

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 2051

**Agriculture/Environment/Natural Resources Committee Substitute Adopted
6/28/06**

**Agriculture/Environment/Natural Resources Committee Substitute #2 Adopted
7/13/06**

Short Title: State Energy Use Planning/Energy Assistance.

(Public)

Sponsors:

Referred to:

May 26, 2006

A BILL TO BE ENTITLED

1
2 AN ACT TO REDUCE ENERGY, FUEL, AND WATER CONSUMPTION IN THE
3 STATE THROUGH: (1) DEVELOPMENT OF A PLAN TO INCREASE THE
4 AVAILABILITY AND USE OF ALTERNATIVE FUELS IN STATE-OWNED
5 VEHICLE FLEETS; (2) PROVISION OF ENERGY ASSISTANCE TO
6 LOW-INCOME PERSONS; (3) DEVELOPMENT OF A STRATEGIC PLAN TO
7 EXPAND THE BIOFUELS INDUSTRY IN NORTH CAROLINA; AND (4)
8 STUDY MECHANISMS TO IMPROVE ENERGY AND WATER
9 CONSERVATION IN STATE-OWNED FACILITIES.

10 The General Assembly of North Carolina enacts:

11
12 **PART I. DEVELOP PLAN FOR TARGETED CONVERSION OF FUELING**
13 **FACILITIES TO PROMOTE THE AVAILABILITY AND USE OF**
14 **ALTERNATIVE FUELS**

15
16 **SECTION 1.** In order to promote attainment of the twenty percent (20%)
17 reduction or displacement of petroleum products consumed in State-owned vehicle
18 fleets by January 1, 2010, as required by Section 19.5 of S.L. 2005-276, the Department
19 of Administration shall develop a plan for the targeted conversion of fuel dispensing
20 facilities to provide greater availability of biodiesel, ethanol, and other alternative fuels.
21 The Department shall consult with affected State agencies to identify measures to
22 increase the efficiency and cost-effective utilization of resources and consider this
23 information in the development of the plan. The Department of Administration shall
24 submit the plan to the Joint Legislative Commission on Governmental Operations no
25 later than November 1, 2006, and shall include updates on the progress in implementing
26 the plan as part of the report required under Section 19.5(c) of S.L. 2005-276.

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2 **PART II. PROVIDE ENERGY ASSISTANCE TO LOW-INCOME PERSONS**
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4 **SECTION 2.** Article 3 of Chapter 143B of the General Statutes is amended
5 by adding a new Part to read:

6 "Part 34A. North Carolina Energy Assistance Act for Low-Income Persons.

7 **"§ 143B-216.72A. Legislative findings and purpose.**

8 (a) The General Assembly finds that:

- 9 (1) Maintaining the general health, welfare, and prosperity of the people
10 of this State requires that all citizens receive essential levels of heat
11 and electric service regardless of their economic circumstances.
12 (2) Serving the State's most vulnerable citizens, its low-income elderly,
13 persons with disabilities, families with children, high residential
14 energy users, and households with a high-energy burden, is a priority.
15 (3) Conserving energy benefits all citizens and the environment.
16 (4) Ensuring proper payment to public utilities and other entities providing
17 energy services actually rendered is a responsibility of this State.
18 (5) Declining federal low-income energy assistance funding necessitates a
19 State response to ensure the continuity and further development of
20 energy assistance and related policies and programs in this State.
21 (6) Current energy assistance policies and programs have benefited North
22 Carolina citizens and should be continued with the modifications
23 provided in this Part.

24 (b) The General Assembly declares that it is the policy of this State that
25 weatherization, replacement of heating and cooling systems, and other energy-related
26 assistance programs be utilized to increase the energy efficiency of dwellings owned or
27 occupied by low-income persons, reduce their total residential expenditures, and
28 improve their health and safety. The State shall utilize all appropriate and available
29 means to fund the Weatherization Assistance Program for Low-Income Families and the
30 Heating/Air Repair and Replacement Program under G.S. 108A-70.30, and any other
31 energy-related assistance program for low-income persons while, to the extent possible,
32 identifying and utilizing sources of funding to achieve the objectives of this Part.

33 **"§ 143B-216.72B. Definitions.**

34 The following definitions apply to this Part:

- 35 (1) Applicant. – A member of the family residing in the dwelling unit, the
36 owner, or designated agent of the owner of a dwelling unit applying
37 for program services.
38 (2) Department. – The Department of Health and Human Services.
39 (3) Secretary. – The Secretary of Health and Human Services.
40 (4) Subgrantee. – An entity managing a weatherization project that
41 receives a federal grant of funds awarded pursuant to 10 C.F.R. § 440
42 (1 January 2006 edition) from this State or other entity named in the
43 Notification of Grant Award and otherwise referred to as the grantee.

1 (5) Weatherization. – The modification of homes and home heating and
2 cooling systems to improve heating and cooling efficiency by caulking
3 and weather stripping, as well as insulating ceilings, attics, walls, and
4 floors.

