

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH70325-LD-88B (02/27)

Short Title: Cost Sharing Tied to Energy at Swine Farms.

(Public)

Sponsors: Representative Tucker.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO AUTHORIZE COST SHARE FUNDS FOR SWINE FARMS THAT
3 EMPLOY ANIMAL WASTE MANAGEMENT SYSTEM TECHNOLOGIES
4 THAT REDUCE THE EMISSION OF GREENHOUSE GASES OR THAT
5 RESULT IN INCREASED ENERGY PRODUCTION OR EFFICIENCY.

6 Whereas, there are existing and developing markets for the trading of
7 allowances and credits for greenhouse gas emissions, and there are new animal waste
8 management system technologies that reduce greenhouse emissions or produce energy
9 from renewable energy sources; and

10 Whereas, there are opportunities for swine farms to utilize animal waste
11 management system technologies that reduce greenhouse gas emissions or result in
12 increased renewable energy production or energy efficiency and that have been
13 demonstrated to be effective but may not yet be able to compete financially with
14 established existing technologies; and

15 Whereas, the General Assembly finds that it is in the best interests of the
16 State to reduce greenhouse gas emissions, increase energy production and efficiency,
17 and prevent nonpoint source water pollution by providing partial support through cost
18 share funds to facilitate and encourage the expanded use and adoption of these
19 technologies on swine farms; Now, therefore,

20 The General Assembly of North Carolina enacts:

21 **SECTION 1.** G.S. 143-215.74(b) is amended by adding a new subdivision to
22 read:

23 "(5a) Funding may be provided for the installation of animal waste
24 management system technologies for swine farms that reduce the
25 emission of greenhouse gases, produce energy qualifying as a
26 renewable energy source, or otherwise reduce energy needs for the
27 swine farm by producing power that is utilized by the farm or sold and

1 supplied over the electricity power grid. State funding under this
2 subdivision shall be limited to seventy-five percent (75%) of the
3 average cost for each technology with the assisted farmer providing
4 twenty-five percent (25%) of the cost, which may include in-kind
5 support of the technology, with a maximum of one hundred
6 twenty-five thousand dollars (\$125,000) per year to each applicant.
7 When making priority designation under subdivision (3) of this
8 subsection, the Soil and Water Conservation Commission shall confer
9 with the Animal and Poultry Waste Management Center of North
10 Carolina State University or its designee."

11 **SECTION 2.** G.S. 143-215.74(b)(6) reads as rewritten:

12 "(6) Except as provided in ~~subdivision~~subdivisions (5a) and (8) of this
13 subsection, State funding shall be limited to seventy-five percent
14 (75%) of the average cost for each practice with the assisted farmer
15 providing twenty-five percent (25%) of the cost, which may include
16 in-kind support of the practice, with a maximum of seventy-five
17 thousand dollars (\$75,000) per year to each applicant."

18 **SECTION 3.** G.S. 139-4(d) is amended by adding a new subdivision to read:

19 "(13) To develop, implement, and supervise the Environmental Innovation
20 Grants Program for Swine Farms pursuant to G.S. 139-4.1 and any
21 rules adopted under that section."

22 **SECTION 4.** Article 1 of Chapter 139 of the General Statutes is amended by
23 adding a new section to read:

24 "**§ 139-4.1. Environmental Innovation Grants Program for Swine Farms.**

25 (a) The Soil and Water Conservation Commission shall develop, implement, and
26 supervise the Environmental Innovation Grants Program for Swine Farms. The purpose
27 of this program is to encourage, by providing partial funding, the adoption and use at a
28 limited number of swine farms certain approved animal waste management system
29 technologies that have been shown to be effective on a test basis, that do not qualify for
30 funding under the Agriculture Cost Share Program for Nonpoint Source Pollution
31 Control under Part 9 of Article 21 of Chapter 143 of the General Statutes, and that are
32 sufficiently new or isolated so that their increased use at swine farms in North Carolina
33 would enable their effectiveness and economic feasibility on a broader basis to be
34 evaluated.

35 (b) The program under subsection (a) of this section shall be subject to the
36 following requirements and limitations:

37 (1) Funding may be provided for the installation and use on a limited basis
38 of those animal waste management system technologies that meet the
39 purposes set forth in subsection (a) of this section but with preference
40 for technologies that reduce the emission of greenhouse gases, produce
41 energy qualifying as a renewable energy source, or otherwise reduce
42 energy needs for the swine farm by producing power that is utilized by
43 the farm or sold and supplied over the electricity power grid.

1 (2) State funding shall be limited to seventy-five percent (75%) of the
2 average cost for each technology with the assisted farmer providing
3 twenty-five percent (25%) of the cost, which may include in-kind
4 support of the practice, with a maximum of seventy-five thousand
5 dollars (\$75,000) per year to each applicant.

6 (3) The Soil and Water Conservation Commission may adopt any rules
7 needed to implement the program under this section, including rules
8 relating to the eligibility of animal waste management system
9 technologies, farms, or entities for the grants provided under this
10 program.

11 (4) To be eligible for cost share funds under this section, a project shall be
12 evaluated before funding is awarded to determine its potential for
13 reducing greenhouse gas emissions or increasing energy production or
14 efficiency.

15 (c) Prior to implementing the program and annually thereafter, the
16 Environmental Innovation Grants Program for Swine Farms shall be reviewed by the
17 Animal and Poultry Waste Management Center of North Carolina State University. The
18 results of these reviews shall be provided to the committee under G.S. 143-215.74B that
19 reviews the Agriculture Cost Share Program for Nonpoint Source Pollution Control.

20 (d) State funds for the program shall remain available until expended.

21 (e) On or before January 31 of each year, the Soil and Water Conservation
22 Commission shall report on this program to the Environmental Review Commission and
23 the Fiscal Research Division. This report shall include a list of projects that received
24 State funding pursuant to the program, the results of the evaluations conducted pursuant
25 to subsection (c) of this section, findings regarding the effectiveness of each of these
26 projects to accomplish the purposes of this program, and any recommendations to
27 assure that State funding is used in the most cost-effective manner and accomplishes the
28 greatest reduction of greenhouse gas emissions or the greatest increase in energy
29 production or efficiency."

30 **SECTION 5.** There is appropriated from the General Fund to the Soil and
31 Water Conservation Commission the sum of four million dollars (\$4,000,000) for the
32 2007-2008 fiscal year to be used as grants for projects that qualify under
33 G.S. 143-215.74(b)(5a), as enacted by Section 1 of this act.

34 **SECTION 6.** There is appropriated from the General Fund to the Soil and
35 Water Conservation Commission the sum of five million five hundred thousand dollars
36 (\$5,500,000) for the 2007-2008 fiscal year and the sum of five million five hundred
37 thousand dollars (\$5,500,000) for the 2008-2009 fiscal year to be used as grants for
38 projects under G.S. 139-4.1, as enacted by Section 4 of this act.

39 **SECTION 7.** There is appropriated from the General Fund to the Board of
40 Governors of The University of North Carolina for the Poultry and Animal Waste
41 Management Center of North Carolina State University the sum of five hundred
42 thousand dollars (\$500,000) for the 2007-2008 fiscal year to be used for evaluating and
43 reporting on the Environmental Innovation Grants Program for Swine Farms, as enacted
44 by Section 4 of this act.

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SECTION 8. This act becomes effective July 1, 2007.