

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE BILL 1660**

Short Title: University/Community College Energy Savings. (Public)

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Sponsors: Representatives Fisher, Goforth, Thomas (Primary Sponsors); Faison, Harrison, Insko, and Wray.

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Referred to: Energy and Energy Efficiency, if favorable, Appropriations.

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April 19, 2007

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT ANY ENERGY SAVINGS REALIZED BY  
2 CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH  
3 CAROLINA AND BY COMMUNITY COLLEGES WITHIN THE NORTH  
4 CAROLINA COMMUNITY COLLEGE SYSTEM MAY REMAIN AVAILABLE  
5 TO THE INSTITUTION OR COMMUNITY COLLEGE FOR OTHER FACILITY  
6 UPGRADES RELATED TO REDUCING ENERGY AND WATER  
7 CONSUMPTION AT THE INSTITUTION OR COMMUNITY COLLEGE.  
8

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** Article 3B of Chapter 143 of the General Statutes is amended  
11 by adding a new Part to read:

12 "Part 3. Energy Conservation Encouraged at State Universities and Community  
13 Colleges.

14 **"§ 143-64.30. Energy conservation encouraged at universities and community**  
15 **colleges; energy savings available for further energy conservation.**

16 (a) State Policy. – It is the policy of this State to include in its State plans for  
17 energy use the financial tools for The University of North Carolina and the North  
18 Carolina Community College System to be able to upgrade existing facilities so that  
19 energy conservation measures can be implemented in order to reduce energy and water  
20 consumption. Accordingly, the utility budget of a constituent institution of The  
21 University of North Carolina or a community college within the North Carolina  
22 Community College System shall not be decreased by the amount that represents energy  
23 savings, but shall be made available for implementing further energy conservation  
24 measures at the university as provided in G.S. 116-35.1 and at the community college as  
25 provided in G.S. 115D-58.16, so long as the university or community college complies  
26 with the requirements of this Part.

27 (b) Establish Baseline. – Each constituent institution college seeking to use  
28 energy savings for further energy conservation under G.S. 116-35.1 and each

1 community college seeking to use energy savings for further energy conservation under  
2 G.S. 115D-58.16 shall conduct an energy consumption analysis of its facilities in order  
3 to establish a baseline for energy and water consumption for a facility before an energy  
4 conservation measure is implemented. Each constituent institution and each community  
5 college shall monitor and calculate energy and water use for each of its facilities.

6 (c) Proposal Required. – Prior to a constituent institution or a community college  
7 implementing an energy conservation measure under this Part, the institution or  
8 community college shall submit to the Energy Office a proposal that provides an  
9 estimate of all costs associated with implementing the energy conservation measure,  
10 including preinstallation costs; the cost of analyzing the projected energy savings;  
11 design costs, engineering costs, installation costs, debt service, and any costs for  
12 converting to an alternative energy source; and post-installation costs. The proposal  
13 shall include an analysis that identifies projected annual energy savings and the  
14 estimated payback period. The proposal under this section shall be approved by a  
15 licensed architect or professional engineer prior to being submitted to the Energy  
16 Office.

17 (d) Calculate Energy Savings and Payback Period. – After a constituent  
18 institution or a community college implements an energy conservation measure under  
19 this Part, the institution or the community college shall monitor and calculate actual  
20 energy savings from the energy conservation measure for the remainder of the life of the  
21 facility and shall calculate the actual payback period for each energy conservation  
22 measure implemented.

23 (e) Report Required. – Once the energy conservation measure is implemented,  
24 the constituent institution shall report to the Energy Office and the Director of the  
25 Budget or the community college shall report to the Energy Office, whichever applies.  
26 The report shall include all the information that is required to be included in the  
27 proposal under subsection (c) of this section.

28 (f) Guaranteed Energy Savings Contracts. – Subsections (b) through (d) of this  
29 section do not apply to energy conservation measures that are subject to guaranteed  
30 energy savings contracts under Part 2 of this Article.

31 (g) The Department of Administration may adopt rules to implement this Part.

32 (h) Definitions. – As used in this section, the following definitions apply:

33 (1) Energy conservation measure. – Defined in G.S. 143-64.17.

34 (2) Energy consuming system. – Defined in G.S. 143-64.11.

35 (3) Energy consumption analysis. – Defined in G.S. 143-64.11.

36 (4) Energy Office. – Defined in G.S. 143-64.11.

37 (5) Energy savings. – Defined in G.S. 143-64.17.

38 (6) Facility. – Defined in G.S. 143-64.11."

39 **SECTION 2.** Article 1 of Chapter 116 of the General Statutes is amended by  
40 adding a new section to read:

41 **"§ 116-35.1. Energy savings credited to nonreverting account.**

42 (a) The General Fund current operations appropriations credit balance remaining  
43 at the end of each fiscal year in the budget code for utilities of a constituent institution  
44 that are energy savings realized from implementing an energy conservation measure

1 under Part 3 of Article 3B of Chapter 143 of the General Statutes shall be credited to a  
2 nonreverting account for the institution to be used for only energy conservation  
3 measures for that institution. The Director of the Budget, under the authority set forth in  
4 G.S. 143C-6-2, with the assistance of the State Energy Office of the Department of  
5 Administration shall establish the General Fund current operations credit balance in the  
6 budget code for utilities that are energy savings at an institution under this section.

7 (b) The General Fund current operations appropriations credit balance remaining  
8 at the end of each fiscal year in the budget code for utilities of a constituent institution  
9 that are energy savings under this section shall not be carried forward and shall not be  
10 used for one-time expenditures under G.S. 116-30.3.

11 (c) As used in this section, 'energy savings' and 'energy conservation measure'  
12 have the same meaning as in G.S. 143-64.17."

13 **SECTION 3.** Article 5 of Chapter 115D of the General Statutes is amended  
14 by adding a new section to read:

15 "**§ 115D-58.16. Energy budget savings carried forward.**

16 The County Current Fund current operating expenses year-end credit balance in the  
17 account for utilities for a community college that are energy savings realized from  
18 implementing an energy conservation measure under Part 3 of Article 3B of Chapter  
19 143 of the General Statutes shall be transferred by the community college to a restricted  
20 Institutional Fund account and shall remain available for only energy conservation  
21 measures for that community college. As used in this section, 'energy savings' and  
22 'energy conservation measure' have the same meaning as in G.S. 143-64.17."

23 **SECTION 4.** This act becomes effective July 1, 2007, and applies to  
24 contracts entered into on or after that date.