

2006 North Carolina Sustainable Energy Legislative Guide

Produced by
North Carolina Sustainable Energy Association



NCSEA

June 2006

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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North Carolina Sustainable Energy Association

Education - Public Policy - Economic Development



NCSEA

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June 2, 2006

To: NC Sustainable Energy Association's Members and Friends

From: NCSEA Policy Committee and Ivan Urlaub, Executive & Policy Director

RE: **2006 NC Sustainable Energy Legislative Guide**

Keep this guide close and use it through the entire 2006 legislative session

In the 2006 NC Sustainable Energy Legislative Guide you will find 4 priority bills that need broad-based support from citizens and business, and 13 energy-related biofuels, security, renewable energy and climate change bills. This Guide introduces you to the legislative process so you can actively support our sustainable energy future. Included are **links to legislative contact information, bills and talking points to help you** make phone calls, write letters and send e-mails to express your support for sustainable energy legislation. By using last year's guide to contact legislators, you helped pass an unprecedented 7 sustainable energy bills into law in 2005!

Find out who your legislative representatives are by entering your zip code + four digits [here](#).

Why you should take action to support a sustainable energy future for North Carolina?

North Carolina's electric demand is expected to grow 35% by 2020 and our energy consumption is growing three times faster than our population. It is now more essential than ever to look at how we are satisfying that demand. We can meet most or all of this demand through a combination of energy efficiency and renewable energy. **North Carolina is currently the 24th largest greenhouse gas emitter in the world, our Utilities and state rank 46th in the nation for energy efficiency, and less than one percent of our state's power comes from truly renewable resources.**

Nearly all of North Carolina's electric generation is produced by coal-fired (62%) and nuclear (34%) power. New coal and nuclear power plants are more of the same, exposing us to greater risk in the rates we pay, our economic growth and threats to our security. Over the past 6 years, the cost of fossil fuels has tripled, uranium has increased 475%, and we are now spending \$10 to \$15 billion annually to import these nonrenewable resources from out of state and foreign countries. **Our electric Utilities oppose energy efficiency and its many economic, cultural, health and environmental benefits, because it reduces their revenues and profits.**

The cost of utilizing our abundant renewable energy resources has declined to near competitive rates, and will become more affordable than new fossil fuel and nuclear power plants in the near future. Will North Carolina take advantage of innovative energy industries? Or wait for the electric Utilities to be the last to adopt sustainable energy practices 20 years from now after everybody else?

By the time a new nuclear power plant could be brought online in 2016, it could cost a lot more than baseload electricity from NC's biomass resources.

Our government should take the lead by making an aggressive, lasting commitment to energy efficiency measures to save hundreds of millions in taxpayer dollars. This is key to our sustainable energy planning over the next 20 years. We can realize a more robust economy and jobs, greater energy independence and security, and healthier communities and environment.

The most effective bill this session is the **2006 NC Energy Independence Act (S2051)**. S2051 will establish North Carolina as the Southeast leader in using the lowest cost resource around – energy efficiency – and reducing our dependence on foreign oil through the use of homegrown alternative fuels.

2006 is the year we choose independence through efficient resource use and homegrown fuels

North Carolina is sitting on a goldmine of sustainable energy opportunities that move us toward energy independence! **2006 is the year our legislators choose between expensively wasting taxpayers' money** on inefficient use of electricity, imported oil, and water **or saving taxpayers' money by using oil, renewable/alternative fuels, electricity and water more efficiently.**

Our state leaders need help from you to learn that coal, oil, natural gas and nuclear are no longer cheap, and in fact are becoming more expensive and volatile with each passing year. Meanwhile, energy efficiency remains the absolute lowest cost resource. Ask your legislators why we are so inefficient and allow barriers to energy efficiency, renewable energy and renewable fuels to remain in place.

Each bill represents a critical step toward realizing our state's sustainable energy future. NCSEA is working with myriad NC businesses and non-profit organizations to bring broad-based support for sustainable energy solutions. NCSEA has worked with our closest partners to create the Clean Energy Coalition, providing a base of expertise and support for sustainable energy policy in North Carolina.

