

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 1511**

Short Title: Renewable Energy Portfolio Standard. (Public)

Sponsors: Representatives Harrison, Martin, Fisher (Primary Sponsors); Glazier, Hackney, Luebke, and Weiss.

Referred to: Public Utilities.

April 21, 2005

A BILL TO BE ENTITLED

AN ACT TO PROMOTE THE DEVELOPMENT OF RENEWABLE ENERGY IN THE STATE THROUGH IMPLEMENTATION OF A RENEWABLE ENERGY PORTFOLIO STANDARD.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 62-2(a) reads as rewritten:

**"§ 62-2. Declaration of policy.**

(a) Upon investigation, it has been determined that the rates, services and operations of public utilities as defined herein, are affected with the public interest and that the availability of an adequate and reliable supply of electric power and natural gas to the people, economy and government of North Carolina is a matter of public policy. It is hereby declared to be the policy of the State of North Carolina:

...

- (8) To cooperate with other states and with the federal government in promoting and coordinating interstate and intrastate public utility service and reliability of public utility energy supply; ~~and~~
- (9) To facilitate the construction of facilities in and the extension of natural gas service to unserved areas in order to promote the public welfare throughout the State and to that end to authorize the creation of expansion funds for natural gas local distribution companies or gas districts to be administered under the supervision of the North Carolina Utilities ~~Commission~~.Commission; and
- (10) To promote the diversification of energy resources and private investment in renewable energy resources."

**SECTION 2.** G.S. 62-3 reads as rewritten:

**"§ 62-3. Definitions.**

As used in this Chapter, unless the context otherwise requires, the term:

- 1           (1) 'Biomass energy' means electricity derived from combustion of the  
2 following fuel sources:  
3           a. Wood processing wastes, urban wood wastes, agricultural food  
4 waste, animal waste, aquatic plants, or dedicated energy crops.  
5 'Biomass energy' does not include electricity derived from  
6 burning wood that has been treated with chemical preservatives  
7 such as creosote, pentachlorophenol, or chromated copper  
8 arsenate.  
9           b. Landfill methane gas, wastewater methane gas, and animal  
10 waste methane gas.  
11        ~~(1a)~~ 'Broker,' with regard to motor carriers of passengers, means any person  
12 not included in the term 'motor carrier' and not a bona fide employee  
13 or agent of any such carrier, who or which as principal or agent  
14 engages in the business of selling or offering for sale any  
15 transportation of passengers by motor carrier, or negotiates for or holds  
16 himself, or itself, out by solicitation, advertisements, or otherwise, as  
17 one who sells, provides, furnishes, contracts, or arranges for such  
18 transportation for compensation, either directly or indirectly.  
19        ~~(1a)~~(1b) 'Bus company' means any common carrier by motor vehicle ~~which that~~  
20 holds itself out to the general public to engage in the transportation by  
21 motor vehicle in intrastate commerce of passengers over fixed routes  
22 or in charter operations, or both, except as exempted in G.S. 62-260.  
23        ...  
24        (7b) 'Electricity supplier' means a public utility, an electric membership  
25 corporation, or municipality that sells electricity to retail electric  
26 customers.  
27        ...  
28        (24a) 'Renewable energy resources' means solar photovoltaic energy, solar  
29 thermal energy, wind power, hydroelectric "run of the river"  
30 generation with a capacity that does not exceed 10 megawatts,  
31 geothermal energy, tidal energy, hydrogen fuel derived from  
32 renewable resources, and biomass energy.  
33        (24b) 'Retail electric customer' means a direct purchaser of electric power.  
34        ...."

35        **SECTION 3.** Article 7 of Chapter 62 of the General Statutes is amended by  
36 adding a new section to read:

37 **"§ 62-155.1. Promotion of renewable energy resources.**

38        (a) It is the goal of this State to increase the use of renewable energy resources  
39 by requiring that a minimum percentage of electricity sold by electricity suppliers to  
40 retail electric customers in this State be generated from renewable energy resources.  
41 Beginning on January 1, 2007, a minimum of one percent (1%) of the kilowatt hours of  
42 electricity sold to retail electric customers in this State by each electricity supplier shall  
43 be from a renewable energy resource. The percentage shall increase on an annual basis  
44 so that by January 1, 2016, a minimum of ten percent (10%) of the kilowatt hours of

1 electricity sold to retail electric customers in this State will be generated from renewable  
2 energy resources.

3 (b) A minimum of thirty-five percent (35%) of the renewable energy resources  
4 sold by electricity suppliers to retail electric customers in this State pursuant to  
5 subsection (a) of this section shall be generated from solar photovoltaic energy, solar  
6 thermal energy, wind energy, and biomass energy that utilizes methane gas as a fuel.

7 (c) The Commission shall initiate a proceeding and adopt rules implementing the  
8 provisions of this section. The Commission may adopt a procedure as an alternative to  
9 the procedure set out in G.S. 62-133 to adjust the rates due solely to the costs of  
10 complying with this section.

11 (d) Beginning on January 1, 2007, the Commission shall track the amount of  
12 electricity from renewable resources sold in this State in order to measure progress  
13 toward the renewable energy goal established in this section. On or before January 1 of  
14 each year, the Commission shall report to the Joint Legislative Utility Review  
15 Committee and the Environmental Review Commission on the percentage of electricity  
16 sold in this State that comes from renewable energy resources."

17 **SECTION 4.** The first report required to be delivered by the Utilities  
18 Commission to the Joint Legislative Utility Review Committee and the Environmental  
19 Review Commission under G.S. 62-155.1(d), as enacted by Section 3 of this act, shall  
20 be submitted no later than January 1, 2008.

21 **SECTION 5.** This act is effective when it becomes law.