

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011**

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**SENATE DRS95071-LD-65H (03/22)**

Short Title: Energy Jobs Act.

(Public)

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Sponsors: Senators Rucho, Brown, and Tucker (Primary Sponsors).

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Referred to:

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A BILL TO BE ENTITLED

1  
2 AN ACT TO INCREASE ENERGY PRODUCTION IN NORTH CAROLINA TO DEVELOP  
3 A SECURE, STABLE, AND PREDICTABLE ENERGY SUPPLY TO FACILITATE  
4 ECONOMIC GROWTH, JOB CREATION, AND EXPANSION OF BUSINESS AND  
5 INDUSTRY OPPORTUNITIES AND TO ASSIGN FUTURE REVENUE FROM  
6 ENERGY EXPLORATION, DEVELOPMENT, AND PRODUCTION OF ENERGY  
7 RESOURCES IN ORDER TO PROTECT AND PRESERVE THE STATE'S NATURAL  
8 RESOURCES, CULTURAL HERITAGE, AND QUALITY OF LIFE.

9       Whereas, in April 2011, the President of the United States linked economic growth  
10 to energy independence and stated that the nation must increase its domestic energy production  
11 and efficiency while concurrently decreasing energy imports; and

12       Whereas, the United States government forecasts rising natural gas consumption,  
13 including a 40% increase in the use of natural gas for electric power generation; and

14       Whereas, North Carolina has had active offshore leases with estimated  
15 economically recoverable natural gas of approximately five trillion cubic feet specific to two  
16 individual lease blocks, each with an area of approximately nine square nautical miles; and

17       Whereas, North Carolina's 60 million acres of federal offshore waters is the largest  
18 along the Atlantic and the fourth largest in the United States; and

19       Whereas, the General Assembly authorized the creation of the Legislative Research  
20 Commission's Advisory Committee on Offshore Energy Exploration in 2008 to study offshore  
21 hydrocarbon and other energy resources; and

22       Whereas, the Legislative Research Commission's Advisory Committee on Offshore  
23 Energy Exploration heard testimony and received a report from the University of North  
24 Carolina Wind Study Group that found a yet to be quantified potential for utility-scale  
25 production of wind energy off the coast of North Carolina and possibly within eastern Pamlico  
26 Sound; and

27       Whereas, both State and federal agencies indicate a yet to be quantified potential for  
28 onshore energy resources in the State that include shale gas, nonedible biofuels crops in the  
29 agricultural and forestry industries, wind, and other alternative energy sources; and

30       Whereas, the findings in the April 2010 final report of the Legislative Research  
31 Commission's Advisory Committee on Offshore Energy Exploration noted that potentially  
32 significant energy resources exist offshore North Carolina that included quantifiable estimates  
33 from the federal government of almost 30 trillion cubic feet of natural gas in offshore North  
34 Carolina and adjacent mid-Atlantic states; and



1           Whereas, the Legislative Research Commission's Advisory Committee on Offshore  
2 Energy Exploration heard comments and received a report from the Southeast Energy Alliance  
3 that found production of natural gas and associated hydrocarbons offshore North Carolina  
4 would create more than 6,700 new job and add more than \$659 million annually to the State's  
5 Gross Domestic Product over three decades, during which time this energy production could  
6 generate almost \$10 billion in cost sharing of government revenues at an average of \$484  
7 million per year to the State; and

8           Whereas, the Legislative Research Commission's Advisory Committee on Offshore  
9 Energy Exploration recommended that production of fossil fuel and alternative energy  
10 resources in the North Carolina's outer continental shelf should include provisions for revenue  
11 and royalty sharing directed to the State of North Carolina; and

12           Whereas, the Legislative Research Commission's Advisory Committee on Offshore  
13 Energy Exploration recommended that North Carolina participate cooperatively in regional  
14 offshore energy endeavors with Virginia and South Carolina; and

15           Whereas, the General Assembly of South Carolina authorized an offshore energy  
16 study with findings in the final report, completed in 2009, recommending that the state of South  
17 Carolina should consider the development of an offshore natural gas industry with appropriate  
18 federal revenue sharing; and

19           Whereas, the General Assembly of the Commonwealth of Virginia authorized an  
20 offshore energy study of natural gas potential with findings in the final report, completed in  
21 2006, recommending exploration and development of natural gas resources offshore Virginia as  
22 well as federal revenue sharing of these resources; and

23           Whereas, during the past few years, the Governor of Virginia, the General  
24 Assembly of the Commonwealth of Virginia, and the United States Congressional delegation  
25 for Virginia continue to proactively support, put forth legislation in both the Commonwealth  
26 and in the United States Congress, and ratify legislation in the Commonwealth to move forward  
27 with energy exploration, development, and production as well as ensuring federal revenue  
28 sharing of these resources; Now, therefore,

29 The General Assembly of North Carolina enacts:

30           **SECTION 1.** Royalties and Revenue From Offshore and Onshore Energy  
31 Production. – Any revenues and royalties paid to the State as a result of offshore or onshore  
32 leasing, exploration, development, and production of all energy resources shall be appropriated  
33 and used for the following purposes:

- 34           (1) Twenty-five percent (25%) of such revenues and royalties shall be credited  
35 to the General Fund.
- 36           (2) Twenty percent (20%) of such revenues and royalties shall be credited to the  
37 Highway Trust Fund established under G.S. 136-176.
- 38           (3) Fifteen percent (15%) of such revenues and royalties shall be transferred to  
39 the Community Colleges System Office to establish and manage a fund for  
40 curriculum development and implementation as well as financial assistance  
41 for students attending community college to receive vocational training  
42 through this curriculum in fields directly related to energy exploration and  
43 development and related energy infrastructure.
- 44           (4) Fifteen percent (15%) of such revenues and royalties shall be transferred to  
45 the Board of Governors of The University of North Carolina to establish and  
46 manage research and development fund for programs directly related to  
47 energy research and development.
- 48           (5) Fifteen percent (15%) of such revenues and royalties shall be transferred to  
49 the Department of Environment and Natural Resources for coastal  
50 conservation, including, but not limited to, beach and inlet management  
51 projects, channel navigation and maintenance, public beach and water

1 access, water quality management, as well as fisheries and shellfish  
2 restoration.

