

2008 NORTH CAROLINA SUSTAINABLE ENERGY  
LEGISLATIVE GUIDE  
&  
2007 LEGISLATIVE SESSION WRAP-UP

PRODUCED BY THE  
NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION



**NCSEA**

JUNE 16, 2008

## **NCSEA MISSION STATEMENT**

**“THE NORTH CAROLINA SUSTAINABLE ENERGY ASSOCIATION  
WORKS TO ENSURE A SUSTAINABLE FUTURE BY  
PROMOTING RENEWABLE ENERGY AND ENERGY EFFICIENCY  
IN NORTH CAROLINA THROUGH PUBLIC POLICY, EDUCATION,  
AND ECONOMIC DEVELOPMENT.”**

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## INTRODUCTION

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### *2008 NC SUSTAINABLE ENERGY LEGISLATIVE GUIDE*

The North Carolina General Assembly has continued to be proactive in establishing North Carolina as the Southeast's leader in energy policy by promoting renewable energy and energy efficiency, establishing the Climate Change Commission, and taking steps to support high performance buildings. As seen with the implementation of our State's Renewable Energy and Efficiency Portfolio Standard<sup>1</sup> law in 2007, legislation securing our energy future depends more and more on the understanding and support of citizens.

The 2008 NC Sustainable Energy Legislative Guide is a comprehensive document introducing you to 27 bills that are relevant to the mission of NCSEA and how North Carolina is approaching our shared energy future. This year, NCSEA has included a new Oil, Coal & Natural Gas section. In reaction to rising gas and utility costs, all U.S. states are feeling increased pressure to consider offshore drilling by the oil and gas industry. As we can see from the Gulf Coast states' experience, this would do little to alleviate energy prices in North Carolina. To learn more about an individual bill, enter the bill number (i.e. S3) at <http://www.ncleg.net/> and track its progress during the legislative session.

### ***YOUR SUPPORT MATTERS!***

Many of the bills listed in this guide need to pass committee in the next few weeks. In order for these bills to pass, it is vital to contact your Senator or Representative to tell them you support one or several of these bills and that you are asking them to do the same throughout this legislative session. You can also get your friends and colleagues involved by sharing this legislative guide and encouraging them to contact their Senators and Representatives.

It is important that members of the General Assembly hear from citizens and businesses to build Senators' and Representatives' understanding and support of economically responsible sustainable energy solutions. The ideal way to contact your legislator is by speaking directly with him or her over the phone or in person. The next best way to communicate is through a personal letter. If you don't have time to write a letter, please consider sending an email. Always remember to thank your legislators when they sponsor and/or vote for sustainable energy legislation. **With your active support, we are making a difference.**

**Find your legislative representatives by entering your zip code + four digits at**  
[http://www.ncleg.net/GIS/Representation/Who\\_Represents\\_Me/Who\\_Represents\\_Me.html](http://www.ncleg.net/GIS/Representation/Who_Represents_Me/Who_Represents_Me.html)  
**For additional assistance, call the General Assembly at (919) 733-7928**

NCSEA members may receive a limited number of action alerts during the legislative session when energy bills need support to move forward and pass into law. In addition, members receive informative public policy NCSEA publications such as *From the Policy Desk* and the *Citizens Guide to the NC REPS*. Membership donations are critical for NCSEA to continue its groundbreaking work in the Capital and in many communities across our state. **Please support NCSEA today by completing the membership form provided in the back of this Guide and increase your involvement in our State's energy future!**

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<sup>1</sup> The Renewable Energy and Efficiency Portfolio Standard (REPS) requires a 12.5% of energy consumed and produced in North Carolina to originate from renewable energy or energy efficiency.

## 2008 NCSEA BOARD OF DIRECTORS AND STAFF

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The 15-member NCSEA Board of Directors is elected by the membership. Directors are elected to serve three year terms, limited to two full consecutive terms. Treasurer and Secretary are elected for a one-year term, limited to two full consecutive terms. Chair Elect serves a three year term, rotating from Chair Elect, to Chair to Past Chair, limited to two full three-year consecutive terms. Term-limited Board members are eligible for re-election after taking one year off the Board. Board members and all candidates for office must be NCSEA members in good standing.

### **Chair**

**Blair Kendall**  
Southern Energy Management  
Durham, NC

### **Chair-Elect**

**David Kirkpatrick**  
Founder and Managing Director  
SJF Ventures  
Durham, NC

### **Past Chair**

**Dr. Ed Cox**  
Consultant  
Durham, NC

### **Permanent**

**Steve Kalland**  
Director, NC Solar Center  
Raleigh, NC

### **Treasurer**

**Bob Kingery**  
Co-Owner  
Southern Energy Management  
Raleigh, NC

### **Secretary**

**Joe Lemanski**  
Greenfire Development  
Raleigh, NC

### **John Delafield**

Landmark Renovation & Building  
Co  
Apex, NC

### **Hon. Fountain Odom**

Of Counsel  
The Odom Firm, PLLC  
Charlotte, NC

### **Shari Harris**

Associate Vice President for  
Finance/Capital Projects  
UNC-General Administration  
Chapel Hill, NC

