

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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**SENATE BILL 1119**

Short Title: Energy Assurance Study Commission.

(Public)

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Sponsors: Senator Rauch.

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Referred to: Rules and Operation of the Senate.

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May 2, 1989

**A BILL TO BE ENTITLED**

**AN ACT TO CREATE THE ENERGY ASSURANCE STUDY COMMISSION.**

Whereas, each year over one hundred thousand 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 of low-income citizens of this State, and particularly of 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 of 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, poorly weatherized housing causes higher energy costs for low-income families and current weatherization programs provide benefits on a first come, first serve basis, with preference only for the elderly and the disabled, rather than based on the need for services determined by energy use; and

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

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

9 The General Assembly of North Carolina enacts:

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

26       (b) The members of the Commission shall be appointed within 30 days after  
27 ratification of this act and shall serve until termination of the Commission. If a vacancy  
28 occurs in the membership of the Commission, it shall be filled by the officer who  
29 appointed the member who is to be replaced. The President Pro Tempore of the Senate  
30 and the Speaker of the House of Representatives shall each appoint a cochair from  
31 among the membership of the Commission, but no ex officio member of the  
32 Commission may serve as a cochair.

33       Sec. 2. Duties of the Commission. (a) The Commission shall investigate the  
34 feasibility of establishing an Energy Assurance Plan in North Carolina to accomplish  
35 the following objectives:

- 36           (1) Aid low-income people in maintaining reasonable and safe levels of  
37 heat in their homes;
- 38           (2) Reduce the number of involuntary terminations of energy to low-  
39 income households in the State; and
- 40           (3) Direct federal, State, local, and private efforts in weatherizing homes  
41 to those which have the most significant needs.

42       (b) In investigating the feasibility of such a plan, the Commission shall:

- 43           (1) Document, to the extent possible, the scope of current problems facing  
44 low-income people in dealing with their energy burdens;

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

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

26 Sec. 3. Commission Meetings. The initial meeting of the Commission shall  
27 be called by the cochairs. Subsequent meetings shall be held upon the call of a cochair  
28 or upon the written request of five members.

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

39 Sec. 5. Staff Support. With the prior approval of the Legislative Services  
40 Commission, necessary professional and clerical assistance shall be provided by the  
41 Legislative Services Office. The Commission may hold its meetings in legislative  
42 buildings with prior approval from the Legislative Services Commission. The  
43 Commission may enter into contracts for the provision of technical assistance, statistical

1 analysis, evaluation of pilot projects, and other services it finds necessary for the  
2 performance of its responsibilities under this act.

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

9           Sec. 7. Appropriation to the Commission. There is appropriated from the  
10 Stripper Well Oil Overcharge Funds to the General Assembly \$100,000 for the 1989-90  
11 fiscal year and \$250,000 for the 1990-91 fiscal year for the Energy Assurance Study  
12 Commission. Funds appropriated for the Commission for the 1989-90 fiscal year but  
13 not expended for that purpose may be expended during the 1990-91 fiscal year.

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