3 (6) Five percent (5%) of such revenues and royalties shall be transferred to the  
4 State Port Authority for expansion and maintenance of State Port  
5 infrastructure associated with energy-related commerce.

6 (7) Five percent (5%) of such revenues and royalties shall be transferred to the  
7 Department of Commerce for recruitment of energy-related industries to the  
8 State.

9 **SECTION 2.(a)** Governors' Regional Interstate Offshore Energy Policy Compact.

10 – The Governor shall enter into a regional compact with the governors of South Carolina and  
11 Virginia to develop and implement a strategy to increase exploration and production of  
12 domestic offshore energy resources within this three-state region. Under this compact, the  
13 Governor shall work directly with the states' Congressional delegations, the United States  
14 Department of the Interior, the United States Department of Energy, the United States  
15 Environmental Protection Agency, and other appropriate federal agencies to develop strategies  
16 for increasing domestic energy supply and production within each state in the three-state region  
17 and their adjacent federal waters. The compact shall include provisions to address at least all of  
18 the following:

19 (1) Ensure a timely review and consideration of permits and proposals at both  
20 the state and federal level for both state and federal waters adjacent to each  
21 state in the three-state region for seismic and other marine geophysical  
22 exploration to identify and quantify natural gas and related hydrocarbon  
23 resources along the continental margin.

24 (2) Amend the Five Year Leasing Plan of the United States Department of the  
25 Interior to include leasing federal waters adjacent to the State and the  
26 three-state region for the exploration, quantification, and development of  
27 natural gas and related hydrocarbon energy resources.

28 (3) Advocate proactively with each state's Congressional delegation and  
29 appropriate federal agencies to ensure direct sharing of royalties and  
30 revenues related to energy leasing, exploration, development, and production  
31 of all offshore energy resources in federal waters adjacent to the State and  
32 the three-state region.

33 (4) Request the United States Department of the Interior to reinstate the federal  
34 Offshore Policy Committee with new members and new alternate members  
35 to be nominated by the governor of the state represented on the Offshore  
36 Policy Committee and appointed by the Secretary of the Interior, six of  
37 whom are to be one member and one alternate member from each of North  
38 Carolina, Virginia, and South Carolina.

39 **SECTION 2.(b)** No later than December 1, 2011, and at least every three months  
40 thereafter, the Governor shall report to the General Assembly on the progress of the Governor  
41 and others in complying with the requirements under this section, to include providing copies  
42 of correspondence and other relevant materials to or from the Office of the Governor when the  
43 correspondence or materials pertain to the subject under this section or to any requirement  
44 under this section.

45 **SECTION 3.** Onshore Shale Gas. – The Department of Environment and Natural  
46 Resources shall, in conjunction with the Energy Jobs Council, created in G.S. 113B-2, as  
47 amended by Section 4 of this act, provide a comprehensive report to the Governor, the General  
48 Assembly, and the Joint Regulatory Reform Committee by May 1, 2012, that outlines the  
49 commercial potential of onshore shale gas resources within the State as well as the regulatory  
50 framework necessary to develop this resource. As part of this report, the Department shall  
51 review all existing State laws and regulations regarding natural gas and related onshore

1 hydrocarbon production specific to shale gas. The Department shall also review existing laws  
2 and regulations in states currently exploring for or producing shale gas, including Texas,  
3 Pennsylvania, and Alabama, as well as related federal regulations and programs. In addition,  
4 the Department shall do all of the following for inclusion in its report under this section:

- 5 (1) Review State laws and regulations, including G.S. 113-393(d) and 15 NCAC  
6 05D, and provide recommendations on amendments and additions to address  
7 issues related to shale gas exploration, development, and production,  
8 including horizontal drilling, well permitting, well spacing, maximum  
9 permitted well depth, reporting requirements, bonding requirements, fees,  
10 and penalties.
- 11 (2) Review State laws and regulations, including G.S. 87-88(c) and 15A NCAC  
12 02C, and provide recommendations on amendments and additions to address  
13 issues related to shale gas exploration, development, and production,  
14 including hydraulic fracturing, reporting requirements for fracturing fluids,  
15 environmental management of fracturing fluids, water use, and groundwater  
16 protection. In addition, provide recommendations on the reuse, recycling,  
17 and disposal requirements for waste hydraulic fluids, water, and related solid  
18 waste and recommend well drilling, casing, and cementing standards for  
19 wells that may be subject to hydraulic fracturing.
- 20 (3) Provide an inventory of all water supplies and evaluate the availability of  
21 water supply and potential impacts on other water users in any area of shale  
22 gas interest identified by either the State Geologist or the United States  
23 Geological Survey.
- 24 (4) Develop a regulatory framework proposal, including agencies, staffing,  
25 processes, permit requirements, penalties, fees, and reporting requirements  
26 necessary to evaluate the technical and public safety merits of shale gas  
27 exploration and energy production and, where appropriate, outline processes  
28 for the provision of permit oversight, approval, and management.

