

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE DRS85197-LD-70 (3/11)

Short Title: Energy Credit Banking/Selling Program/Fund. (Public)

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Sponsors: Senators Jenkins, and Albertson.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A BANKING AND SELLING PROGRAM FOR CREDITS  
ISSUED UNDER THE FEDERAL ENERGY POLICY ACT IN ORDER TO  
GENERATE FUNDS FOR THE USE OF ALTERNATIVE FUELS AND  
ALTERNATIVE FUELED VEHICLES BY STATE DEPARTMENTS,  
INSTITUTIONS, AND AGENCIES; AND TO IMPROVE AIR QUALITY.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 3 of Chapter 143 of the General Statutes is amended by  
adding two new sections to read:

**"§ 143-58.4. Energy credit banking and selling program.**

(a) Establish Program. – The State Energy Office of the Department of  
Administration, in cooperation with State departments, institutions, and agencies, shall  
establish and administer an energy credit banking and selling program to allow State  
departments, institutions, and agencies to use moneys generated by the sale of EAct  
credits to purchase alternative fuel, develop alternative fuel refueling infrastructure, and  
purchase AFVs for use by State departments, institutions, and agencies. Each State  
department, institution, and agency shall provide the State Energy Office with all  
vehicle fleet information necessary to determine the number of EAct credits generated  
annually by the State. The State Energy Office may sell credits in any manner that is in  
accordance with the provisions of the Energy Policy Act.

(b) Adopt Rules. – The Department shall adopt rules as necessary to implement  
this section and G.S. 143-58.5.

(c) Definitions. – The following definitions apply to this section and  
G.S. 143-58.5:

(1) 'AFV' means a hybrid electric vehicle that derives its transportation  
energy from gasoline and electricity. AFV also means an original

1 equipment manufactured vehicle that operates on compressed natural  
2 gas, propane, or electricity.

3 (2) 'Alternative fuel' means biodiesel, ethanol, compressed natural gas,  
4 propane, and electricity used as a transportation fuel in blends or in a  
5 manner as defined by the Energy Policy Act.

6 (3) 'Energy Policy Act' means the federal Energy Policy Act, 42 U.S.C.  
7 § 13201, et seq.

8 (4) 'EPA credit' means a credit issued pursuant to the Energy Policy Act.

9 (5) 'Incremental cost' means the difference in cost between an alternative  
10 fuel and conventional petroleum fuel at the time the fuel is purchased.  
11 Incremental cost also means the difference in cost between an AFV  
12 and conventional vehicle of the same make and model. For vehicles  
13 with no comparable conventional model, incremental costs means the  
14 incremental cost that the industry accepts as the incremental cost.

15 **"§ 143-58.5. Alternative Fuel Revolving Fund.**

16 (a) The Alternative Fuel Revolving Fund is created and shall be held by the State  
17 Treasurer. The Fund shall consist of moneys received from the sale of EPA credits  
18 under G.S. 143-58.4, any moneys appropriated to the Fund by the General Assembly,  
19 and any moneys obtained or accepted by the Department for deposit into the Fund. The  
20 Fund shall be managed to maximize benefits to the State for the purchase of alternative  
21 fuel, related refueling infrastructure, and AFV purchases. To the extent possible,  
22 benefits from the sale of EPA credit shall be distributed to State departments,  
23 institutions, and agencies in proportion to the number of EPA credits generated by  
24 each. No portion of the Fund shall be transferred to the General Fund, and any  
25 appropriation made to the Fund shall not revert. The State Treasurer shall invest moneys  
26 in the Fund in the same manner as other funds are invested. Interest and moneys earned  
27 on such investments shall be credited to the Fund.

28 (b) The Fund shall be used to pay for the incremental cost of biodiesel fuel with a  
29 minimum biodiesel concentration of B-20 for use in State vehicles, for the purchase of  
30 ethanol fuel with a minimum ethanol concentration of E-85 for use in State vehicles, the  
31 incremental cost of purchasing AFVs, for the development of related refueling  
32 infrastructure, and for the costs of administering the Fund.

33 (c) No later than January 31 of each year, the Department shall submit an annual  
34 report to the General Assembly on the expenditures from the Fund during the preceding  
35 fiscal year."

36 **SECTION 2.** Article 2 of Chapter 136 of the General Statutes is amended by  
37 adding a new section to read:

38 **"§ 136-28.13. Participation in the energy credit banking and selling program.**

39 The Department of Transportation shall participate in the energy credit banking and  
40 selling program under G.S. 143-58.4 and is eligible to receive proceeds from the  
41 Alternative Fuel Revolving Fund under G.S. 143-58.5 to purchase alternative fuel,  
42 develop alternative fuel refueling infrastructure, or purchase AFVs as defined in  
43 G.S. 143-58.4."

44 **SECTION 3.** G.S. 143-341(8)i. reads as rewritten:

1 "i. To establish and operate a central motor pool and such  
2 subsidiary related facilities as the Secretary may deem  
3 necessary, and to that end:

4 1. To establish and operate central facilities for the  
5 maintenance, repair, and storage of state-owned  
6 passenger motor vehicles for the use of State agencies; to  
7 utilize any available State facilities for that purpose; and  
8 to establish such subsidiary facilities as the Secretary  
9 may deem necessary.

10 2. To acquire passenger motor vehicles by transfer from  
11 other State agencies and by purchase. All motor vehicles  
12 transferred to or purchased by the Department shall  
13 become part of a central motor pool.

14 2a. To participate in the energy credit banking and selling  
15 program under G.S. 143-58.4. The Department of  
16 Administration, Division of Motor Fleet Management, is  
17 eligible to receive proceeds from the Alternative Fuel  
18 Revolving Fund under G.S. 143-58.5 to purchase  
19 alternative fuel, develop alternative fuel refueling  
20 infrastructure, or purchase AFVs as defined in  
21 G.S. 143-58.4.

22 ...."

23 **SECTION 4.** This act becomes effective January 1, 2006.