

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

H

1

HOUSE BILL 1264

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

Sponsors: Representatives Tucker, E. Warren (Primary Sponsors); Braxton, Faison, Hill, McLawhorn, Parmon, Spear, Tolson, Williams, and Wray.

Referred to: Environment and Natural Resources, if favorable, Appropriations.

April 2, 2007

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
28 supplied over the electricity power grid. State funding under this

1 subdivision 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 technology, with a maximum of one hundred
5 twenty-five thousand dollars (\$125,000) per year to each applicant.
6 When making priority designation under subdivision (3) of this
7 subsection, the Soil and Water Conservation Commission shall confer
8 with the Animal and Poultry Waste Management Center of North
9 Carolina State University or its designee."

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

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

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

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

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

23 "**§ 139-4.1. Environmental Innovation Grants Program for Swine Farms.**

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

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

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

43 (2) State funding shall be limited to seventy-five percent (75%) of the
44 average cost for each technology with the assisted farmer providing

1 twenty-five percent (25%) of the cost, which may include in-kind
2 support of the practice, with a maximum of seventy-five thousand
3 dollars (\$75,000) per year to each applicant.

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

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

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

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

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

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

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

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

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