Sign up to become an NCSEA member by [clicking here!](#)

NCSEA members receive legislative action alerts throughout the 2006 session when energy bills need your support to move forward and pass into law. Action alerts include instructions for:

- Calling, writing and visiting [your legislators](#) to ask them to vote for sustainable energy bills;
- Explain how your business, household and community can benefit from improved efficiency, removing barriers to using renewable energy, and increasing the use of renewable fuels
- Write letters to the editor and opinion pieces for your local newspapers;
- Raise awareness of our sustainable energy challenges and NCSEA's priority legislation.

***Through YOUR active support, we will take a critical step
toward our sustainable energy future in 2006!***

Find out who your legislative representatives are by entering your zip code + four digits [here](#).
Contact the [NCSEA Executive & Policy Director](#) with any ideas, concerns or questions.

NCSEA BOARD OF DIRECTORS AND STAFF

The North Carolina Sustainable Energy Association (NCSEA) is a 501(c)3 non-profit working to ensure a sustainable future for North Carolina by promoting renewable energy and energy efficiency through education, public policy and economic development. NCSEA's individual and business membership grew 40% in 2005, giving NCSEA's membership an even stronger voice in 2006!

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NCSEA PRIORITY LEGISLATION – KEY STEPS TOWARD SUSTAINABILITY

The four priority bills below are critical to reducing North Carolina’s dependence on foreign and out-of-state fuels, creating new jobs in high technology, energy services and manufacturing sectors, reducing electric bills for all consumers, improving North Carolina’s understanding of the many benefits of cost-effective use of energy, preserving our land and culture, and lowering the price at the pump for North Carolina’s homegrown alternative energy and fuels.

1. Energy Independence Act (S2051)

Senate Sponsors: Sens. Albertson and co-sponsors Cowell, Jenkins and Kinnaird

Committees: Referred to Senate Agriculture/Environment/Natural Resources, if to Senate Finance, then Senate Appropriations/Base Budget.

Web Link to Bill: [S2051](#)

Major Beneficiaries of S2051, Energy Independence Act:

Gasoline and diesel consumers	Manufacturing and textiles	High technology sectors
Homebuilders and Manufacturers	Municipalities	Dept of Health and Human Services
Agricultural sector	Fuel distributors	Dept of Transportation
Forestry sector	Low-income households	Dept of Agriculture
Electricity consumers	Rural counties	Homeowners

Description of S2051, Energy Independence Act:

The 2006 NC Energy Independence Act (S2051) cost-effectively improves our energy efficiency in transportation, state government buildings, and residential housing. The Energy Independence Act:

Transportation – reduces oil dependency

1. Requires the state to reduce petroleum use in state vehicles by 20% by 2010 by expanding the use of hybrids and alt fuels in state vehicles. Allows the state to tap federal funds to meet this requirement;
2. Creates a tax credit that will lower the price of alternative fuels at the pump;
3. Gives a \$2000 tax credit for the purchase or lease of hybrid and alternative fuel vehicles; and
4. Creates a fund to encourage the use, purchase and availability of hybrids and alternative fuel vehicles and to reduce diesel pollution. The funding mechanism is a surcharge on annual motor vehicle registration fees, with the highest surcharge on vehicles which consume the most gas.

State government buildings – same or better quality, lowers energy and water use

1. Reduces energy and water use in state and local government facilities, including universities, through self-funded energy projects; and
2. Requires all state energy departments, agencies and institutions receiving State capital funds for large projects to reduce their energy purchases by 20% by 2015.

Consumers – same or better quality, lowers energy use

1. Provides tax credits for the building or manufacturing of energy efficient homes and energy efficient improvements of existing homes; and
2. Clarifies the duties and responsibilities of DHHS’s Office of Economic Opportunity in implementing all energy related assistance programs for low income persons.

Appropriations

1. \$500,000 for the implementation of government energy savings provisions of this Act.

