



HOUSE BILL 220: Assuring Choice of Energy Service.

2021-2022 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	March 31, 2021
Introduced by:	Reps. Arp, Miller, Saine, Szoka	Prepared by:	Jennifer McGinnis
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: *House Bill 220 would prohibit local governments from adopting any ordinance that prohibits connection, reconnection, modification, or expansion of an energy service based on the type or source of energy to be delivered to the end-user of the energy service.*

CURRENT LAW AND BACKGROUND: Under Section 1 of Article VII of the NC Constitution, the General Assembly is empowered to "provide for the organization and government and the fixing of boundaries of counties, cities and towns, and other governmental subdivisions, and, except as otherwise prohibited by this Constitution, may give such powers and duties to counties, cities and towns, and other governmental subdivisions as it may deem advisable." The general police power is delegated to counties and cities in Chapter 153A and Chapter 160A of the General Statutes. However, the police power is subject to certain limitations. For example, a county or city may not authorize acts that are expressly prohibited by State or federal law.

BILL ANALYSIS:

For purposes of this act, the term "energy service" would mean the power that a consumer may choose to use to heat or cool buildings, produce hot water, operate equipment, operate appliances, or any other similar activities, where the power is derived from one or more of a variety of sources such as natural gas; renewable gas; hydrogen; liquefied petroleum gas, renewable liquefied petroleum gas, or other liquid petroleum products and that is delivered to the consumer by an entity legally authorized to provide such service; or electricity that is derived from one or more sources of electric generation and is delivered to the consumer by an entity legally authorized to provide such service and the distribution of the electricity occurs according to the territorial rights established by G.S. 160A-332 and G.S. 62-110.2. The terms "renewable gas" and "renewable liquefied petroleum gas" would mean gas derived from a renewable energy resource.

Section 1.(a) of House Bill 220 would prohibit a city from adopting an ordinance that prohibits connection, reconnection, modification, or expansion of an energy service based on the type or source of energy to be delivered to the end-user of the energy service. **Section 1.(b)** would apply the same prohibition to counties.

Sections 1.(a) and 1.(b) of the bill would not be construed to:

- Limit the ability of a local government to choose the energy service for property owned by the local government.

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- Prohibit a local government from recovering reasonable costs associated with reviewing and issuing a permit.
- Affect the authority of a local government to manage or operate a utility owned by the local government, including the local government's authority to require persons residing within their jurisdictions to obtain energy service from a utility owned by local government or a joint municipal power agency of which a city is a member.
- Impair any contract executed by a city prior to the effective date of this act for the supply of electric service.

EFFECTIVE DATE: This act would be effective when it becomes law.

Chris Saunders, Staff Attorney, Legislative Analysis Division, substantially contributed to this summary.