### **Kristel Dorion**

Energetix, LLC  
Durham, NC

### **Richard Harkrader**

CEO  
Carolina Solar Energy  
Durham, NC

**VACANT SEAT**

### **Kim Beer**

International Health Care Consultant  
Chapel Hill, NC

### **Masaki Furukawa, LEED AP**

Innovative Design, Inc.  
Raleigh, NC

### **Chris Senior**

Owner  
Anchorage Building Corp.  
Wilmington, NC

### **NCSEA Staff** – now hiring four partially-funded positions

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Energy Policy Attorney

#### **Rosalie Day**

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#### **TBD (now hiring)**

Development Director

#### **Natalie Burlison (pt)**

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*TBD (now hiring)*  
Economics & Policy Analyst

#### **Paul Quinlan**

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#### **Nichole Campbell**

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#### **Tom Bean (consultant)**

#### **Lobbyist**

[tbean@mindspring.com](mailto:tbean@mindspring.com)

#### **TBD (now hiring)**

Marketing & Communications

## 2007 LEGISLATIVE SESSION WRAP-UP

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*The following bills passed during the 2007 Legislative Session of the North Carolina General Assembly and directly affect the state's future of sustainable energy.*

**S3, Promote Renewable Energy / Baseload Generation**, Charlie Albertson (Duplin-D). Creates a 12.5% Renewable and Efficiency Portfolio Standard for investor-owned utilities to achieve by 2021 (10% for other power providers), including set-asides for solar, hog waste and poultry litter incineration. Also provides baseload financing incentives for new coal and nuclear power plants, and a tax break on energy for manufacturers and farmers. Also requires computer manufacturers to establish take-back computer recycling programs. SL 2007-397.

**S670, Use of Solar Collectors**, Janet Cowell (Wake-D). Prohibits local ordinances, deed restrictions or covenants from prohibiting solar panels on single family homes beginning October 1, 2007.

**S668, Energy Conservation in State Buildings**, Janet Cowell (Wake-D); co: Alberston, Atwater, D. Berger, Brock, Dalton, Foriest, Garrou, Goss, Graham, Hartsell, Jones, Kinnaird, Malone, Nesbitt, Pittenger, Purcell, Queen, Snow, Stevens, Swindell. Requires new and renovated state-owned buildings (including university and community colleges) to be constructed to meet high performance building standards and reduce water consumption. Also requires the state to conduct energy audits every 5 years, and requires life-cycle cost analysis for state building projects. SL 2007-546.

**S581, Building Permit Rebates/Reductions**, Dan Clodfelter (Mecklenburg-D). This bill authorizes local governments to provide building permit reduction or rebates to builders who build to a nationally recognized green building standard, such as LEED or Green Globe. SL 2007-381.

**H177, Comm. Coll./Participate in Energy Loan Prog.**, Joe Tolson (Edgecombe-D). Authorizes community colleges to get energy improvement loans. SL 2007-476.

**H1097, Local Energy Efficiency Incentives**, Verla Insko (Orange-D). Allows Asheville, Charlotte, Wilmington, Carrboro and Chapel Hill to provide development incentives, such as allowing higher density development, in exchange for significant energy conservation measures. SL 2007-241.

**S530, Raleigh/Contracts Exemption**, Janet Cowell (Wake-D). Facilitates Raleigh's pilot program to install high efficiency LED lighting by exempting them from competitive bidding requirements. Also allows Raleigh to raise vehicle tax from \$5 to \$20. SL 2007-333.

**H1702, Conserve Energy/Insulate Hot Water Plumbing**, Bill Faison (Orange-D), Lucy Allen (Franklin-D). Directs the Building Code Council to study whether to require hot water pipes in new construction to be insulated. It costs \$120 to insulate the average house, and would result in savings of \$117 in the first year. SL 2007-542.

**S1178, Master Meter for Electric/Natural Gas**, Charlie Albertson (Duplin-D). Allows use of master meters in hotels that have been converted to condominiums. SL 2007-98.

## 2008 RENEWABLE ENERGY BILLS

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### H2530 – Tax Credit for Renewable Energy Equipment<sup>2</sup>

**House Sponsors:** Reps. Harrison, T. Harrell, Luebke, and Thomas and co-sponsors Reps. M. Alexander, Allen, Bryant, Coleman, Cotham, Fisher, Glazier, Hall, Hill, Inkso, Lucas, Martin, Ross, Samuelson, Tarleton, Tolson, Underhill, Womble, and Wray.

**House Committees:** Re-referred to House Finance.

**Description:** This bill allows tax credits to taxpayers who donate money to a taxing entity to construct, purchase, or lease renewable energy property, if the contribution is used for the purposes previously stated. The taxpayer's share of the credit is calculated by dividing the taxpayer's donation by the cost of the renewable energy property constructed, purchased, or leased by the taxing entity and placed in service during the taxable year and then multiplying this percentage by the amount of the credit the taxing entity could claim if it were subject to tax.

#### ***A GROWING MARKET FOR RENEWABLE ENERGY***

GLOBAL INVESTMENT IN SOLAR, WIND AND OTHER RENEWABLE ENERGY CAPACITY WERE MORE THAN \$75 BILLION IN 2007.

THE NORTH CAROLINA ECONOMY IS JUST BEGINNING TO PROFIT FROM THE PROJECTED GROWTH OF THE RENEWABLE ENERGY SECTOR, WHICH HAS GROWN 4X FASTER GLOBALLY THAN THE CONVENTIONAL ENERGY SECTOR SINCE 2001.