29 **SECTION 4.(a)** Amend Energy Policy Act. – The title of Chapter 113B of the  
30 General Statutes reads as rewritten:

31 **"North Carolina Energy Policy Act of 1975 and Jobs Act."**

32 **SECTION 4.(b)** G.S. 113B-1 reads as rewritten:

33 **"§ 113B-1. Legislative findings and purpose.**

34 Upon investigation the General Assembly hereby finds that:

- 35 (1) Energy is essential to the health, safety and welfare of the people of this  
36 State and to the workings of the State ~~economy;~~economy.
- 37 (2) ~~Growth in the consumption of energy resources is in some part due to~~  
38 ~~wasteful, uneconomic and inefficient uses of energy and a continuation of~~  
39 ~~this trend will adversely affect the future social, economic and~~  
40 ~~environmental development of North Carolina;~~
- 41 (3) ~~It is the responsibility of State government to encourage~~in the State's best  
42 interest to support the development of a reliable and adequate supply of  
43 energy for North Carolina ~~at a level consistent with such energy needs~~  
44 ~~required for the protection of public health and safety, and for the promotion~~  
45 ~~of the general welfare; and that is secure, stable, and predictable in order to~~  
46 facilitate economic growth, job creation, and expansion of business and  
47 industry opportunities.
- 48 (3a) It is in the State's best interest to support the exploration, development, and  
49 production of domestic energy supplies, preferably from the resources within  
50 the State or region and most certainly from within the country.

1           (3b) It is the duty of State government to protect and preserve the State's natural  
2 resources, cultural heritage, and quality of life and, above all, the public  
3 health and safety of its residents during the exploration, development, and  
4 production of domestic energy resources.

5           (4) ~~The State has not provided the basis for development of a long-range unified~~  
6 ~~energy policy to encompass comprehensive energy resource ~~planning and~~~~  
7 ~~efficient management of the rate of consumption of existing energy~~  
8 ~~resources in relation to economic growth, to effectively meet an energy~~  
9 ~~crisis, to encourage development of alternative sources of energy, and to~~  
10 ~~prudently conserve energy resources in a manner consistent with assuring a~~  
11 ~~reliable and adequate supply of energy for North Carolina.~~planning,  
12 including active support and collaboration with the federal government to  
13 ensure access to the nation's energy resources located on the outer  
14 continental shelf directly adjacent to the State's coastal waters.

15           (5) ~~It is the expressed intent of this Chapter to provide for development of such~~  
16 ~~a unified domestic energy policy for the State of North Carolina.~~Carolina as  
17 part of a nationwide effort for increased domestic energy production in the  
18 interest of national security and economic growth and stability."

19           **SECTION 4.(c)** G.S. 113B-2 reads as rewritten:

20 **"§ 113B-2. Creation of Energy Policy Council; purpose of Council.**

21           (a) ~~There~~The Energy Jobs Council ~~is hereby created a council to advise and make~~  
22 ~~recommendations on increasing domestic energy ~~policy~~ exploration, development, and~~  
23 ~~production within the State and region to promote economic growth and job creation to the~~  
24 ~~Governor and the General Assembly to be known as the Energy Policy~~Assembly. ~~The Energy~~  
25 ~~Jobs Council which shall be located within the Department of Commerce.~~

26           (b) Except as otherwise provided in this Chapter, the powers, duties and functions of  
27 the Energy ~~Policy~~Jobs Council shall be as prescribed by the Secretary of Commerce.

28           (c) The Energy ~~Policy~~Jobs Council and the State Energy Office shall serve as the  
29 central energy policy planning ~~body~~bodies of the State and shall communicate and cooperate  
30 with federal, State, regional and local bodies and agencies to the end of effecting a coordinated  
31 energy policy."

32           **SECTION 4.(d)** G.S. 113B-3 reads as rewritten:

33 **"§ 113B-3. Composition of Council; appointments; terms of members; qualifications.**

34           (a) The Energy ~~Policy~~Jobs Council shall consist of ~~16~~9 members to be appointed as  
35 follows:

36           (1) ~~Two members of the North Carolina House of Representatives to be~~  
37 ~~appointed by the Speaker of the House of Representatives;~~

38           (2) ~~Two members of the North Carolina Senate to be appointed by the President~~  
39 ~~Pro Tempore of the Senate;~~

40           (2a) The Secretary of Commerce.

41           (3) ~~Twelve~~Eight public members who are citizens of the State of North  
42 ~~Carolina to be appointed by the Governor. The Governor shall designate one~~  
43 ~~of the public members as chair of the Council.~~Carolina and who are  
44 appointed in accordance with subsection (c) of this section.

45           (b) Appointments to the Energy ~~Policy~~Jobs Council shall be made by ~~July 15,~~  
46 ~~2009,~~October 1, 2011, and each such appointee shall serve until January 31, 2011. Thereafter,  
47 the appointed members of the General Assembly shall serve two-year terms, and the appointed  
48 public members shall serve ~~four year~~four-year terms. A member of the Energy Policy Council  
49 shall continue to serve until his successor is duly appointed, but such holdover shall not affect  
50 ~~the expiration date of such succeeding term.~~Appointments made by the President Pro Tempore

1 of the Senate and the Speaker of the House of Representatives shall be allowed when the  
2 General Assembly is not in session.

3 (c) ~~The public members of the Energy Policy Jobs Council shall have the following~~  
4 ~~qualifications:~~qualifications and shall be appointed as follows:

5 (1) ~~One member shall be experienced in the electric power industry;~~a  
6 representative of an investor-owned electric public utility, to be appointed by  
7 the Governor.

8 (2) ~~One member shall be experienced in the natural gas industry;~~experienced in  
9 offshore natural gas and associated hydrocarbon exploration, development,  
10 and production, to be appointed by the Governor.

