
41 shortage.

42 **SECTION 3.** The State Energy Office shall report its findings,  
43 recommendations, and its draft updated North Carolina Energy Emergency Plan to the  
44 Joint Study Committee on Emergency Preparedness and Disaster Management

1 Recovery no later than November 1, 2006. All recommendations to the Committee  
2 shall include a cost estimate of the recommended undertaking.

3           **SECTION 4.** The State Energy Office, in conjunction with the Office of  
4 State Purchase and Contract, shall review the current contracts for fuel for State  
5 purchases and purchases by units of local government and determine whether they  
6 adequately assure that the State and units of local government would not experience any  
7 supply disruptions for their highest fuel needs during an emergency fuel shortage.

8           **SECTION 5.** There is appropriated from the General Fund to the State  
9 Energy Office of the Department of Administration the sum of forty thousand dollars  
10 (\$40,000) for the 2006-2007 fiscal year for its costs to implement this act.

11           **SECTION 6.** This act becomes effective July 1, 2006.