IN EACH YEAR SINCE 1974, NUCLEAR RECEIVED BETWEEN 3X TO 10X MORE RESEARCH AND DEVELOPMENT FUNDS WORLDWIDE THAN ALL RENEWABLE ENERGY SOLUTIONS.

OVER THIS SAME PERIOD, THE COST OF EACH RENEWABLE ENERGY SOLUTION HAS FALLEN MORE THAN 70% AND ENERGY EFFICIENCY REMAINS THE LEAST COST SOLUTION, WHILE THE COST OF COAL AND NUCLEAR POWER HAVE MORE THAN DOUBLED. WHAT WILL BE MORE COST EFFECTIVE FOR NC'S ENERGY FUTURE AS THESE 35-YEAR TRENDS CONTINUE?

Sources: *International Energy Agency, 2007; BP, 2007; World Watch Institute, 2007; NREL, 2007.*

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<sup>2</sup> Renewable energy is energy derived from resources that constantly renew themselves or that are practically inexhaustible. Renewable resources include solar, wind, hydro, landfill gas, animal waste, and other biomass.

## **2008 ENERGY EFFICIENCY & HIGH PERFORMANCE BUILDING BILLS**

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### **S1769/S1944/H2605 – Energy Star Sales Tax Holiday<sup>3</sup>**

**Senate Sponsors:** Sen. Snow and co-sponsors Sens. Albertson, Atwater, Berger, Boseman, Clodfelter, Cowell, Dalton, Dorsett, Foriest, Garrou, Goss, Graham, Hagan, Jones, Kinnaird, McKissick, Nesbitt, Purcell, Queen, Rand, and Swindell.

**Senate Committee:** Referred to Senate Finance.

**House Sponsors:** Reps. Luebke, Harrison, Weiss, and Allen and co-sponsors Reps. M. Alexander, Coates, Coleman, Cotham, Faison, Farmer-Butterfield, Fisher, Glazier, Lucas, Pierce, Spear, Tarleton, Underhill, and Wainwright.

**House Committee:** Referred to House Finance.

**Description:** This bill establishes a sales and use tax holiday for Energy Star qualified products, including clothes washers, dishwashers, freezers, and refrigerators with a sales price of \$2,000 or less, central air conditioning units, heat pumps, boilers, and furnaces with a sales price of \$6,000 or less, ceiling fans and room air conditioners units with a sales price of \$500 or less, compact fluorescent light bulbs, and programmable thermostats with a sales price of \$200 or less.

### **H2710 – Income Tax Credit Energy Efficient Homes<sup>4</sup>**

**House Sponsors:** Reps. Harrison, Carney, Hughes, and Insko and co-sponsors Reps. Bordsen, Bryant, Coates, Coleman, Cotham, Dickson, Faison, Fisher, T. Harrell, Jones, Lucas, McLawhorn, Mobley, Parmon, Spear, Tarleton, and Wilkins.

**House Committee:** Referred to House Finance.

**Description:** This bill provides an income tax credit for the construction or improvement of federally qualified or state-certified energy-efficient homes. For a taxpayer that builds or manufactures a new federally qualified energy-efficient home, the credit is \$1,000. For a taxpayer that builds or manufactures a new State-certified energy-efficient home, the credit is \$2,000.

### **H2531 – Energy-Efficient Buildings If State Funds**

**House Sponsors:** Reps. Harrison, Carney, and Cotham and co-sponsors Reps. M. Alexander, Allen, Bryant, Coleman, Glazier, Holliman, Insko, Martin, Mobley, Ross, Thomas, Tolson, Underhill, Weiss, Womble, and Wray.

**House Committees:** Referred to House Energy and Energy Efficiency and, if favorable, to House Appropriations.

**Description:** This bill addresses the standards governing energy efficiency and water use for major facility construction and renovation projects involving state, university, and community college buildings and extends those standards to major facility construction and renovation projects involving buildings of public school districts and other projects that receive funds from the state capital budget.

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<sup>3</sup> Energy Star is a government program that strives to help society by creating energy efficient products in order to save the environment.

<sup>4</sup> Energy efficiency means using less energy or electricity to perform the same function.

## **S1762/H2282 – Funds for Efficient, Green School Facilities**

**Senate Sponsors:** Sen. Swindell and co-sponsors Sens. Atwater, Brown, Goss, Jenkins, Jones, Malone, McKissick, Preston, Queen, Snow, Tillman, Weinstein.

**Senate Committees:** Referred to House Appropriations/Base Budget.

**House Sponsors:** Reps. Yongue, McLawhorn, Lucas, and Bell and co-sponsors Reps. M. Alexander, Allerd, Blackwood, Boylan, Carney, Coleman, Cotham, Fisher, Glazier, Harrison, Hughes, Inkso, Jeffus, Pierce, Rapp, Samuelson, Spear, Sutton, Tolson, Underhill, Wainwright, R. Warren, Womble.

**House Committees:** Referred to House Energy and Energy Efficiency and, if favorable, House Appropriations.

**Description:** This bill appropriates \$1.5 million from the General Fund to the Department of Public Instruction to ensure green school facilities operate efficiently. These funds will be used for staff development, clean water treatment, wastewater treatment, water management, strategies to address indoor/outdoor air quality, the management of hazardous materials, and engineering support.