5 **"§ 143B-216.72C. The Office of Economic Opportunity designated agency; powers**
6 **and duties.**

7 (a) The Office of Economic Opportunity of the Department shall administer the
8 Weatherization Assistance Program for Low-Income Families established by 42 U.S.C.
9 § 6861, et seq., and 42 U.S.C. § 7101, et seq.; the Heating/Air Repair and Replacement
10 Program established by the Secretary under G.S. 108A-70.30; and any other
11 energy-related assistance program for the benefit of low-income persons in existing
12 housing. The Office of Economic Opportunity shall exercise the following powers and
13 duties:

- 14 (1) Establish standards and criteria to carry out the provisions and
15 purposes of this Part.
- 16 (2) Develop policy, criteria, and standards for receiving and processing
17 applications for weatherization assistance.
- 18 (3) Make decisions and pursue appeals from decisions to accept or deny
19 applications for weatherization, replacement of heating and cooling
20 systems, and other energy-related assistance programs or otherwise
21 participate in the State plan as a subgrantee or contractor.
- 22 (4) Adopt rules, consistent with the laws of this State, that may be
23 required by the federal government for grants-in-aid for the
24 Weatherization Assistance Program for Low-Income Families, the
25 Heating/Air Repair and Replacement Program, or other energy-related
26 assistance programs for the benefit of low-income residents in existing
27 housing. This section shall be liberally construed in order that this
28 State and its citizens may benefit from such grants-in-aid.
- 29 (5) Establish procedures for the submission of periodic reports by any
30 community action agency or other agency or entity authorized to
31 manage a weatherization project, replacement of heating and cooling
32 systems, or other energy-related assistance project.
- 33 (6) Implement criteria for periodic review of weatherization, replacement
34 of heating and cooling systems, or other energy-related programs in
35 existing housing for low-income households.
- 36 (7) Solicit, accept, hold, and administer on behalf of this State any grants
37 or bequests of money, securities, or property for the benefit of
38 low-income residents in existing housing for use by the Department or
39 other agencies in the administration of this Part.
- 40 (8) Create a Policy Advisory Council within the Office of Economic
41 Opportunity that shall advise the Office of Economic Opportunity with
42 respect to the development and implementation of a Weatherization
43 Program for Low-Income Families, the Heating/Air Repair and

1 Replacement Program, and any other energy-related assistance
2 program for the benefit of low-income persons in existing housing.

3 (b) The Secretary shall have final decision-making authority with regard to all
4 functions described in this Part."

6 **PART III. DEVELOP BIOFUELS INDUSTRY STRATEGIC PLAN**

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8 **SECTION 3.1.** The College of Agriculture and Life Sciences at North
9 Carolina State University shall convene and coordinate the Biofuels Industry Strategic
10 Plan Work Group for the development of a strategic plan for expansion of biofuels as an
11 industry in North Carolina. The Work Group shall include representatives of the
12 College of Agriculture and Life Sciences at North Carolina State University, the
13 College of Natural Resources at North Carolina State University, The School of
14 Agriculture and Environmental Sciences at North Carolina Agricultural and Technical
15 State University, the North Carolina Biotechnology Center, and the Rural Economic
16 Development Center, Inc. In developing this strategic plan, the Work Group shall
17 delineate the increasing role of biotechnology in the development of biofuels and shall
18 consult with all of the following:

- 19 (1) The Department of Administration.
- 20 (2) The Department of Agriculture and Consumer Services.
- 21 (3) The Department of Commerce.
- 22 (4) The Department of Environment and Natural Resources.
- 23 (5) The University of North Carolina System.
- 24 (6) The Community College System.
- 25 (7) The North Carolina Solar Center at North Carolina State University.
- 26 (8) The North Carolina Farm Bureau Federation.
- 27 (9) The North Carolina State Grange.
- 28 (10) The North Carolina Agribusiness Council.
- 29 (11) The North Carolina Forestry Association.
- 30 (12) A representative of private industry selected by the Biofuels Industry
31 Strategic Plan Work Group.
- 32 (13) Any other entity that the Biofuels Industry Strategic Plan Work Group
33 deems appropriate, particularly entities that are engaged in
34 biotechnology.

35 **SECTION 3.2.** No later than February 1, 2007, the Biofuels Industry
36 Strategic Plan Work Group shall submit the strategic plan, including any legislative
37 proposals, to the 2007 General Assembly.

39 **PART IV. CONDUCT STUDY TO IMPROVE ENERGY AND WATER** 40 **CONSERVATION IN STATE-OWNED FACILITIES**

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42 **SECTION 4.1.** In an effort to improve energy and water conservation by
43 State departments, agencies, and institutions, the Joint Legislative Oversight Committee
44 on Capital Improvements shall study the following:

- 1 (1) The role of repair and renovation investments and related costs in
2 reducing energy and water use in existing State-owned facilities by
3 twenty percent (20%) by January 1, 2012.
- 4 (2) The construction and design of new facilities, facility additions, and
5 facility renovations with the goal of reducing energy and water use by
6 twenty percent (20%) by January 1, 2012.
- 7 (3) The State's method of funding and planning capital projects to improve
8 the integration of long-term operating costs, such as energy and water
9 use, into the design of State facilities.
- 10 (4) The State's method of funding utility costs for State facilities and
11 whether this method of funding creates adequate incentives for State
12 departments, agencies, and institutions to reduce energy and water use,
13 thereby reducing the State's utility costs.
- 14 (5) The costs and benefits of constructing green buildings, Leadership in
15 Energy and Environmental Design (LEED) certified buildings,
16 building commissioning, and other design and construction techniques
17 when constructing new State-owned facilities, facility additions, and
18 facility renovations.
- 19 (6) The relationship of guaranteed energy savings contracts to the State's
20 investment in State-owned capital facilities.
- 21 (7) Any other issue the Committee determines is pertinent to the reduction
22 of energy and water use in State-owned facilities.

23 **SECTION 4.2.** No later than February 1, 2007, the Joint Legislative
24 Oversight Committee on Capital Improvements shall submit a report, including any
25 recommendations or legislative proposals, to the 2007 General Assembly.

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27 **PART V. EFFECTIVE DATE**

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