



HOUSE BILL 220: Assuring Choice of Energy Service.

2021-2022 General Assembly

Committee:	House Energy and Public Utilities. If favorable, re-refer to Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 16, 2021
Introduced by:	Reps. Arp, Miller, Saine, Szoka	Prepared by:	Chris Saunders
Analysis of:	PCS to First Edition H220-CSTQ-7		Committee Co-Counsel

OVERVIEW: *The Proposed Committee Substitute (PCS) for 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 provision of natural gas; renewable gas; hydrogen; liquefied petroleum gas, renewable liquefied petroleum gas, or other liquid petroleum products; or electricity by a person legally authorized to provide such service. The terms "renewable gas" and "renewable liquefied petroleum gas" would mean gas derived from a renewable energy resource.

Section 1.(a) of the PCS 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 PCS would not be construed to:

- Limit the ability of a local government to choose the energy service for property owned by the local government.
- Prohibit a local government from recovering reasonable costs associated with reviewing and issuing a permit.

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- 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.