## **H2528 – Green School Construction Loan Fund/Program**

**House Sponsors:** Reps. Harrison, Tolson, Cotham, and Glazier and co-sponsors Reps. M. Alexander, Allen, Bryant, Coleman, Famer-Butterfield, Fisher, Hall, T. Harrell, Holliman, Inkso, Luebke, Martin, Mobley, Samuelson, Tarleton, Thomas, Underhill, Wainwright, Womble, and Wray.

**House Committee:** Referred to House Appropriations.

**Description:** This bill provides no-interest loans to local boards of education through the creation of the Green School Construction Revolving Loan Fund under the control and direction of the Department of Public Instruction. Loans may be used for certain energy-related construction, commissioning, and installation projects, and the establishment of the Green School Construction Program, a voluntary program for the construction or major renovation of high-performance school buildings. High-performance school buildings are proven to increase student test scores, reduce absenteeism, and cut energy and other utility costs.

## **S1946/H2532 – Codify Energy Efficiency in Public Buildings**

**Senate Sponsor:** Sen. Cowell.

**Senate Committee:** Referred to Senate Commerce, Small Business and Entrepreneurship.

**House Sponsors:** Reps. Harrison, Carney, and Fisher and co-sponsors Reps. M. Alexander, Allen, Bryant, Coleman, Cotham, Farmer-Butterfield, Glazier, Hall, T. Harrell, Holliman, Inkso, Luebke, Martin, Mobley, Ross, Samuelson, Thomas, Tolson, Underhill, Weiss, Womble, and Wray.

**House Committees:** Referred to House Energy and Energy Efficiency and, if favorable, House Environment and Natural Resources.

**Description:** This bill codifies the standards governing energy efficiency and water use for major facility construction and renovation projects involving state, university, and community college buildings in order to reduce the consumption of energy and water.

## **S1749/H2382 – Chapel Hill Water Conservation Strategies**

**Senate Sponsor:** Sen. Kinnaird.

**Senate Committee:** Referred to Senate State & Local Government.

**House Sponsor:** Rep. Inkso.

**House Committees:** Referred to House Environment and Natural Resources and, if favorable, House Judiciary I.

**Description:** This bill allows the town of Chapel Hill to regulate or prohibit the implementation of irrigation systems for new residential and nonresidential developments used for lawns and landscaping that are connected to the public potable water supply.

## **S1842/H2381 – Chapel Hill Energy Efficiency**

**Senate Sponsor:** Sen. Kinnaird.

**Senate Committee:** Referred to Senate State & Local Government.

**House Sponsors:** Rep. Inkso and co-sponsor Rep. Harrison.

**House Committees:** Referred to House Energy and Energy Efficiency and, if favorable, House Insurance.

**Description:** This bill allows the town of Chapel Hill to adjust its building codes and require greater energy efficiency and use of renewable energy in new development and redevelopment.

## **S1597/H2134 – Cary Energy Efficiency Incentive**

**Senate Sponsors:** Sen. Cowell and co-sponsor Sen. Stevens.

**Senate Committee:** Passed 2<sup>nd</sup> & 3<sup>rd</sup> reading.

**House Sponsors:** Reps. Weiss, Dollar, and T. Harell and co-sponsor Rep. Hughes

**House Committees:** Referred to House Local Government I and, if favorable, Energy and Energy Efficiency.

**Description:** This bill authorizes the town of Cary to provide development incentives in exchange for reduction in energy consumption.

## 2008 ENERGY & ECONOMIC DEVELOPMENT BILLS

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### H2718 – NC Green Business Fund

**House Sponsors:** Reps. Harrison and Fisher and co-sponsors Reps. M. Alexander, Bordsen, Bryant, Coleman, Cotham, Faison, Glazier, Hughes, Insko, Jones, Luebke, Martin, Mobley, Parmon, Samuelson, Tarleton, Wilkins, and Womble.

**House Committee:** Referred to House Appropriations.

**Description:** This bill adjusts the NC Green Business Fund from a grant-making fund to a no-interest loan-making fund and appropriates \$2 million to the Department of Commerce for the NC Green Business Fund. Loans will be given to private businesses with less than 100 employees, nonprofit organizations, local governments, and State agencies to help grow a green economy in the state through projects to develop the biofuels and green building industry in the state, and to enhance workforce development.

### S1841 – Study Urban Growth Issues

**Senate Sponsors:** Sen. McKissick and co-sponsors Sens. Albertson, Allran, Atwater, Boseman, Brunstetter, Clodfelter, Dalton, Dannelly, Foriest, Forrester, Goss, Hartsell, Jenkins, Jones, Kerr, Nesbitt, Purcell, Snow, Stevens, Swindell, and Weinstein.

**Senate Committee:** Referred to Senate Rules and Operations.

**Description:** This bill creates a legislative commission to study urban growth and infrastructure issues, and determine what measures the General Assembly may take to foster regional water resource and transportation planning, incentive-based local land use planning, and more responsive and cost-effective planning to accommodate rapid population growth in North Carolina's urban areas.

### S1726 – Center for Bioenergy Technologies Funds

**Senate Sponsors:** Sen. Albertson and co-sponsors Sens. Atwater, Berger, Boseman, Cowell, Dorsett, Goss, Graham, Hoyle, Jenkins, Kerr, McKissick, Purcell, and Soles.