11 ~~(2a) One member shall be experienced in energy policy matters;~~

12 (3) ~~One member shall be experienced in alternative fuels and biofuels;~~a  
13 representative of an investor-owned natural gas public utility, to be  
14 appointed by the President Pro Tempore.

15 (4) ~~One member shall be experienced in energy efficient building design or~~  
16 ~~construction;~~an energy economist, to be appointed by the President Pro  
17 Tempore.

18 (5) ~~One member shall be experienced in environmental protection;~~a geologist  
19 with experience in hydrocarbon resource evaluation and geophysical data  
20 acquisition, to be appointed by the President Pro Tempore.

21 (6) ~~One member who is engaged in a business providing renewable energy or~~  
22 ~~other energy services;~~shall be an industrial energy consumer, to be appointed  
23 by the Speaker of the House of Representatives.

24 (7) ~~One member shall be knowledgeable of alternative and renewable sources of~~  
25 ~~energy;~~energy, to be appointed by the Speaker of the House of  
26 Representatives.

27 (8) ~~One member who, at the time of appointment, is a county commissioner; or~~  
28 ~~elected municipal officer; provided, the member's term on the Council shall~~  
29 ~~expire immediately in the event that he or she vacates office as a county~~  
30 ~~commissioner or municipal officer;~~who has experience in trucking, rail, or  
31 shipping transportation, to be appointed by the Speaker of the House of  
32 Representatives.

33 ~~(10) One member shall be knowledgeable in the finance, business development,~~  
34 ~~or technology development of energy-related business;~~

35 ~~(11) One member shall be experienced in low-income energy policy matters or~~  
36 ~~low-income residential weatherization.~~

37 ~~(12) One member shall be experienced in the petroleum industry."~~

38 **SECTION 4.(e)** G.S. 113B-4 reads as rewritten:

39 **"§ 113B-4. Chairman of Council; replacement; reimbursement of members.**

40 ~~On August 15, 2009, on January 31, 2011, and every four years thereafter, the~~  
41 ~~Governor shall appoint a~~The Secretary of Commerce shall serve as chair of the Council.

42 (b) In case of a vacancy in the membership on the Energy ~~Policy~~Jobs Council prior to  
43 the expiration of a member's term, a successor shall be appointed within 30 days of such  
44 vacancy for the remainder of the unexpired term by the appropriate official pursuant to the  
45 provisions of G.S. 113B-3.

46 (c) Members of the Energy ~~Policy~~Jobs Council shall be reimbursed for their services  
47 pursuant to the provisions of G.S. 138-5.

48 **SECTION 4.(f)** G.S. 113B-6 reads as rewritten:

49 **"§ 113B-6. General duties and responsibilities.**

50 The goal of the Energy Jobs Council is to identify and utilize all domestic energy resources  
51 in order to ensure a secure, stable, and predictable energy supply and to protect the economy of

1 the State, promote job creation, and expand business and industry opportunities while ensuring  
2 the protection and preservation of the State's natural resources, cultural heritage, and quality of  
3 life. The Energy PolicyJobs Council shall share its duties where appropriate with the State  
4 Energy Office. To achieve the goal of the Energy Jobs Council, the Secretary of Commerce has  
5 the discretion to delegate duties to either the Energy Jobs Council or the State Energy Office as  
6 appropriate, and, in addition, the Energy Jobs Council shall have the following general duties  
7 and responsibilities:

- 8 (1) To develop and recommend to the Governor and the General Assembly a  
9 comprehensive ~~long range~~ State energy policy that addresses requirements  
10 in the short term (10 years), in the midterm (25 years), and in the long term  
11 (50 years) to achieve maximum effective management and use of present  
12 and future sources of energy, such policy to include but not be limited to  
13 energy efficiency, renewable and alternative sources of energy, research and  
14 development into alternative energy technologies, and improvements to the  
15 State's energy infrastructure and energy economy; domestic energy resources  
16 that shall include at least natural gas, coal, hydroelectric power, solar, wind,  
17 nuclear energy, and biomass.
- 18 (2) To conduct an ongoing assessment of the opportunities and constraints  
19 presented by various uses of all forms of energy to facilitate the expansion of  
20 the domestic energy supply and to encourage the efficient use of all such  
21 energy forms in a manner consistent with State energy ~~policy;~~ policy.
- 22 (3) To continually review and coordinate all State government research,  
23 education and management programs relating to energy ~~matters and~~ matters,  
24 to continually educate and inform the general public regarding such energy  
25 ~~matters;~~ matters, and to actively engage in discussions with the federal  
26 government, its agencies, and its leaders to identify opportunities to increase  
27 domestic energy supply within North Carolina and its adjacent offshore  
28 waters.
- 29 (4) To recommend to the Governor and to the General Assembly needed energy  
30 legislation and to recommend for implementation such modifications of  
31 energy policy, plans and programs as the Council considers necessary and  
32 desirable."

33 **SECTION 4.(g)** G.S. 113B-7 reads as rewritten:

34 **"§ 113B-7. Energy Efficiency Program; components.**

35 (a) The ~~Energy Policy Council~~ State Energy Office shall prepare a recommended  
36 Energy Efficiency Program for transmittal to the Governor, the initial plan to be completed by  
37 January 30, 1976.

38 (b) The Energy Efficiency Program shall be designed to assure the public health and  
39 safety of the people of North Carolina and to encourage and promote conservation of energy  
40 through reducing wasteful, inefficient or uneconomical uses of energy resources.