Note: there will likely be a substitute for S2051 that will direct a study on new NC appliance standards and the feasibility of establishing an energy efficiency technician curriculum in our state’s community colleges.

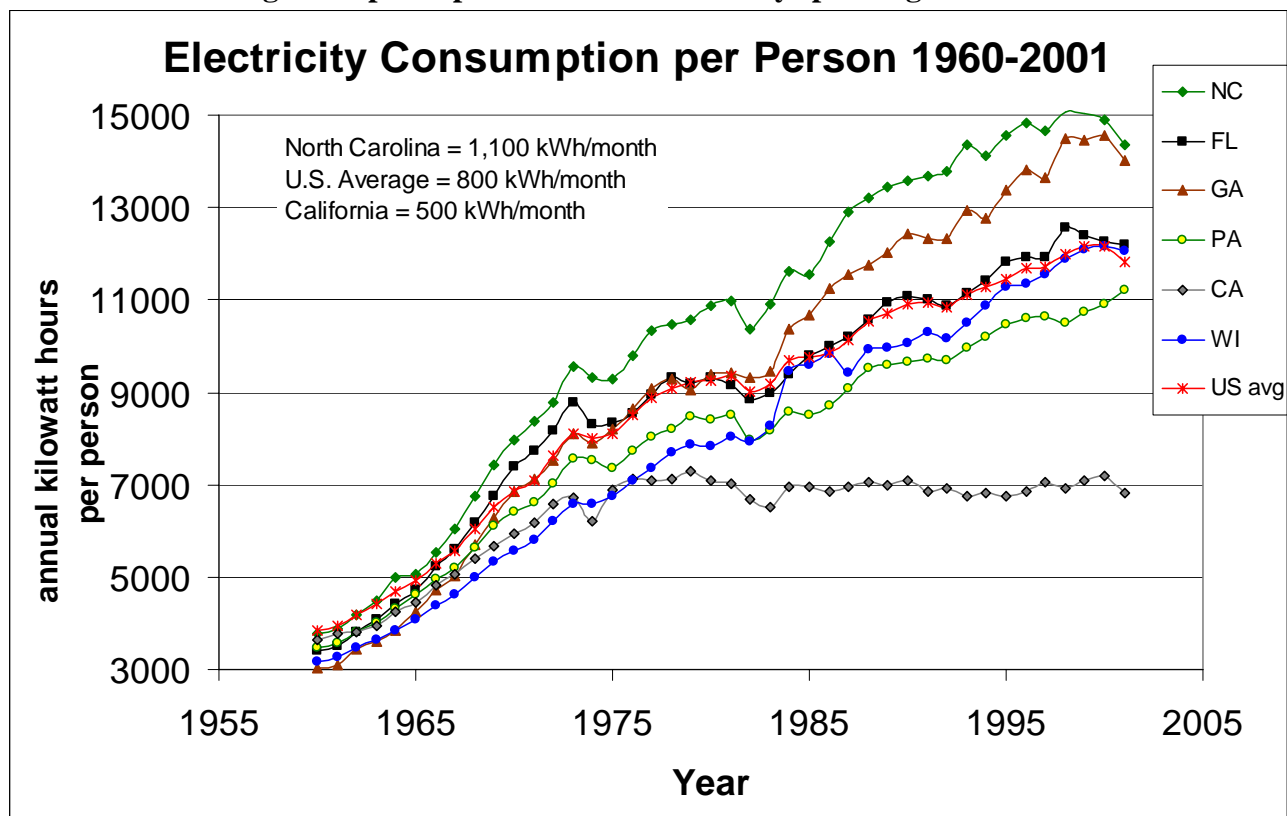
Talking Points for S2051, Energy Independence Act:

S2051 establishes North Carolina as the Southeast's leader in biofuels and energy efficiency. The Southeast is the most energy **inefficient** region in the United States! **In response to concerns of the monopoly regulated electric utilities, the bill has already been revised. The utilities have no further reason to oppose S2051, NC Energy Independence Act.**