**Senate Committee:** Referred to Senate Appropriations/Base Budget.

**Description:** This bill appropriates \$5,843,594 for research and development initiatives at the Center for Bioenergy Technologies at North Carolina State University for recurring costs and initiatives that will impact the agricultural and forestry sectors.

## **S557/H861 – NCSU Funds/Williamsdale Farm & Agricultural Programs**

**Senate Sponsors:** Sen. Albertson and co-sponsors Sens. Allran, Apodaca, Atwater, Berger, Bingham, Blake, Boseman, Brock, Brown, Brunstetter, Clodfelter, Cowell, Dalton, Dannelly, Dorsett, East, Foriest, Forrester, Garrou, Goss, Graham, Hagan, Hoyle, Hunt, Jacumin, Jenkins, Jones, Kerr, Kinnaird, Malone, Nesbitt, Preston, Purcell, Queen, Rand, Shaw, Smith, Snow, Soles, Stevens, Swindell, Tillman, and Weinstein.

**Senate Committees:** Re-referred to Senate Appropriations/Base Budget.

**House Sponsors:** Rep. Hill and co-sponsors Reps. M. Alexander, Church, and Langdon.

**House Committees:** Referred to House Agriculture and, if favorable, to House Appropriations.

**Description:** This bill appropriates \$5.1 million for the establishment and operation of North Carolina State University's Williamsdale Farm Energy Field Laboratory to focus on alternative fuel and feed sources and study clean use of traditional energy sources and alternative renewable energy sources.

## **H2656 – NC Center for Automotive Research/Funds**

**House Sponsors:** Reps. Wray and Allen and co-sponsor Rep. Bryant.

**House Committee:** Referred to House Appropriations.

**Description:** This bill appropriates \$16.2 million from the General Fund to the Department of Commerce for the North Carolina Center for Automotive Research on a quarterly basis for operating costs to sustain and continue projects and program development activities (\$1.4 million), the completion of the 13 acre Vehicle Dynamics Area (\$3.7 million), the construction of and the purchasing of equipment for the Chassis Dynamics Laboratory (\$5 million), and the completion of the 4.6 mile Ride and Handling Course (\$6.1 million).

## **H2711 – Biofuels Incentives**

**House Sponsors:** Reps. Harrison and Fisher and co-sponsors Reps. Blue, Bryant, Coleman, Current, Glazier, Insko, Jones, Lucas, Martin, Mobley, Parmon, Tarleton, and Womble.

**House Committee:** Referred to House Finance.

**Description:** This bill provides a discount for licensed distributors and some licensed importers for the development of the biodiesel industry in the state. The discount per gallon is equal to the motor fuels tax rate multiplied by the percentage of the biodiesel that is not petroleum-based.

## 2008 TRANSPORTATION RELATED BILLS

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### **S1894/H2363 Congestion Relief/Intermodal Transport Fund**

**Senate Sponsors:** Sen. Stevens and co-sponsors Sens. Atwater, Kinnaird, Malone, and McKissick.

**Senate Committee:** Referred to Senate Appropriations/Base Budget.

**House Sponsors:** Reps. Carney, Allen, Ross, and Harrison and co-sponsors Reps. Adams, Blue, Churc, Coates, Cole, Coleman, Cotham, Current, Dickson, Faison, Fisher, Goforth, Haire, Hall, Johnson, Lucas, Martin, Parmon, Samuelson, Tarleton, Weiss, Womble, and Wray.

**House Committees:** Re-referred to Transportation and, if favorable, House Finance.

**Description:** This bill establishes a Congestion Relief and Intermodal Transportation 21<sup>st</sup> Century Fund to provide allocations for local governments and transportation authorities to address their public transportation needs, including plans for an intercity passenger rail service as the population in North Carolina continues to grow.

### **H1576 – Coordinated Traffic Signals/Reduce Energy Use**

**House Sponsors:** Rep. Allerd and co-sponsors Reps. Blackwood, Blust, Coates, Folwell, Glazier, Harrison, Moore, and Walend.

**House Committee:** Passed 2<sup>nd</sup> & 3<sup>rd</sup> Reading.

**Description:** This bill allows municipalities or other planning organization to develop and execute a traffic control plan with the Department of Transportation in order to reduce the consumption of energy. The control plan would decrease the consumption of fossil fuels by implementing an efficient flow of traffic and reducing the idle time of motor vehicles.

### **H2047 – Adjust Highway Use Tax by MPG Groupings**

**House Sponsors:** Reps. Luebke and Harrison and co-sponsor Rep. Insko.

**House Committees:** Referred to House Transportation and, if favorable, to House Finance.

**Description:** This bill adjusts the highway use tax for new motor vehicles based on the miles-per-gallon rating for passenger vehicles. New vehicles rated to get 1 to 19.9 miles per gallon will result in a highway use tax of 4% of the retail value. New motor vehicles rated to get 20 to 31.9 and 32 or more miles per gallon will be taxed 3% and 2% of retail value, respectively. All used passenger vehicles will be taxed 3% of the retail value.

## **H2720 – Energy-Efficient State Motor Vehicle Fleets**

**House Sponsors:** Reps. Thomas, Harrison, and Martin and co-sponsors Reps. M. Alexander, Bordsen, Bryant, Carney, Coleman, Cotham, Current, Dickson, Fisher, Glazier, Goforth, Hughes, Insko, Jones, Justice, Luebke, McLawhorn, Mobley, Parmon, Samuelson, Tarleton, Underhill, Walend, Wilkins, Womble, and Wray.

