

April 2, 2009

H 1050. INDEPENDENT ENERGY EFFICIENCY ADMINISTRATOR. Filed 4/2/09. *TO CREATE NC SAVE\$ ENERGY AS AN INDEPENDENT ENERGY EFFICIENCY ADMINISTRATOR FOR THE STATE TO ADMINISTER ENERGY EFFICIENCY AND ENERGY CONSERVATION PROGRAMS AND PROGRAMS TO PROMOTE THE SUSTAINABLE USE OF ENERGY.*

Enacts new Article 6B in GS Chapter 62, entitled Independent Energy Efficiency Administrator, to create NC SAVE\$ ENERGY, an independent nonprofit organization that manages the planning, implementation, delivery, and administration of programs to reduce the electricity and natural gas consumed in the state and to promote the sustainable use of energy. Prohibits NC SAVE\$ ENERGY from being affiliated with any of the state's electric or gas utilities, public or private. Establishes an 11-member NC SAVE\$ ENERGY Oversight Board (Board) to establish, oversee, monitor, and revise the scope of activities of NC SAVE\$ ENERGY and its budget performance targets. Provides for member qualifications, nominations, terms, restrictions, and procedures. Prohibits members from receiving financial gain from service, except per diem and necessary travel and subsistence expenses. Sets forth duties of the Board, including developing criteria for awarding contracts to (1) a state agency; (2) a local government unit; (3) an owner or operator of an institutional building; (4) a commercial business that provides energy efficiency and conservation services; (5) a utility regulated by the Utilities Commission (Commission); (6) a bank, credit union, or other financial institution; or (7) a nonprofit corporation for the purpose of implementing an energy efficiency or energy conservation program that promotes sustainable energy use in the state. Provides for staff and duties of an Executive Director. Establishes an NC SAVE\$ ENERGY Advisory Council and specifies the composition of its membership.

Establishes the NC SAVE\$ ENERGY Fund (Fund) as a special revenue fund to consist of money from (1) a public benefits fee collected by the Commission consisting of a surcharge imposed on electric and gas utility ratepayers equal to \$.0017 per kilowatt hour on residential customers and \$.02 per therm for residential natural gas customers; (2) appropriations and other state grants, including bond receipts; (3) any other grants, including federal grants or block grants; and (4) any contributions or donations. Provides for priority funding for specific programs. Prohibits more than 10% of the annual Fund balance from being used for administrative and operating expenses of the Board, its staff, and any contract administrator. Prohibits more than 10% of the annual Fund balance from being used to fund programs that provide energy efficiency improvements for institutional buildings, except for funds that are raised specifically for that purpose through grants, appropriations, and federal funding. Allows residential customers to be exempt from the public benefits surcharge if they demonstrate that they are participating in any state or federal subsidy programs designated by the Board for exemption. Requires that the Commission review the Fund annually and determine the application of the surcharge under specified guidelines. Allows the Commission to authorize any utility currently operating any energy efficiency program, by motion of the utility or any other interested person, to transfer an energy efficiency program to NC SAVE\$ ENERGY if the Commission determines it is in the public interest, which includes eliminating duplication, reducing rates or customer bills, or providing for a more effective program. The Commission may require the utility to provide operating funds for up to five years as part of the transfer.

Requires NC SAVE\$ ENERGY to assess strategies and funding mechanisms to weatherize residential units in addition to those households currently served with Weatherization Assistance Program funding. To meet this mandate, homes and rental units within economically distressed local government units must be targeted.

Establishes a NC SAVE\$ ENERGY Advisory Council to advise the Board concerning allocations made from the Fund on energy efficiency programs and other issues as required. Provides for the membership of the council.

Requires the Chair of the Board to report to the Joint Legislative Utility Review Commission and the Fiscal Research Division by October 1 of each year, with the initial report due by October 1, 2011. Specifies information to be included in the report. Also requires the Chair of the Board to report, by July 1 of each year, to the Commission on the results of monitoring and verification of energy savings, decreases in demand, and load forecasts to be included by the utilities in their annual integrated resource plan filings, with the initial Board report due by July 1, 2011.

Allows nominations to the Board to be made within 90 days of the date the act becomes law, with members appointed and the Board holding its first meeting within 120 days of that effective date.

Provides that collection of the public benefits fee commences within 90 days of when the act becomes law.

Intro. by Blue, Tolson, Glazier, Harrison.

GS 62