Share these talking points along with your own thoughts when you call, write or e-mail your legislator in support of S2051:

- **Reduces our dependence** on out-of-state and foreign energy imports (oil, coal, natural gas and uranium), which cost North Carolina between \$10 billion and \$15 billion per year
- **NC ranks 46th** in the United States on expenditures on energy efficiency as a percent of utility revenues, we can do much better!
- Provides **millions of dollars in energy savings** to consumers and state and municipal government
- **Saves industrial, manufacturing, and other industries money** on fuel costs
- **Creates more jobs** in more counties and is **cheaper than building new coal or nuclear plants**
- **Strengthens rural communities** and their economies, helping to **preserve our land and heritage**
- Our electric utilities stopped providing critical energy efficiency services to government and industry in the late 1990's, this bill enables the private sector to provide more of these services and create jobs
- The average NC home uses 37% more electricity than the average American home. This bill provides **incentives to reduce your home energy use**, save you money and improve your quality of life
- Money saved by **weatherizing low-income homes** will circulate 3-times more through a community
- Creates **innovative jobs** and economic growth opportunities in rural and urban counties
- Keeps money circulating through communities, instead of leaving our state to buy more fuel

More energy efficient U.S. states in the Southeast and nationwide have experienced greater economic growth per capita with more efficiency spending than North Carolina!



2. Energy Future Act of 2006 (H2812)

House Sponsors: Reps. Harrison, Luebke, Insko, and Fisher and 61 co-sponsors.

Committee: Referred to House Rules, and if favored, to Appropriations.

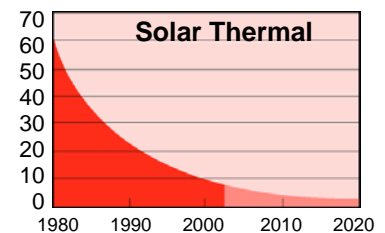
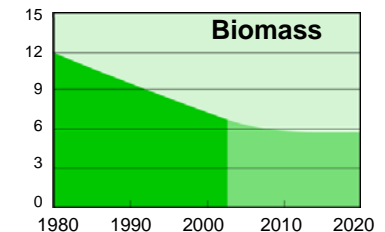
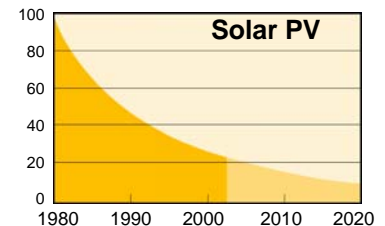
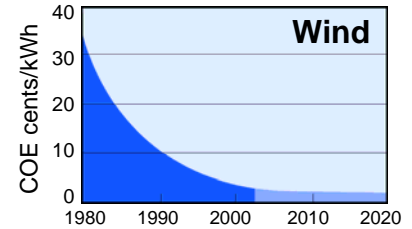
Web Link to Bill: [H2812](#)

Description: Directs the NC Utilities Commission to study the least cost mix of generation and demand for electricity, including the need for incentives to encourage energy efficiency and decentralized renewable energy production, a cost benefit analysis of renewable energy, and potential policies to encourage reduction in energy demand. Appropriates \$95,000 and must be done by December 2006.

Talking Points for H2812, Energy Future Act of 2006:

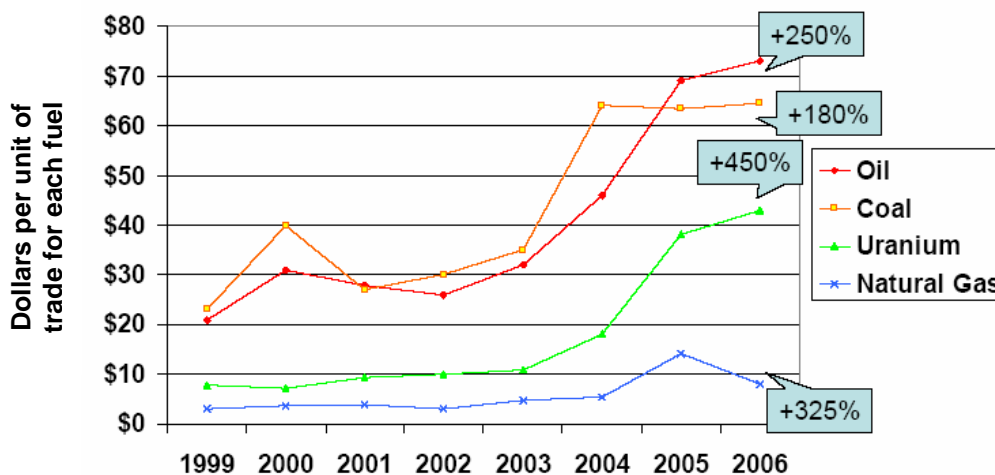
Share these talking points along with your own thoughts when you call, write or e-mail your legislator in support of H2812, Energy Future Act:

- This study determines whether the life-cycle cost for energy efficiency and renewable energy are cheaper, safer and create more jobs than an equivalent amount of new coal or nuclear power
- North Carolina has not done a full evaluation of the costs and benefits of energy efficiency and renewable energy
- This Study helps answer why NC ranks 46th in energy efficiency and how to cost-effectively improve our energy generation and use
- This study complements the NC Utilities Commission's narrower study of the costs and benefits of a Renewable Portfolio Standard
- The study will be completed by the start of the 2007 legislative session, giving the public and legislators the information they need to cost-effectively increase our energy independence
- NC could create about 13,000 new manufacturing jobs, according to a 2005 study by the Renewable Energy Policy Project, if North Carolina starts to strongly support renewable energy development
- The price of renewable energy sources are rapidly falling (diagrams at right) while new fossil fuel and nuclear power plants and their fuels are near record highs and very unpredictable
- Demand for natural gas and oil is outstripping the supply capacity of the current global infrastructure, requiring new investments.



Source: NREL, Energy Analysis Office, 2002

What do we gain from dependence on imported, volatile, expensive energy?



Source: U.S. Energy Information Administration Fuel Price Weeklies and Uranium Spot Market Prices U₃O₈

3. Low Emission Vehicles/Funds (or “Clean Cars”) (Senate Bill 1560 / House Bill 2185)

Senate sponsors: Sen. Clodfelter and co-sponsors Sens. Cowell, Graham, and Nesbitt.
House sponsors: Reps. Alexander, Carney, Hackney and Harrison, and co-sponsors Reps. Adams, L. Allen, Coates, Coleman, Dickson, Earle, Fisher, Glazier, Goodwin, Haire, Insko, Jones, Luebke, Martin, Miller, Pierce, Ray, Underhill, Weiss, Womble, and Wray.
Committees: Referred to Senate Agriculture/Environment/Natural Resources (AENR) and House Environment and Natural Resources.
Web Link to Bill: [S1560](#) and [H2185](#)

Description and Talking Points:

S1560 and H2185 are twin bills, requiring all new, conventional cars sold in the state in 2008 and beyond to meet tighter emission requirements, known as Low-Emission Vehicle II/Zero Emission Vehicle (LEV II/ZEV) standards. If NC does not adopt Clean Car standards, counties failing to meet Federal air quality standards may have less ability to recruit new industries and prepare for each person driving more miles.

Nine states have adopted Clean Cars standards, or about one-third of the U.S. auto fleet. Part or all of 32 NC counties fail to meet health-based air quality standards for smog and soot pollution, mostly from vehicles and power plants. According to the NC Division of Air Quality, automobiles contribute about 30% of the state’s air toxic pollution and 37% of our ozone pollution. **By 2025, more than a third of NC’s cars and light trucks could be 80% cleaner than the average vehicle sold today.** Up to 90% of Charlotte’s ozone pollution comes from automobiles.

This legislation will provide NC automobile consumers more fuel-efficient cars and better health in exchange for less than half of 1% of the average cost of a new car, or \$24,800. The average cost of implementing the Clean Cars Act in North Carolina is \$107 per automobile, where the average new automobile price is \$24,800. Part of this cost can be recovered through fuel savings because Clean Cars are more efficient.