**House Committees:** Referred to House Energy and Energy Efficiency and, if favorable, House Appropriations.

**Description:** This bill requires all new passenger motor vehicles purchased by the Department of Administration or the Department of Transportation to have a fuel economy rating that places the vehicle in the top 10% for its class of vehicles.

## **H2193 – Suspend Collection of the Fuel Tax**

**House Sponsor:** Rep. Boylan.

**House Committees:** Referred to House Finance and, if favorable, to House Appropriations.

**Description:** This bill suspends the collection of the Motor Fuels Tax for 90 days, beginning June 15, 2008. After this date, taxes will be reinstated at the rate determined by the Motor Fuels Section of the Department of Revenue.

## **S1321 – Repeal Sunset on Gas Tax Cap**

**Senate Sponsors:** Sen. Berger and co-sponsors Sens. Smith and Stevens.

**Senate Committee:** Referred to Senate Finance.

**Description:** This bill limits the variable wholesale component of the motor fuel excise tax to a maximum of 10 cents per gallon. The motor fuel excise tax rate is a flat rate of 17.5 cents per gallon plus the variable wholesale component.

## 2008 CLIMATE CHANGE BILLS

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### H2529 – Extend Climate Change Commission 2008

**House Sponsors:** Reps. Harrison, Thomas, Underhill, and Wilkins and co-sponsors Reps. M. Alexander, Allen, Bryant, Coleman, Cotham, Farmer-Butterfield, Fisher, Glazier, Hall, T. Harrell, Holliman, Inkso, Luebke, Martin, Weiss, and Womble.

**House Committee:** Passed 2<sup>nd</sup> & 3<sup>rd</sup> reading.

**Description:** This bill extends the legislative commissions on global change in order for the Commission to have sufficient time to carry out its legislative charge by 2009.

### S1871/H2526 – Motor Vehicle Emissions Study/Clean Cars Program

**Senate Sponsor:** Sen. Clodfelter.

**Senate Committee:** Referred to Senate Rules and Operations.

**House Sponsors:** Reps. Harrison, Martin, Samuelson, and Thomas and co-sponsors Reps. M. Alexander, Bryant, Carney, Coleman, Cotham, Fisher, Glazier, Hall, Insko, Luebke, Underhill, Weiss, and Womble.

**House Committee:** Referred to House Environment and Natural Resources.

**Description:** This bill directs the Environmental Review Commission, in consultation with the Department of Environment and Natural Resources, to study the costs and benefits of the adoption of California Motor Vehicle Emissions Standards in North Carolina. Benefits would likely include a significant reduction in greenhouse gas emissions that are causing global climate change.

#### ***HOW IS THE NC ECONOMY POSITIONED FOR THE GLOBAL GROWTH OF RENEWABLE ENERGY AND EFFICIENCY SOLUTIONS?***

IS NORTH CAROLINA DOING ENOUGH TO BRING THE BENEFITS OF THE FASTEST GROWING ENERGY SECTORS – WIND, SOLAR, EFFICIENCY – TO OUR CITIZENS AND BUSINESS?

IF THE WORLD CONTINUES ON ITS CURRENT ENERGY AND CLIMATE PATH, MORE THAN \$2.0 TRILLION WILL BE INVESTED GLOBALLY IN NEW RENEWABLE ENERGY CAPACITY BY 2030.

UNDER A GLOBAL CLIMATE STABILIZATION POLICY (450 PARTS PER MILLION CARBON) THE INTERNATIONAL ENERGY AGENCY EXPECTS RE INVESTMENT TO DOUBLE TO \$4.2 TRILLION.

Sources: *International Energy Agency, 2007.*

## 2008 OIL, GAS, AND COAL BILLS

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### H2709 – No Mountaintop Removal Coal Mining

**House Sponsors:** Reps. Harrison, Luebke, and Fisher and co-sponsors Reps. Glazier, Insko, and Parmon.

**House Committees:** Referred to House Public Utilities and, if favorable, Environment and Natural Resources.

**Description:** This bill prohibits any investor-owned public utility that operates a coal-fired generating unit located in North Carolina from purchasing or using coal extracted by mountaintop removal coal mining.

### SJR1987 – ERC Study Offshore Drilling for Energy Needs

**Senate Sponsor:** Sen. Forrester.

**Senate Committee:** Referred to Senate Rules and Operations.

**Description:** This is a joint resolution that authorizes the Environmental Review Commission to study the desirability of exploring for oil or natural gas in coastal waters within North Carolina's jurisdiction.

### S1817 – Motor Fuels Tax Holiday

**Senate Sponsor:** Sen. Forrester.

**Senate Committee:** Referred to Senate Finance.

**Description:** This bill establishes a summer motor fuels tax holiday that applies to motor fuels supplied or imported between July 1 and August 31.

