

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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HOUSE BILL 1961

Short Title: Funds/GWI Report Ag. Greenhouse Gases.

(Public)

Sponsors: Representative Faison.

Referred to: Appropriations.

May 8, 2007

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS TO GLOBAL WARMING INITIATIVES
2 (GWI) TO REPORT THE GREENHOUSE GAS EMISSIONS AND THE
3 CARBON SEQUESTERED BY A HOG, TOBACCO, AND CHICKEN FARM.
4

5 Whereas, in 1995 the United States Department of Energy (DOE) and the
6 United States Environmental Protection Agency (EPA) established a five-year research
7 program in 11 states called "Climate Wise." The main goal was to research the best
8 practices on how industries could reduce greenhouse gas emissions. Other goals of the
9 Climate Wise program were to show industries how to increase energy efficiency and
10 process efficiency and how to voluntarily report their greenhouse gas emissions through
11 the DOE Voluntary Reporting of Greenhouse Gas (VRGG) program. Funds for the
12 Climate Wise program were matched at both the State and federal level, with North
13 Carolina receiving the largest amount of \$60,000 for the years 2000 and 2001; and

14 Whereas, Climate Wise being contracted by the Department of Environment
15 and Natural Resources and administered by the State Energy Office became the first
16 North Carolina greenhouse gas emissions research program and remains so to date; and

17 Whereas, at the end of the Climate Wise pilot program, the states were
18 expected to continue the program, using state and private monies. The State of North
19 Carolina provided \$50,000 in 2001 through 2002 and dropped all support in June 2002
20 due to a budget shortfall; and

21 Whereas, Climate Wise was cancelled due to State budget constraints; and

22 Whereas, with the data collected from 41 facilities for the 2001 year, both the
23 DOE and the EPA gave the director of the Climate Wise program permission to
24 continue the reporting research with private loans and other sources. The reporting
25 continued from North Carolina with continuous early action recognition; and

26 Whereas, Global Warming Initiatives (GWI) was incorporated on January 6,
27 2003, as a 501(c)3 nonprofit, public-benefit corporation for the purpose of continuing
28 the research initiated under the Climate Wise program and continuing to report the 41

1 facilities to DOE. GWI organized in the same manner as California and other state and
2 regional programs but with private funding and loans; and

3 Whereas, GWI currently works with industries of any size and plans to
4 expand in order to assist in matters related to greenhouse gas emissions from
5 agriculture, forestry, transportation, and residential housing; and

6 Whereas, North Carolina has led the nation each year since 1998 in the
7 number of industrial facilities reporting each year to the VRGG program. In December
8 2005, there were more textile facilities reporting in North Carolina than in all the other
9 states combined; and

10 Whereas, in 2005, the General Assembly provided GWI with \$10,000 in
11 support for one year; and

12 Whereas, the GWI's Climate Wise program is the only research program
13 funded by North Carolina to work with energy end users; Now, therefore,
14 The General Assembly of North Carolina enacts:

15 **SECTION 1.** There is appropriated from the General Fund to Global
16 Warming Initiatives, a nonprofit corporation, the sum of two hundred fifty thousand
17 dollars (\$250,000) for the 2007-2008 fiscal year and the sum of two hundred fifty
18 thousand dollars (\$250,000) for the 2008-2009 fiscal year to support further expansion
19 of greenhouse gas emissions reporting.

20 **SECTION 2.** GWI shall select a hog, tobacco, and chicken farm within
21 North Carolina for the purpose of calculating their greenhouse gas emissions and their
22 carbon sequestration. GWI will demonstrate the impact of an agricultural offset market
23 in which farmers may sell their emissions reductions and offsets as a commodity. GWI
24 shall make this data available to any state and federal agency that has a program
25 regarding the emissions of greenhouse gases. Further, GWI shall project the emissions
26 of each farm and recommend a goal for reducing emissions.

27 **SECTION 3.** The data collection, conversion, and report forms used by
28 GWI under Section 2 of this act shall be consistent with the DOE, EPA, and World
29 Resource Institute Greenhouse Gas Protocol and shall allow for instant change from any
30 reporting system in either British thermal units (BTUs) or metric tons of carbon dioxide
31 equivalent.

32 **SECTION 4.** GWI may do any one or more of the following for each farm:

- 33 (1) Meet with top management to inform them of the programs that are
34 available within North Carolina regarding energy efficiency,
35 environmental performance, and process improvement and to give an
36 overview of how these programs can reduce greenhouse gas emissions.
- 37 (2) Collect data from each farm, calculate the absolute emissions of
38 greenhouse gases and the emissions' intensity levels and report the
39 results in both the federal VRGG program and the North Carolina
40 Global Warming Registry.
- 41 (3) Continue to publish the North Carolina Global Warming Registry and
42 include a listing of programs that aid in the reduction of greenhouse
43 gases.

1 (4) Host annual seminars across the State on global warming issues and
2 the benefits of participating in reporting greenhouse gas emissions and
3 explain what is required of a reporting entity.

4 (5) Heighten awareness of the cap and trade programs whereby entities
5 that emit less than a maximum allowed level of greenhouse gases
6 receive credits that may be sold to industries that emit more than their
7 allowed level.

8 **SECTION 5.** GWI shall report no later than June 30 of 2008 and 2009 to the
9 Department of Environment and Natural Resources, Division of Air Quality,
10 Department of Administration, State Energy Office, the Department of Commerce, the
11 Department of Agriculture and Consumer Services, the Energy Policy Council, the
12 Environmental Review Commission, and the Fiscal Research Division on activities
13 performed under this act. This report shall include an itemized account of how the funds
14 appropriated under this act were used, how GWI accomplished the requirements under
15 this act, the success of each activity, and any findings or recommendations regarding
16 activities in reducing greenhouse gas emissions.

17 **SECTION 6.** This act becomes effective July 1, 2007.