41 (c) The Energy Efficiency Program shall include but not be limited to the following  
42 recommendations:

- 43 (1) Recommendations to the Building Code Council for lighting, insulation,  
44 climate control systems and other building design and construction standards  
45 which increase the efficient use of energy and are economically feasible to  
46 implement;
- 47 (2) Recommendations to the Building Code Council for per unit energy  
48 requirement allotments based upon square footage for various classes of  
49 buildings which would reduce energy consumption, yet are both technically  
50 and economically feasible and not injurious to public health and safety;

- 1 (3) Recommendations for minimum levels of operating efficiency for all  
2 appliances whose use requires a significant amount of energy based upon  
3 both technical and economic feasibility considerations;
- 4 (4) Recommendations for State government purchases of supplies, vehicles and  
5 equipment and such operating practices as will make possible more efficient  
6 use of energy;
- 7 (5) Recommendations on energy conservation policies, programs and  
8 procedures for local units of government;
- 9 (6) Any other recommendations which the ~~Energy Policy Council~~State Energy  
10 Office considers to be a significant part of a statewide conservation effort  
11 and which include provisions for sufficient incentives to further energy  
12 conservation;
- 13 (7) An economic and environmental impact analysis of the recommended  
14 program.

15 (d) In addition to specific conservation recommendations, the Energy Efficiency  
16 Program shall contain proposals for implementation of such recommendations as can be carried  
17 out by executive order. Upon completion of a draft recommended program, the ~~Council~~State  
18 Energy Office shall arrange for its distribution to interested parties and shall make the program  
19 available to the public and the ~~Council~~State Energy Office further shall set a date for public  
20 hearing on said program.

21 (e) Upon completion of the Energy Efficiency Program, the ~~Council~~State Energy  
22 Office shall transmit said program, to be known as the State Energy Efficiency Program, to the  
23 Governor for approval or disapproval. Upon approval, the Governor shall assign administrative  
24 responsibility for such implementation as can be carried out by executive order to appropriate  
25 agencies of State government, and submit to the General Assembly such proposals which  
26 require legislative action for implementation. The Governor shall have the authority to accept,  
27 administer, and enforce federal programs, program measures and permissive delegations of  
28 authority delegated to the Governor by the President of the United States, Congress, or the  
29 United States Department of Energy, on behalf of the State of North Carolina, which pertain to  
30 the conservation of energy resources.

31 (f) The Governor shall transmit the approved Energy Efficiency Program to the  
32 President Pro Tempore of the Senate, to the Speaker of the House of Representatives, to the  
33 heads of all State agencies and shall further seek to publicize such plan and make it available to  
34 all units of local government and to the public at large.

35 (g) At least every two years and whenever such changes take place as would  
36 significantly affect energy supply or demand in North Carolina, the ~~Energy Policy Council~~State  
37 Energy Office shall review and, if necessary, revise the Energy Efficiency Program,  
38 transmitting such revised plan to the Governor pursuant to the procedures contained in  
39 subsections (e) and (f) of this section."

40 **SECTION 4.(h)** G.S. 113B-8 reads as rewritten:

41 "**§ 113B-8. Energy Management Plan; components.**

42 (a) The ~~Energy Policy Council~~State Energy Office shall prepare a recommended  
43 Energy Management Plan for transmittal to the Governor, the initial plan to be completed by  
44 June 30, 1976.

45 (b) The Energy Management Plan shall be designed to encourage the most efficient use  
46 of all sources of energy available to meet the needs of the State and to avoid undue dependence  
47 upon relatively limited, unreliable or uneconomical sources of energy.

48 (c) The Energy Management Plan shall include but not be limited to the following:

- 49 (1) An analysis of the current pattern of consumption of energy throughout the  
50 State by category of energy user and by sources of energy supply;



- 1 (2) An assessment of the effect of demand and supply of different forms of  
2 energy upon the current pattern of consumption;
- 3 (3) An independent analysis, in five-, 10-and 20-year forecasts, of future energy  
4 production, supplies and consumption for North Carolina in relation to  
5 forecasts of statewide population growth and economic expansion;
- 6 (4) An analysis of the anticipated effects of recommended conservation  
7 measures upon the consumption of energy in the State;
- 8 (5) An assessment of the possible effects of national energy and economic  
9 policy and international economic and political conditions upon an adequate  
10 and reliable supply of different forms of energy for North Carolina;
- 11 (6) An assessment of the social, economic and environmental effects of  
12 alternative future consumption patterns on energy usage in North Carolina,  
13 including the potentially disruptive effects of supply limitations;
- 14 (7) Recommendations on the use of different future energy sources that seem  
15 most appropriate and feasible for North Carolina in meeting expected energy  
16 needs during the next five-, 10-and 20-year periods, with consideration given  
17 to growth trends in North Carolina industry and possible adverse economic  
18 impact on such trends.

19 (d) In addition to the above, the Energy Management Plan shall contain proposals for  
20 the implementation of such recommendations as can be carried out by executive order. Upon  
21 completion of a draft recommended plan, the ~~Council~~ State Energy Office shall arrange for its  
22 distribution to interested parties and shall make such plan available to the public and the  
23 ~~Council~~ State Energy Office further shall set a date for public hearing on said plan.

24 (e) Upon completion of the Energy Management Plan, the ~~Council~~ State Energy Office  
25 and the Governor shall follow the procedures as outlined in G.S. 113B-7(e) and (f).

26 (f) The ~~Council~~ State Energy Office shall update such plan upon a finding by it that an  
27 update is justified and shall follow the procedures for adoption pursuant to G.S. 113B-7(e) and  
28 (f).

29 (g) The Governor shall have the authority to accept, administer and enforce federal  
30 programs, program measures, and permissive delegations of authority delegated to the  
31 Governor by the President of the United States, Congress, or the United States Department of  
32 Energy, on behalf of the State of North Carolina, which pertain to management of energy  
33 resources.