***FROM POLICY, TO PROGRAMS, TO THE ECONOMY, A BROAD ARRAY OF GOVERNMENT AGENCIES SHARE RESPONSIBILITY FOR ENERGY IN NORTH CAROLINA.***

THE UTILITIES COMMISSION AND THE PUBLIC  
STAFF OF THE UTILITIES COMMISSION  
OFFICE OF THE GOVERNOR  
DEPARTMENT OF ADMINISTRATION  
ATTORNEY'S GENERAL'S OFFICE  
DEPARTMENT OF ENVIRONMENT AND  
NATURAL RESOURCES  
DEPARTMENT OF TRANSPORTATION  
DEPARTMENT OF AGRICULTURE AND  
CONSUMER SERVICES  
DEPARTMENT OF INSURANCE

DEPARTMENT OF COMMERCE  
NORTH CAROLINA BUILDING CODE COUNCIL  
THE UNIVERSITY OF NORTH CAROLINA SYSTEM  
COMMUNITY COLLEGE SYSTEM  
DEPARTMENT OF PUBLIC INSTRUCTION  
DEPARTMENT OF REVENUE  
NC SOLAR CENTER AT NCSU  
NC CENTER FOR ENERGY RESEARCH &  
TECHNOLOGY AT NC A&T  
NC ENERGY CENTER AT APPALACHIAN STATE  
AND SEVERAL MORE...

# HOW A BILL BECOMES A LAW

## NORTH CAROLINA GENERAL ASSEMBLY

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### History and Description

The legislative branch of the North Carolina state government, the General Assembly, is located in downtown Raleigh. The General Assembly was established in 1776 by the NC state constitution.<sup>5</sup> The legislative branch is given the authority to make or enact laws; to establish rules and regulations governing the conduct of the people, their rights, duties and procedures; and prescribe the consequences of certain activities. The General Assembly has the power to make new laws and amend or repeal existing laws, on the State level and for local communities.

The General Assembly is composed of the Senate and the House of Representatives, similar to the United States Congress. There are 50 members of the Senate and 120 members of the House. The members are elected from designated districts, and must live in the district they wish to represent for at least one year to qualify for election. The individual must be registered to vote in North Carolina, and must meet age requirements of 25 years of age for the Senate and 21 years of age for the House. Elections are every two years in November of even numbered years, and members take office the following January 1. The General Assembly meets in regular session each odd-numbered year, and returns the following even-numbered year for a shorter session.

### How a Bill Becomes a Law

To become law, a proposed bill must receive a favorable vote in both houses of the General Assembly, which are the House of Representatives and the Senate. A bill can start in either house. Often, identical versions of a bill are proposed in both houses, referred to as “twin bills.” In this Guide, you will see both a Senate and a House of Representatives bill number next to the same bill title. These are “twin bills.”

1. **Drafting of bills** – To propose a law, a legislator puts in a request to either the Legislative Service Commission’s Bill Drafting Division or the Office of the Attorney General to draft a bill.
2. **Introduction of bills** – To present a bill to the General Assembly, the legislator wishing to sponsor a bill must introduce it during the daily session of the House or Senate.
3. **Reference to Committee** – After a bill is introduced in the House or Senate, it is referred to one or more Committees for “careful study and recommendation.” Before deciding on a bill, a Committee can hear comments from the public on the bill. If the Committee approves the bill by vote, it is reported back for either the full House or Senate to vote on.
4. **Consideration by the First House** – After a bill is reported out of Committee and back to the full house (the House of Representatives or Senate), the full house meets to consider the bill. The bill’s sponsor, who originally introduced the bill, explains the bill. Legislators then debate and vote on

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<sup>5</sup> Information in this appendix is adapted from the NC General Assembly website:  
<http://www.ncleg.net/homepage.pl> and <http://www.ncleg.net/NCGAInfo/Bill-Law/bill-law.html>.

the bill twice, called the second reading and third reading. If the bill passes both the second and third reading, it is referred to the second house (the House of Representatives or Senate). This year, May 17 is the “Crossover” deadline, or the day by which a non-revenue and non-appropriations bill must pass the first house (the House of Representatives or Senate). Otherwise, the bill is ineligible for consideration during the remainder of the legislative term.

5. **Consideration by the Second House** – After passing through the first house, a bill is referred to the second house and the approval process is repeated. If a bill passes the House of Representatives it is sent to the Senate, where it is referred to a Senate committee for recommendation, and vice-versa.
6. **Concurrence in Amendments** – if the bill is changed by the second house, a Conference Committee is appointed by the legislative leadership to reconcile the differences between the two approved versions of the bill. If the Conference Committee reaches agreement on a final bill, and it is approved by both houses, the bill is enrolled.
7. **Enrollment, Ratification and Publication** – the presiding officer of each house ratify the bill by signing the final bill version, including amendments. The day after ratification, the bill is sent to the Governor of North Carolina for signature. The bill becomes law if the Governor signs the bill or takes no action within ten days. The Governor can veto a bill up to 30 days after the General Assembly adjourns for the year. For a bill to become law after being vetoed by the Governor, 60% of the legislators in both houses must vote to override the Governor’s veto. If they do, the bill becomes law without the Governor’s approval. The bill is then referred to as a law and is published in the “Session Laws of North Carolina.”

### **Regulations and Rule-Making**

After a bill becomes a law through the General Assembly, it is typically the responsibility of a state agency to develop regulations that will put the new law into effect. For instance, developing North Carolina environmental regulations would often be the responsibility of the Department of Environment and Natural Resources. Laws pertaining to renewable energy or energy efficiency often become the responsibility of the North Carolina Utilities Commission. The rule-making process for many of these processes is conducted through public hearings described in greater detail in the next section.

