

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1947

Short Title: Energy Assurance Study.

(Public)

Sponsors: Representatives Payne; B. Ethridge and Bowman.

Referred to: Rules.

May 10, 1989

A BILL TO BE ENTITLED

AN ACT TO CREATE THE ENERGY ASSURANCE STUDY COMMISSION.

Whereas, each year over 100,000 low income households in North Carolina have their energy involuntarily terminated because they cannot afford the energy bills; and

Whereas, the heavy burden of energy costs poses a severe threat to the health and welfare to low income citizens of this State, most particularly the elderly, the disabled and children; and

Whereas, many low income households in North Carolina spend between twenty percent (20%) and thirty-five percent (35%) of their income to provide energy to their homes; and

Whereas, benefits from the federal Low Income Energy Assistance Program currently pay less than nineteen percent (19%) of the energy bills to low income households; and

Whereas, after inflation, federal moneys for energy assistance to the poor have been cut by over thirty-five percent (35%) in the past three years; and

Whereas, current federal budget proposals propose an additional twenty-one percent (21%) cut for the federal Low Income Energy Assistance Program; and

Whereas, energy costs have increased over the past 10 years, and are predicted to continue rising; and

Whereas, a significant reason for the heavy expenditures made by low income families for energy is due to the poorly weatherized housing in which they live; and current weatherization programs provide benefits on a first come, first serve basis, with

1 preference only for the elderly and the disabled, rather than based on the need for
2 services determined by energy use; and

3 Whereas, current private and semi-public programs designed to aid the poor
4 to meet their energy burdens are unevenly distributed around the State, leaving needs in
5 the rural areas especially great; and in the areas where significant resources are
6 expended, these programs cannot adequately address the need; and

7 Whereas, the experience of other states shows that by redistributing available
8 moneys, innovative ways of raising new funds, and closer targeting of benefits to meet
9 actual need, programs can be developed which significantly decrease the involuntary
10 termination of energy service to the poor; Now, therefore,

11 The General Assembly of North Carolina enacts:

12 Section 1. (a) The North Carolina Energy Assurance Study Commission is
13 hereby created. The Commission shall consist of 19 members. The Chairman of the
14 North Carolina Utilities Commission, the Director of the Public Staff of the Utilities
15 Commission, the Director of the N. C. Rural Electrification Authority, the Secretary for
16 the N. C. Department of Human Resources, and the Director of the N. C. Energy
17 Division shall serve ex officio. The President Pro Tempore of the Senate shall appoint
18 seven members, including two members of the Senate, one representative from the
19 electric utility industry regulated by the Utilities Commission, one representative from
20 an electric membership corporation in North Carolina, one representative of the
21 unregulated fuels industry, one representative of a private agency which delivers energy
22 assistance benefits to low income people, and one low income utilities advocate. The
23 Speaker of the House of Representatives shall appoint seven members, including two
24 members of the House of Representatives, one representative from Electricities of
25 North Carolina, Inc., one director of a county department of social services, one
26 representative of the natural gas industry regulated by the Utilities Commission, one
27 representative of the CAP agencies, and one low income person.

28 (b) The members of the Commission shall be appointed within 30 days of
29 ratification of this act and they shall serve until termination of the Commission.

30 (c) If a vacancy occurs in the membership of the Commission, it shall be filled
31 by action of the officer who appointed the former member who is to be replaced.

32 (d) The President Pro Tempore of the Senate and the Speaker of the House of
33 Representatives shall appoint a cochairman each from among the membership of the
34 Commission, but no ex officio member of the Commission may serve as a cochairman.

35 Sec. 2. **Duties of the Commission.** (a) The Commission shall investigate the
36 feasibility of establishing an Energy Assurance Plan in North Carolina which would
37 accomplish the following objectives:

38 (1) Aiding low income people to maintain reasonable and safe levels of
39 heat in their homes;

40 (2) Reducing the number of involuntary terminations of energy to low
41 income households in the State; and

42 (3) Direct the federal, State, local and private efforts in weatherizing
43 homes to those which have the most significant needs.