34 (h) The Governor shall have the authority to accept, administer and enforce the  
35 delegation of authority delegated to the State by the Emergency Petroleum Allocation Act and  
36 the Emergency Energy Conservation Act of 1979 and any orders, rules, and regulations issued  
37 pursuant to those acts as well as any succeeding federal programs, program measures, laws,  
38 orders, or regulations relating to the allocation, conservation, consumption, management or  
39 rationing of energy resources."

40 **SECTION 4.(i)** G.S. 113B-9 reads as rewritten:

41 "**§ 113B-9. Emergency Energy Program; components.**

42 (a) The ~~Energy Policy Council~~ State Energy Office shall, in accordance with the  
43 provisions of this Article, develop contingency and emergency plans to deal with possible  
44 shortages of energy to protect public health, safety and welfare, such plans to be compiled into  
45 an Emergency Energy Program.

46 (b) Within four months of July 1, 1975:

- 47 (1) Each electric utility and natural gas utility in the State shall prepare and  
48 submit to the ~~Energy Policy Council~~ State Energy Office a proposed  
49 emergency curtailment plan setting forth proposals for identifying priority  
50 loads or users in the event of the declaration of an energy crisis pursuant to

- 1 G.S. 113B-20, and proposals for supply allocation to such priority loads or  
2 users.
- 3 (2) Each major oil producer doing business in this State as determined by the  
4 ~~Energy Policy Council~~ State Energy Office shall prepare and submit to the  
5 ~~Energy Policy Council~~ State Energy Office an analysis of how any national  
6 supply curtailment pursuant to federal regulations shall affect the supply for  
7 North Carolina and how priority users will be determined and available  
8 supplies allocated to such users.
- 9 (c) The ~~Energy Policy Council~~ State Energy Office shall encourage the preparation of  
10 joint emergency curtailment plans and analyses. If such cooperative plans and analyses are  
11 developed between two or more utilities, major producers or by an association of such  
12 companies, the joint plans or analyses may be submitted to the ~~Energy Policy Council~~ State  
13 Energy Office in lieu of information required pursuant to subsection (b) of this section.
- 14 (d) The ~~Energy Policy Council~~ State Energy Office shall collect from all relevant  
15 governmental agencies any existing contingency plans for dealing with sudden energy  
16 shortages or information related thereto.
- 17 (e) The ~~Energy Policy Council~~ State Energy Office shall hold one or more public  
18 hearings, investigate and review the plans submitted pursuant to this section, and, within nine  
19 months after July 1, 1975, the ~~Energy Policy Council~~ State Energy Office shall approve and  
20 recommend to the Governor guidelines for emergency curtailment to be known as the  
21 Emergency Energy Program and to be implemented upon adoption by the Governor after the  
22 declaration of an energy crisis and pursuant to G.S. 113B-20 and 113B-23. Said program shall  
23 be based upon the plans presented to the ~~Energy Policy Council~~ State Energy Office, upon  
24 independent analysis and study by the ~~Council~~ State Energy Office, and upon information  
25 provided at the hearing or hearings, provided, however, that they are consistent with such  
26 federal programs and regulations as are already in effect at that time.
- 27 (f) The Emergency Energy Program shall provide for the maintenance of essential  
28 services, the protection of public health, safety, and welfare, and the maintenance of a sound  
29 basic State economy. Provisions also shall be made in said program to differentiate curtailment  
30 of energy consumption by users on the basis of ability to accommodate such curtailments, and  
31 shall also include, but not be limited to, the following:
- 32 (1) A variety of strategies and staged conservation measures of increasing  
33 intensity and authority to reduce energy use during an energy crisis, as  
34 defined in G.S. 113B-20 and guidelines and criteria for allocation of energy  
35 sources to priority users. The program shall contain alternative conservation  
36 actions and allocation plans to reasonably meet various foreseeable shortage  
37 circumstances and to allow a choice of appropriate responses;
- 38 (2) Evidence that the program is consistent with requirements of federal  
39 emergency energy conservation and allocation laws and regulations;
- 40 (3) Proposals to assist such individuals, institutions, agriculture and businesses  
41 which have engaged in energy saving measures;
- 42 (g) The ~~Energy Policy Council~~ State Energy Office shall carry out such investigations  
43 and studies as are necessary to determine if and when potentially serious shortages of energy  
44 are likely to affect North Carolina and the ~~Council~~ State Energy Office shall make  
45 recommendations to the Governor concerning administrative and legislative actions required to  
46 avert such shortages, such recommendations to be included as a section of the Emergency  
47 Energy Program.
- 48 (h) In addition to the above information and recommendations, the program shall  
49 contain proposals for implementation of such recommendations which include procedures,  
50 rules and regulations and agency administrative responsibilities for implementation, and shall  
51 further contain procedures for fair and equitable review of complaints and requests for special

1 exemptions from emergency conservation measures or emergency allocations. Upon  
2 completion of a draft recommended plan, the ~~Council-State Energy Office~~ shall arrange for its  
3 distribution to interested parties and shall make such plan available to the public and the  
4 ~~Council-State Energy Office~~ further shall set a date for public hearing on said plan.

5 (i) Upon completion of the Emergency Energy Allocation Program, the ~~Council-State~~  
6 ~~Energy Office~~ and the Governor shall follow the procedures as outlined in G.S. 113B-7(e) and  
7 (f).

8 (j) The ~~Council-State Energy Office~~ shall update said program upon a finding by it that  
9 an update is justified and shall follow the procedures for adoption pursuant to G.S. 113B-7(e)  
10 and (f).