***JOIN NCSEA TODAY AND GET INVOLVED!***

***USE THE MEMBERSHIP FORM IN THE BACK OF THIS GUIDE.***

***YOUR MEMBERSHIP MAKES OUR WORK POSSIBLE AND GIVES US THE CHANCE TO WORK WITH YOU FOR A SUSTAINABLE ENERGY FUTURE.***

## **DETERMINING UTILITY RATES & SERVICES IN THE PUBLIC INTEREST**

### **NORTH CAROLINA UTILITIES COMMISSION**

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NCSEA is the leading sustainable energy advocate participating in decisions made by the North Carolina Utilities Commission (Commission). The Commission is the state agency authorized to regulate the rates and services of all public utilities in North Carolina, including the electric and natural gas industries.<sup>6</sup> To a limited degree, the Commission regulates electric membership corporations, small power producers, and electric merchant plants.

The Commission has seven members who serve eight-year terms. Appointments are made by the Governor and are subject to confirmation by the General Assembly by joint resolution. The Governor also designates a Chairman to serve a four-year term. The Public Staff of the Commission represents the interests of the “using and consuming public” (individuals, businesses and government) in matters pending before the Commission. The Public Staff is an independent agency which is not subject to the supervision, direction, or control of the Commission. The Executive Director of the Public Staff is appointed by the Governor and subject to confirmation by the General Assembly, by joint resolution, for a term of six years.

The Commission’s authority to regulate public utilities throughout the state is set forth in Chapter 62 of the North Carolina General Statutes, called the Public Utilities Act. This Act sets out in law the jurisdiction of the Commission over the public utilities and the procedures the Commission must follow in regulating these utilities with respect to rates and services. The purpose of regulation is to protect the interest of the public to the end that adequate service may be provided at reasonable rates. In fixing such rates, the Commission must be fair and reasonable to both public utilities and their customers.

With respect to the fixing of rates for public utilities, the Commission is required by law to conduct hearings in general rate cases and other rate making proceedings which, in the case of the larger utilities such as the electric and natural gas companies, may be lengthy and complex and take up to several weeks or months to complete. Participation in these hearings includes the utility, the Public Staff, and the Attorney General, as well as other parties, such as NCSEA, who have an interest in being assured that the rates and charges of the utility are just and reasonable. For example, NCSEA raised concerns in public hearings in 2006 over the lack of energy efficiency and renewable energy in the long-term plans of our electric utilities, and has worked with all interveners through iterative improvements to our interconnection standard and net metering rules and associated tariffs. General rate cases may be heard by the full Commission of seven members or by a panel of three Commissioners. The hearings are held in Raleigh and are also held throughout the state in the service areas of the utilities to give utility customers an opportunity to testify.

The Commission publishes weekly and monthly calendars of its proceedings designed to provide public notice of all hearings and public meetings being conducted. For more information, see the NC Utilities Commission website at <http://www.ncuc.commerce.state.nc.us>.

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<sup>6</sup> Information in this appendix is adapted from the NC Utilities Commission’s website: <http://www.ncuc.commerce.state.nc.us/overview/ucdesc.htm>.

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# North Carolina Sustainable Energy Association

Education - Public Policy - Economic Development

P.O. Box 6465  
Raleigh, NC 27628  
(919) 832-7601

[www.energync.org](http://www.energync.org)

NCSEA

## Individual Membership Form

Please complete and return with a check payable to NCSEA or credit card information to the above address.

Name(s): \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Home Phone: (      ) \_\_\_\_\_

Email Address(es): \_\_\_\_\_

Please choose from the following membership levels (each for individual or family):

- \$2,000 – Sustainer's Circle (Lifetime Membership)
- \$1,000 – Guardian
- \$500 – Benefactor
- \$250 – Patron
- \$100 – Friend
- \$50 – Affiliate
- \$25 – Regular
- \$5 – Student

Please let us know if you would like to volunteer in any of the following areas:

- I can help in NCSEA's Raleigh office.
- I will make phone calls from home to let other members know about NCSEA functions.
- I can help with the upcoming statewide Green Building and Solar Tour (Fall 2008).
- I can help NCSEA at the Southern Homes Show in Raleigh (Fall 2008).
- I can help find new members.
- I will host a house party/fundraiser for NCSEA.

Members of NCSEA have the benefit of joining the American Solar Energy Society (ASES), our parent organization, or receiving their publication, at a reduced rate. If you are interested, please check the appropriate box below and add the pertaining amount to your total below.

- \$34 – ASES Basic membership
- \$79 – ASES Professional membership
- \$29 – Solar Today (Free for ASES members) – Bi-monthly magazine of ASES

\*\*For more information regarding ASES, including other membership levels, go to [www.ases.org](http://www.ases.org)\*\*

Additional Donation: \$ \_\_\_\_\_

Total Payment: \$ _____	Date: _____
<input type="checkbox"/> Enclosed is my check made payable to NCSEA.	
<input type="checkbox"/> Please charge the total above amount to my Mastercard/Visa.	
<input type="checkbox"/> Please charge \$ _____ to my Mastercard/Visa each month. (**new feature**)	
Card # _____	Exp. Date _____
Address (if different from above) _____	
Print Name _____	Signature _____

FOR OFFICE USE ONLY

Access: \_\_\_\_\_

QB: \_\_\_\_\_

\*All contributions are tax-deductible to the fullest extent of the law.