

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

**SESSION LAW 2002-167  
HOUSE BILL 1215**

AN ACT TO DIRECT UNITS OF LOCAL GOVERNMENT TO EVALUATE THEIR EFFORTS TO CONSERVE WATER, TO DIRECT THE ENVIRONMENTAL MANAGEMENT COMMISSION TO ADOPT RULES GOVERNING WATER CONSERVATION AND WATER REUSE, TO ESTABLISH A GOAL TO REDUCE WATER CONSUMPTION BY STATE AGENCIES BY AT LEAST TEN PERCENT, TO DIRECT THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES TO EVALUATE WATER CONSERVATION AND WATER EFFICIENCY PROGRAMS IN THE STATE, AND TO DIRECT THE UTILITIES COMMISSION TO STUDY METHODS TO FUND AND PROMOTE THE DEVELOPMENT OF GREEN POWER IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 143-355(l) reads as rewritten:

"(l) Each unit of local government that provides public water service or that plans to provide public water service shall, either individually or together with other units of local government, prepare a local water supply plan and submit it to the Department. The Department shall provide technical assistance with the preparation of plans to units of local government upon request and to the extent that the Department has resources available to provide assistance. At a minimum, local units of government shall include in local water supply plans all information that is readily available to them. Plans shall include present and projected population, industrial development, water use within the service area, present and future water supplies, an estimate of the technical assistance that may be needed at the local level to address projected water ~~needs,~~needs, current and future water conservation and water reuse programs, and any other related information as the Department may require in the preparation of a State water supply plan. Local plans shall be revised to reflect changes in relevant data and projections at least once each five years unless the Department requests more frequent revisions. The revised plan shall include the current and anticipated reliance by the local government unit on surface water transfers as defined by G.S. 143-215.22G. Local plans and revised plans shall be submitted to the Department once they have been approved by the unit(s) of local government."

**SECTION 2.** G.S. 143-355(m) reads as rewritten:

"(m) In order to assure the availability of adequate supplies of good quality water to protect the public health and to support desirable economic growth, the Department shall develop a State water supply plan. The State water supply plan shall include the information and projections required to be included in local ~~plans,~~plans, a summary of water conservation and water reuse programs described in local plans, a summary of the technical assistance needs indicated by local plans, and shall indicate the extent to which the various local plans are compatible. The State plan shall identify potential conflicts among the various local plans and ways in which local water supply programs could be better coordinated."

**SECTION 3.(a)** Pursuant to subdivisions (1) and (8) of G.S. 143-354(a), the Environmental Management Commission shall develop and implement rules governing water conservation and water reuse during drought and water emergency situations. The

rules shall establish minimum standards and practices for water conservation and water reuse for all of the following classes of water users:

- (1) Publicly owned and privately owned water supply systems.
- (2) State agencies.
- (3) Local governments.
- (4) Business and industrial users of water.
- (5) Agricultural and horticultural users of water.

**SECTION 3.(b)** In developing the rules authorized by subsection (a) of this section, the Environmental Management Commission shall consult with representatives of water users and advocacy groups listed in subsection (a) of Section 5 of this act.

**SECTION 3.(c)** Rules adopted pursuant to subsection (a) of this section shall not supercede or modify existing rules governing water used in the generation of electricity. This section shall not be construed to authorize the Commission to adopt temporary rules. The Commission shall adopt permanent rules so that the rules will become effective following legislative review pursuant to G.S. 150B-21.3(b) by the 2005 Regular Session of the General Assembly.

**SECTION 4.** There is hereby established a goal to reduce water consumption by State agencies by at least 10 percent (10%). As used in this section, the term "State agencies" includes all agencies of the executive branch of the government of North Carolina, the General Assembly, the General Court of Justice, and The University of North Carolina. For State agencies that purchase water or that otherwise have reliable records of their water consumption for the 2001-2002 fiscal year, the goal shall apply to the consumption of water during the 2002-2003 fiscal year as compared to water consumed during the 2001-2002 fiscal year. State agencies that do not have reliable records of their water consumption during the 2001-2002 fiscal year shall (i) endeavor to reduce water consumption to the maximum extent possible during the 2002-2003 fiscal year, (ii) maintain records of their water consumption during the 2002-2003 fiscal year, and (iii) determine their progress toward achieving the goal on the basis of reductions in water consumed during the 2003-2004 fiscal year.

**SECTION 5.(a)** The Department of Environment and Natural Resources shall evaluate water conservation measures being implemented in the State and identify incentive programs and other voluntary programs that can help foster water conservation and water reuse. In conducting its study, the Department shall specifically evaluate water conservation measures being implemented or advocated by the following:

- (1) Publicly owned and privately owned water supply systems.
- (2) State agencies.
- (3) Local governments.
- (4) Business and industrial users of water.
- (5) Environmental protection and natural resource advocacy groups.
- (6) Electric utilities.
- (7) Agricultural and horticultural users of water.
- (8) Residential users of water.

**SECTION 5.(b)** The Department shall submit an interim report no later than 15 March 2003, and shall submit a final report no later than 15 February 2004, as to its findings and recommendations to the Environmental Review Commission and the Environmental Management Commission.

**SECTION 6.(a)** The North Carolina Utilities Commission shall include the following additional items in the study it is presently conducting for the Commission on the Future of Electric Service in North Carolina referred to as "Investigation of Green Power and Public Benefit Fund Voluntary Check-Off Programs":

- (1) Identification of funding mechanisms in addition to voluntary purchase of green power blocks that would stimulate green power production in the State.

- (2) Identification of incentives in addition to funding mechanisms that would stimulate green power production in the State.
- (3) Identification of barriers that would impede green power production in the State and strategies to address those barriers.
- (4) Identification of appropriate methods of promoting the purchase of green power by the various electric customer groups.
- (5) Identification of methods whereby the State can provide incentives and resources that would stimulate the production and use of green power that would protect water quality; promote water conservation and water reuse; protect air quality; protect public health, safety, welfare, and the environment; and provide for the safe and efficient disposal of animal waste in the State.

**SECTION 6.(b)** In making recommendations to address the additional items listed in subsection (a) of this section, the North Carolina Utilities Commission shall consider the impact of its recommendations on residential, commercial, and industrial consumers of electricity in the State.

**SECTION 6.(c)** The North Carolina Utilities Commission shall make its final report on its investigation of green power and public benefit fund voluntary check-off programs, including the additional items set forth in subsection (a) of this section, to the Commission on the Future of Electric Service in North Carolina and the Environmental Review Commission not later than 15 March 2003. The delivery of this report shall not preclude either of the receiving commissions from asking for additional information or reports on these subjects.

**SECTION 7.** This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 3<sup>rd</sup> day of October, 2002.

s/ Marc Basnight  
President Pro Tempore of the Senate

s/ James B. Black  
Speaker of the House of Representatives

s/ Michael F. Easley  
Governor

Approved 3:12 p.m. this 23<sup>rd</sup> day of October, 2002