11 (k) The Governor shall have the authority to accept, administer and enforce federal  
12 programs, program measures and permissive delegations of authority delegated to the Governor  
13 by the President of the United States, Congress, or the United States Department of Energy, on  
14 behalf of the State of North Carolina, which pertain to actions necessary to deal with an actual  
15 or impending energy shortage."

16 **SECTION 4.(j)** G.S. 113B-12 reads as rewritten:

17 "**§ 113B-12. Annual reports; contents.**

18 (a) Beginning January 1, 1977, and every ~~year~~two years thereafter, the State Energy  
19 Office shall collaborate with the Energy Policy-Jobs Council shall and transmit to the  
20 Governor, the Speaker of the House of Representatives, the President of the Senate, the  
21 chairman of the Utilities Commission and the appropriate chairmen of the House and Senate  
22 committees concerned with energy matters, a comprehensive report providing a general  
23 overview of energy conditions in the State. ~~On January 1, 1976, the Energy Policy Council~~  
24 ~~shall transmit a progress report to the public officials named above.~~

25 (b) The report shall include, but not be limited to, the following:

- 26 (1) An overview of statewide growth and development as they relate to future  
27 requirements for energy, including patterns of urban and metropolitan  
28 expansion, shifts in transportation modes, modifications in building types  
29 and design, and other trends and factors which, as determined by the  
30 Council, will significantly affect energy needs;
- 31 (2) The level of statewide and multi-county regional energy demand for a five-,  
32 10- and 20-year forecast period which, in the judgment of the State Energy  
33 Office and the Council, can reasonably be met, with proposals as to possible  
34 energy supply sources;
- 35 (3) An assessment of growth trends in energy consumption and production and  
36 an identification of potential adverse social, economic, or environmental  
37 impacts which might be imposed by continuation of the present trends,  
38 including energy costs to consumers, significant increases in air, water, and  
39 other forms of pollution, threats to public health and safety, and loss of  
40 scenic and natural areas;
- 41 (4) An analysis of the role of energy efficiency, renewable energy,  
42 improvements to the State's energy infrastructure, and other means in  
43 meeting the State's current and projected energy demand;
- 44 (6) Recommendations to the Governor and the General Assembly for additional  
45 administrative and legislative actions on energy matters;
- 46 (7) A summary of the ~~Council's~~ activities of the State Energy Office and the  
47 Council since its inception, the last report, a description of major plans  
48 developed by the State Energy Office and the Council, an assessment of plan  
49 implementation, and a review of Council plans and programs for the coming  
50 biennium."

51 **SECTION 4.(k)** G.S. 113B-21(a) reads as rewritten:

1       "(a) ~~There is hereby created~~ Upon the declaration of an energy crisis by the Governor, a  
2 Legislative Committee on Energy Crisis Management shall be created to consist of the Speaker,  
3 as chairman, the Speaker pro tempore of the House of ~~Representatives and~~ Representatives, the  
4 President ~~pro tempore~~ Pro Tempore of the Senate, and the majority leader of the Senate. The  
5 Lieutenant Governor shall serve as a nonvoting ex officio member, provided, however, that he  
6 shall vote to break a tie."

7               **SECTION 4.(l)** G.S. 113B-23 reads as rewritten:

8 "**§ 113B-23. Administration of plans and procedures.**

9       (a) Upon the declaration of an energy crisis, pursuant to G.S. 113B-20, the ~~Energy~~  
10 ~~Policy Council~~ State Energy Office, in collaboration with the Energy Jobs Council, shall  
11 become the emergency energy coordinating body for the State and shall carry out the following  
12 duties:

- 13               (1) Identify and determine the nature and severity of expected energy shortages;
- 14               (2) Provide for daily communications with and gather information from  
15 significant energy producers, distributors, transporters and major consumers,  
16 as determined by the State Energy Office in collaboration with the Energy  
17 ~~Policy~~ Jobs Council, to carry out its responsibilities pursuant to this section;
- 18               (3) Provide data, carry out continuing assessments of the crisis situation, and  
19 make recommendations to the Governor and to the Legislative Committee  
20 for further action.

21       (b) Upon the declaration of an energy crisis, the Governor shall order the State Energy  
22 Office, the Energy Policy-Jobs Council, the Utilities Commission, the Attorney General and  
23 other appropriate State and local agencies to implement and enforce the Emergency Energy  
24 Program pursuant to G.S. 113B-9 and any emergency rules, orders or regulations approved  
25 pursuant to G.S. 113B-22.

26       (c) Upon the declaration of an energy crisis, the Governor may employ such measures  
27 and give such direction to State and local offices and agencies as may be reasonable and  
28 necessary for the purpose of securing compliance with the provisions of this Article and with  
29 emergency rules, orders and regulations issued pursuant to G.S. 113B-22."

30               **SECTION 4.(m)** G.S. 113B-24(c) reads as rewritten:

31       "(c) The provisions of this Article or any rules, orders or regulations promulgated  
32 pursuant to G.S. 113B-22 may be enforced by bringing an action to enjoin such acts or  
33 practices as may be in violation and, upon a proper showing, a temporary restraining order or a  
34 preliminary or permanent injunction shall be issued. The relief sought may include a mandatory  
35 injunction commanding any person to comply with any such order, rule or regulation and  
36 restitution of money received in violation of any such order, rule or regulation. The Attorney  
37 General shall bring any action under this subsection upon the request of the Governor, the  
38 Legislative Committee on Energy Crisis Management, the State Energy Office, the Energy  
39 ~~Policy~~ Jobs Council, or upon his direction if he deems such action advisable and in the public  
40 interest. The Attorney General may institute such action in the Superior Court of Wake County,  
41 or, in his discretion, in the superior court of the county in which the acts or practices  
42 constituting a violation occurred, are occurring or may occur."