By passing the clean cars act, your legislator will:

- Stimulate the state’s economy (EPA is partnering with a NC parts maker for LEV II/ZEV vehicles)
- Prevent the release of about 800,000 tons of global warming pollution into the state’s air by 2020
- Reduce NO_x emissions, which contribute to ground-level ozone formation, by 10% by 2020
- Reduce smog and toxic pollution (exceeds safe limit in 90 of NC’s 100 counties)

4. Renewable Fuels Motor Fuels Tax Exemption (H1296/S1150)

Senate Sponsors: Sen. Jenkins and co-sponsor Sen. Albertson;
House Sponsors: Rep. Hackney and co-sponsors Reps. Alexander, Fisher, Insko and Weiss.
Committees: Referred to Senate and House Finance.
Web Link to Bill: [H1296](#) and [S1150](#)

Description and Talking Points:

These twin bills are currently written to exempt biodiesel, fuel alcohol and gasohol from the motor fuel excise tax. They will be changed to a tax credit to the distributor in proportion to the amount of renewable fuel sold. For example, a 20% Biodiesel (B20) blend would provide a \$0.05/gallon cost reduction, 10% ethanol (E10) a \$0.03/gallon reduction and for E85 a \$0.21/gallon tax reduction. The current state motor fuels tax is \$0.2685/gallon and fluctuates every six months with the price of gasoline. About 80% of the tax credit will be passed on to the consumer at the pump. This is also in the Energy Independence Act.

H1296/S1150 will:

- Encourage service stations to provide customers greater access to cleaner burning renewable fuels
- Support the development of more in-state renewable fuels production and reduce emissions
- Diversify NC’s fuel supply, making our economy stronger and more secure
- Using biodiesel emits 60-90% less air toxics, 47% less carbon monoxide, and 100% less sulfates

MORE SUSTAINABLE ENERGY LEGISLATION YOU CAN SUPPORT!

NCSEA members and friends are encouraged to also support the following sustainable energy legislation. Click on [House](#) or [Senate](#) to find committee members and their contact information. The following legislation will provide energy solutions that improve North Carolina's resiliency and preparedness for global climate change while reducing financial risk, increasing energy security, improving environmental quality and public health, and supporting greater economic growth.

Renewable Energy Legislation

H1511 Renewable Energy Portfolio Standard

House sponsors: Reps. Harrison, Martin, and Fisher and co-sponsors Reps. Hackney, Glazier, Luebke, Weiss.

Committee: House Public Utilities.

Web Link to Bill: [H1511](#)

Description and Talking Points for H1511:

The NC House could pass a Renewable Energy Portfolio Standard (RPS) this legislative session! H1511 require North Carolina's three investor-owned utilities to provide 10% of their electricity from renewable energy resources by 2016. For an equivalent amount of electricity generation, an RPS provides more social, economic, and environmental benefits than building new coal or nuclear power plants, including:

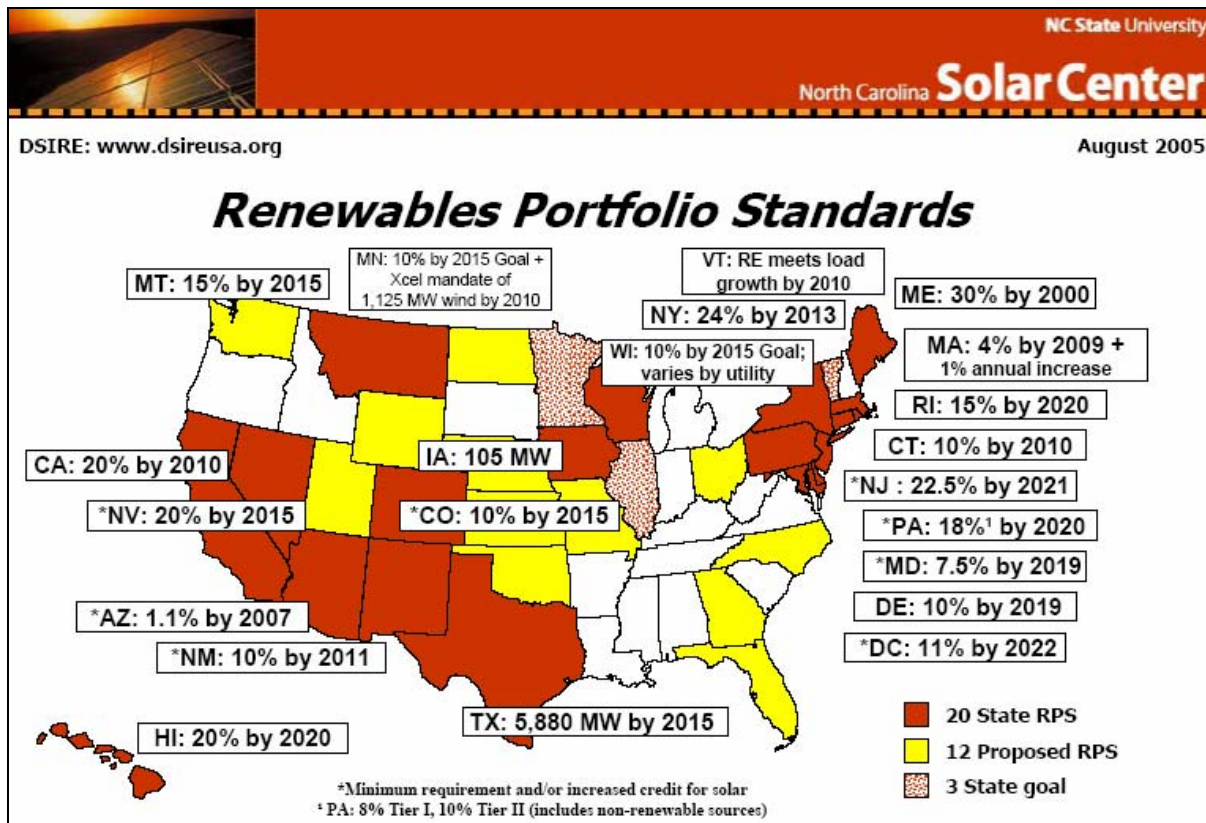
- Thousands of new jobs statewide
- A net increase in wages through 2017 in the billions of dollars
- A net addition to the Gross State Product in the billions of dollars
- Keeps more money circulating inside the North Carolina economy, instead of sending money out of state for purchasing more coal, natural gas and uranium fuel
- Helps resolve hog and poultry waste management and pollution issues
- Improves air and water quality
- Reducing NC's CO₂ emissions from electric generation by several million metric tons
- Creating local wealth and supporting small- to large-sized businesses statewide
- Strengthens the economy of rural and Tier 1 counties

Remind your legislators that renewable energy technologies are well-established and NC can learn from the experience of other states. As of March 2006, 22 states and the District of Columbia have authorized an RPS (as illustrated in chart below) and 13 more have proposed RPS legislation. No state RPS has ever cost homeowners more than \$5 per year in electric bills and no state has rescinded their RPS or reduced their RPS target.

RPS STUDY UPDATE

Legislators and the NC Utilities Commission are hiring a consulting firm to make a non-biased economic assessment of the costs and benefits of developing a Renewable Energy Portfolio Standard in North Carolina. In January 2006, the legislative Environmental Review Commission requested that the NC Utilities Commission conduct a cost-benefit study of a Renewable Portfolio Standard for North Carolina. NCSEA's Executive & Policy Director serves on the stakeholder advisory group for this economic study. Results are expected by December 2006, in time for the 2007 legislative session. Assuming circumstance does not force immediate action on renewable energy, a vote is not expected in 2006 on an RPS for North Carolina.