44 (b) To accomplish the stated objectives the Commission shall:

- 1 (1) Document, to the extent possible, the scope of the current problems
2 facing low income people in dealing with their energy burdens;
- 3 (2) Determine, through a study of the administration of the Low Income
4 Energy Assistance Program funds in North Carolina, a method by
5 which these funds could be better targeted to address the energy needs
6 of low income people;
- 7 (3) Determine the cost of establishing an Energy Assurance Plan in North
8 Carolina;
- 9 (4) Investigate sources of revenue to fund an Energy Assurance Plan;
- 10 (5) Set up one or more pilot programs in counties around North Carolina
11 to test the feasibility of an Energy Assurance Plan, if the Commission
12 finds it appropriate; and
- 13 (6) Recommend an Energy Assurance Plan which will accomplish the
14 stated objectives through the use of existing federal, State, local, and
15 private funds or alternative sources of revenue.

16 (c) The Commission shall have the authority to obtain information and data from
17 all State officers, agents, agencies, and departments while in the discharge of its duties
18 pursuant to the provisions of G.S. 120-19, as if it were a committee of the General
19 Assembly. The Commission shall also have the authority to call witnesses, compel
20 testimony relevant to any matter properly before the Commission and subpoena records
21 and documents, provided that any client record shall have client identifying information
22 removed. The provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the
23 proceedings of the Commission as if it were a joint committee of the General Assembly.
24 In addition to the other signatures required for the issuance of a subpoena under this
25 section, the subpoena shall also be signed by a cochairman of the Commission. Any
26 cost of providing information to the Commission not covered by G.S. 120-19.3 may be
27 reimbursed by the Commission from funds appropriated for the Commission's study.

28 **Sec. 3. Commission Meetings.** The initial meeting of the Commission shall
29 be called by the cochairmen. Subsequent meetings shall be held upon the call of a
30 cochairman or upon the written request of five members.

31 **Sec. 4. Reports by the Commission.** The Commission shall file its report
32 with the President of the Senate and the Speaker of the House of Representatives by
33 March 1, 1991. The report of the Commission shall summarize the information
34 obtained in the course of its inquiry, set forth its findings and conclusions, and
35 recommend such administrative actions or legislative actions that may be necessary to
36 implement the Energy Assurance Plan. If legislation is recommended, the Commission
37 shall prepare and submit with its report appropriate bills. Upon termination of the
38 Commission, the cochairmen shall transmit to the Legislative Library for preservation
39 the records and papers of the Commission. The Commission shall terminate upon the
40 filing of its report.

41 **Sec. 5. Staff Support.** With the prior approval of the Legislative Services
42 Commission, necessary professional and clerical assistance shall be provided by the
43 Legislative Services Office. The Commission may hold its meetings in legislative
44 buildings with prior approval from the Legislative Services Commission. The

1 Commission may enter into contracts for the provision of technical assistance, statistical
2 analysis, evaluation of pilot projects, and other services it finds necessary for the
3 performance of its responsibilities under this Part.

4 **Sec. 6. Expenses of the Commission.** Members of the Commission who are
5 also members of the General Assembly shall be paid subsistence and travel expenses at
6 the rate set forth in G.S. 120-3.1. Members of the Commission who are officials or
7 employees of the State shall receive travel allowances at the rate set forth in G.S. 138-6.
8 All other members of the Commission shall be paid the per diem and allowances set
9 forth in G.S. 138-5.

10 **Sec. 7. Appropriations to the Commission.** There is appropriated from the
11 Stripper Well Oil Overcharge Funds \$100,000 for the Energy Assurance Study
12 Commission for fiscal year 1989-90, and \$250,000 for the fiscal year 1990-1991. These
13 funds shall be used in the performance of the duties set forth in this Part.

14 **Sec. 8.** This act shall become effective July 1, 1989.