43               **SECTION 5.(a)** Technical Conforming Statutory Changes. – The title of Article 1  
44 of Chapter 113B of the General Statutes reads as rewritten:

45                               "Article 1.

46   Energy ~~Policy~~ Jobs Council."

47               **SECTION 5.(b)** G.S. 113B-5 reads as rewritten:

48 "**§ 113B-5. Organization of the Council; adoption of rules of procedure therefor.**

49       (a) To facilitate the work of the Energy ~~Policy~~ Jobs Council and for administrative  
50 purposes, the chairman of the Energy ~~Policy~~ Jobs Council, with the consent and approval of the

1 members, may organize the work of the Council so as to carry out the provisions of this  
2 Chapter and to insure the efficient operation of the Council.

3 (b) The Energy ~~Policy-Jobs~~ Council shall adopt its own rules of procedure and shall  
4 meet regularly at such times and in such places as it may deem necessary to carry out its  
5 functions.

6 (c) The Energy ~~Policy-Jobs~~ Council is authorized to create such advisory committees as  
7 will be needed to assist the Council in its efforts and to assure adequate citizen-consumer input  
8 into those efforts. Members of advisory committees shall be appointed by the Council for terms  
9 not to exceed the expiration date of terms of then present public members of the Council."

10 **SECTION 5.(c)** G.S. 113B-11 reads as rewritten:

11 **"§ 113B-11. Powers and authority.**

12 (a) The Energy ~~Policy-Jobs~~ Council is authorized to secure directly from any officer,  
13 office, department, commission, board, bureau, institution and other agency of the State and its  
14 political subdivisions any information it deems necessary to carry out its functions; and all such  
15 officers and agencies shall cooperate with the Council and, to the extent permitted by law,  
16 furnish such information to the Council as it may request.

17 ...

18 (e) The Department of Commerce shall provide the staffing capability to the Energy  
19 ~~Policy-Jobs~~ Council so as to fully and effectively develop recommendations for a  
20 comprehensive State energy policy as contained in the provisions of this Article. The Utilities  
21 Commission is hereby authorized to make its staff available to the Council to assist in the  
22 development of a State energy policy."

23 **SECTION 5.(d)** G.S. 114-4.2D reads as rewritten:

24 **"§ 114-4.2D. Employment of attorney for Energy ~~Policy-Jobs~~ Council and Energy**  
25 **Efficiency Program of the Department of Commerce.**

26 The Attorney General shall assign an attorney to work full time with the Energy ~~Policy-Jobs~~  
27 Council and Energy Efficiency Program of the Department of Commerce. Such attorney shall  
28 be subject to all provisions of Chapter 126 of the General Statutes relating to the State  
29 Personnel System. Such attorney shall also perform such additional duties as may be assigned  
30 by the Attorney General."

31 **SECTION 5.(e)** G.S. 143-58.5(c) reads as rewritten:

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

38 **SECTION 5.(f)** G.S. 143-345.13 reads as rewritten:

39 **"§ 143-345.13. Reporting of stocks of coal and petroleum fuels.**

40 The Department of Administration may, with the prior express approval of the Energy  
41 ~~Policy-Jobs~~ Council and the Governor, require that all coal and petroleum suppliers in North  
42 Carolina supplying coal, motor gasoline, middle distillates, residual oils, and propane for resale  
43 within the State, file with the Department of Administration, on forms prepared by the  
44 Department, accurate reports as to the stocks of coal and petroleum products and storage  
45 capacities maintained by the supplier, including the supplier's current inventory and stock of  
46 coal, motor gasoline, middle distillates, residual oils and propane, the expected time such  
47 supplies will last under ordinary distribution demand and the schedule for receiving additional  
48 or replacement stocks. The reports and the information contained therein shall be proprietary  
49 information available only to regular employees of the Department of Administration, except  
50 that aggregate tables or schedules consolidating information from the reports may be released if  
51 they do not reveal individual report data for any named supplier. It is further the intent of this

1 section that no information shall be required from coal and petroleum suppliers, that is, at the  
2 time the reports are requested, already on file with any agency, commission, or department of  
3 State government.

4 It is the intent of this section that the reports be filed only at such times as the Energy  
5 ~~Policy~~ Jobs Council and the Governor determine that an energy crisis as defined in  
6 G.S. 113B-20 exists or may be imminent.

7 If any petroleum or coal supplier fails to file the accurate reports as may be required by this  
8 section for more than 10 days after the date on which any such report is due, the Secretary of  
9 Administration is authorized and empowered to petition the district court, Division of the  
10 General Court of Justice, in the county in which the principal office or place of business of the  
11 supplier is located, for a mandatory injunction compelling the supplier to file the report."

12 **SECTION 6.(a)** Miscellaneous Provisions. – Notwithstanding G.S. 113B-3 or any  
13 other law to the contrary, the memberships of all members of the Energy Policy Council  
14 serving as of the effective date of this act shall be terminated on the effective date of this act.

15 **SECTION 6.(b)** The Revisor of Statutes shall make the conforming statutory  
16 changes necessary to reflect the transfers under this section. The Revisor of Statutes may  
17 correct any reference in the General Statutes to the statutes that are recodified by this section  
18 and make any other conforming changes necessitated by this section.

19 **SECTION 6.(c)** Upon ratification, the Secretary of State shall furnish certified  
20 copies of this act to each member of the North Carolina Congressional delegation.

21 **SECTION 6.(d)** This act is effective when it becomes law.