

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 1149  
Agriculture/Environment/Natural Resources Committee Substitute Adopted  
8/11/05

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

Sponsors:

Referred to:

March 24, 2005

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH A BANKING AND SELLING PROGRAM FOR CREDITS  
3 ISSUED UNDER THE FEDERAL ENERGY POLICY ACT IN ORDER TO  
4 GENERATE FUNDS FOR THE USE OF ALTERNATIVE FUELS AND  
5 ALTERNATIVE FUELED VEHICLES BY STATE DEPARTMENTS,  
6 INSTITUTIONS, AND AGENCIES.

7 The General Assembly of North Carolina enacts:

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

10 **"§ 143-58.4. Energy credit banking and selling program.**

11 (a) As used in this section:

12 (1) 'AFV' means a hybrid electric vehicle that derives its transportation  
13 energy from gasoline and electricity. AFV also means an original  
14 equipment manufactured vehicle that operates on compressed natural  
15 gas, propane, or electricity.

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

19 (3) 'B-20' means a blend of twenty percent (20%) by volume biodiesel fuel  
20 and eighty percent (80%) by volume petroleum-based diesel fuel.

21 (4) 'Department' means the Department of Administration.

22 (5) 'Energy Policy Act' means the federal Energy Policy Act of 1992, Pub.  
23 L. No. 102-486, 106 Stat. 2782, 42 U.S.C. § 13201, et seq.

24 (6) 'EPAct credit' means a credit issued pursuant to the Energy Policy Act.

25 (7) 'E-85' means a blend of eighty-five percent (85%) by volume ethanol  
26 and fifteen percent (15%) by volume gasoline.

1           (8) 'Incremental fuel cost' means the difference in cost between an  
2 alternative fuel and conventional petroleum fuel at the time the fuel is  
3 purchased.

4           (9) 'Incremental vehicle cost' means the difference in cost between an  
5 AFV and conventional vehicle of the same make and model. For  
6 vehicles with no comparable conventional model, incremental vehicle  
7 cost means the generally accepted difference in cost between an AFV  
8 and a similar conventional model.

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

19           (c) Adopt Rules. – The Secretary of Administration shall adopt rules as necessary  
20 to implement this section.

21 **"§ 143-58.5. Alternative Fuel Revolving Fund.**

22           (a) The definitions set out in G.S. 143-58.4 apply to this section.

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

35           (c) The Fund shall be used to offset the incremental fuel cost of biodiesel fuel  
36 with a minimum biodiesel concentration of B-20 for use in State vehicles, for the  
37 purchase of ethanol fuel with a minimum ethanol concentration of E-85 for use in State  
38 vehicles, the incremental vehicle cost of purchasing AFVs, for the development of  
39 related refueling infrastructure, for the costs of administering the Fund, and for projects  
40 approved by the Energy Policy Council.

41           (d) The Secretary of Administration shall adopt rules as necessary to implement  
42 this section.

1 (e) The Department shall submit to the Joint Legislative Commission on  
2 Governmental Operations and the Fiscal Research Division no later than 1 October of  
3 each year a report on the expenditures from the Fund during the preceding fiscal year."

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

6 **"§ 136-28.13. Participation in the energy credit banking and selling program.**

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

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

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

16 1. To establish and operate central facilities for the  
17 maintenance, repair, and storage of state-owned  
18 passenger motor vehicles for the use of State agencies; to  
19 utilize any available State facilities for that purpose; and  
20 to establish such subsidiary facilities as the Secretary  
21 may deem necessary.

22 2. To acquire passenger motor vehicles by transfer from  
23 other State agencies and by purchase. All motor vehicles  
24 transferred to or purchased by the Department shall  
25 become part of a central motor pool.

26 2a. To participate in the energy credit banking and selling  
27 program under G.S. 143-58.4. The Division of Motor  
28 Fleet Management of the Department of Administration  
29 is eligible to receive proceeds from the Alternative Fuel  
30 Revolving Fund under G.S. 143-58.5 to purchase  
31 alternative fuel, develop alternative fuel refueling  
32 infrastructure, or purchase AFVs as defined in  
33 G.S. 143-58.4.

34 ...."

35 **SECTION 4.** This act becomes effective 1 January 2006.