

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE PRINCIPAL CLERK

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HOUSE DRH30229-MH-138 (03/27)

Short Title: Energy Savings Incentives/State Agencies. (Public)

Sponsors: Representatives Harrison, McGrady, and Fisher (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE THAT ANY ENERGY SAVINGS REALIZED BY STATE  
3 AGENCIES MAY REMAIN AVAILABLE TO THE AGENCY FOR OTHER FACILITY  
4 UPGRADES RELATED TO REDUCING ENERGY AND WATER CONSUMPTION.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 143-64.17F reads as rewritten:

7 "§ 143-64.17F. State agencies to use contracts when feasible; rules;  
8 ~~recommendations~~recommendations; nonreversion.

9 (a) State governmental units shall evaluate the use of guaranteed energy savings  
10 contracts in reducing energy costs and may use those contracts when feasible and practical.

11 (b) The Department of Administration, in consultation with the Department of  
12 Environment and Natural Resources, through the State Energy Office, shall adopt rules for: (i)  
13 agency evaluation of guaranteed energy savings contracts; (ii) establishing time periods for  
14 consideration of guaranteed energy savings contracts by the Office of State Budget and  
15 Management, the Office of the State Treasurer, and the Council of State, and (iii) setting  
16 measurements and verification criteria, including review, audit, and precertification. Prior to  
17 adopting any rules pursuant to this section, the Department shall consult with and obtain  
18 approval of those rules from the State Treasurer. The rules adopted pursuant to this subsection  
19 shall not apply to energy conservation measures implemented pursuant to G.S. 143-64.17L.

20 (c) The Department of Administration, and the Department of Environment and Natural  
21 Resources through the State Energy Office, may provide to the Council of State its  
22 recommendations concerning any energy savings contracts being considered.

23 (d) The General Fund current operations appropriations credit balance remaining at the  
24 end of each fiscal year for utilities of a State governmental unit (other than the Board of  
25 Governors of The University of North Carolina and its constituent institutions), to the extent  
26 that credit balance represents energy savings realized from implementing an energy  
27 conservation measure, shall be carried forward by the unit to the next fiscal year and is  
28 appropriated for energy conservation measures by that unit. The use of funds appropriated  
29 under this section shall be limited to one-time capital and operating expenditures that will not  
30 impose additional financial obligations on the State. The Director of the Budget, under the  
31 authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit  
32 balance remaining in each budget code of each unit.

33 (e) The Director of the Budget shall not decrease the recommended continuation budget  
34 requirements for utilities for State governmental units carrying forward a credit balance under  
35 subsection (d) of this section by the amount of energy savings realized from implementing



1 energy conservation measures, including savings achieved through a guaranteed energy savings  
2 contract.

3 (f) State governmental units shall submit annual reports on the use of funds authorized  
4 pursuant to this section as required under G.S. 143-64.12."

5 **SECTION 2.** G.S. 143-64.12(a) reads as rewritten:

6 "(a) The Department of Environment and Natural Resources through the State Energy  
7 Office shall develop a comprehensive program to manage energy, water, and other utility use  
8 for State agencies and State institutions of higher learning and shall update this program  
9 annually. Each State agency and State institution of higher learning shall develop and  
10 implement a management plan that is consistent with the State's comprehensive program under  
11 this subsection to manage energy, water, and other utility use, and that addresses any findings  
12 or recommendations resulting from the energy audit required by subsection (b1) of this section.  
13 The energy consumption per gross square foot for all State buildings in total shall be reduced  
14 by twenty percent (20%) by 2010 and thirty percent (30%) by 2015 based on energy  
15 consumption for the 2002-2003 fiscal year. Each State agency and State institution of higher  
16 learning shall update its management plan biennially and include strategies for supporting the  
17 energy consumption reduction requirements under this subsection. Each community college  
18 shall submit to the State Energy Office a biennial written report of utility consumption and  
19 costs. Management plans submitted biennially by State agencies and State institutions of higher  
20 learning shall include all of the following:

- 21 (1) Estimates of all costs associated with implementing energy conservation  
22 measures, including pre-installation and post-installation costs.
- 23 (2) The cost of analyzing the projected energy savings.
- 24 (3) Design costs, engineering costs, pre-installation costs, post-installation costs,  
25 debt service, and any costs for converting to an alternative energy source.
- 26 (4) An analysis that identifies projected annual energy savings and estimated  
27 payback periods."

28 **SECTION 3.** This act is effective for fiscal years beginning on or after July 1,  
29 2015.