Map of Renewable Portfolio Standard policies adopted and proposed across the United States



S936 Amend Public Notification Requirements/Small Renewable Systems

Senate Sponsor: Sen. Janet Cowell
Committee: Stalled in the House Public Utilities; Passed the Senate 48-0 in 2005.
Web Link to Bill: [S936](#)
Description: Amends public notification requirements for small solar and biomass methane gas renewable energy systems, to eliminate the pre-installation four week publication requirement. Exempts residential systems 20 kW or smaller and commercial systems 100 kW or smaller. S936 is stalled and members of the House Public Utilities Committee need to hear your support!

H1369, Expand Renewable Energy Tax Credit

House Sponsors: Rep. Vinson and co-sponsors Reps. Folwell, Martin, Glazier, Harrison, McMahan, Moore, Steen, Walend and Wiley.
Committee: Referred to House Finance Committee.
Web Link to Bill: [H1369](#)
Description: Provides a corporate income tax credit for constructing renewable energy equipment facilities for “distributed generation” energy facilities, which is defined as fuel cells or microturbines.

Climate Change and Sustainable Energy Legislation

S1591/H2125, Extend Climate Change Commission

Senate Sponsors: Sen. Albertson and co-sponsor Sen. Weinstein.

House Sponsors: Reps. Hackney and Harrison and co-sponsors Reps. Coleman, Faison, Luebke, Martin, and Weiss.

Committees: Referred to Senate and House Rules Committees.

Web Link to Bill: [S1591](#) and [H2125](#)

Description: Extends the Commission on Global Climate Change until April 15, 2008. Requires Commission to submit interim report of findings and recommendations by January 15 2007 and a final report by commission's termination in April, 2008. NCSEA's Executive & Policy Director, Ivan Urlaub, is a member of this Commission.

Talking points: Ask your legislator to amend this bill to move up the interim reporting date to November 2006 and the final report date to January 2008. **New coal plants**, which are North Carolina's largest emitters of carbon dioxide pollution, **could be decided on as soon as February 2007**. The NCUC should receive the interim report from the Global Climate Change Commission before permitting thousands of tons per year more of NO_x, SO₂, CO, mercury (Hg) and Carbon Dioxide emissions!

H1600, Climate Change/State Agency Reports/Funds

House Sponsors: Reps. Harrison, Fisher, Haire and Underhill and co-sponsors Reps. B. Allen, Bordsen, Faison, Farmer-Butterfield, Insko, Jones, Luebke and Weiss.

Committee: Referred to House Appropriations.

Web Link to Bill: [H1600](#)

Description: H1600 requires nine NC departments of government and the NC Utilities Commission to annually evaluate and report their activities and research related to greenhouse gas emissions and climate change. The bill provides \$200,000 in each of the next two fiscal years to the State Energy Office to support the departments in their reporting and to prepare and annual assessment of NC's activities related to greenhouse gas emissions and climate change.

Energy Security and Energy Efficiency Legislation

S1489/H2194, Energy Emergencies Preparedness

Senate Sponsors: Sen. Nesbitt and co-sponsors Sens. Albertson, Apodaca, Atwater, Bland, Boseman, Cowell, Hartsell Jr., Holloman, Jenkins, Lucas, Malone, Presnell, Shaw, Snow.

House Sponsors: Reps. Cunningham and McComas and co-sponsors Reps. Coleman, Glazier, Goforth, Harrison, Insko, Lucas, McAllister, Rapp, Underhill, Wainwright, Wray.

Committees: Referred to Senate Commerce, if favored to Senate Appropriations/Base Budget, and House Appropriations.

Web Link to bill: [H2194](#) and [S1489](#)

Description: The Energy Emergencies Preparedness is a bill to determine North Carolina's essential energy facilities, assess potential threats and possible consequences of energy disruptions, identify response measures and options, and coordinate relevant local, state, and federal government agencies. Appropriates \$40,000 to the State Energy Office to update the energy emergency plan.

H1978, Tax Incentives for Ethyl Alcohol

House Sponsors: Rep. Tolson and co-sponsors Reps. Bell, Current, Insko, Pate, Rapp, Steen, Vinson, and Warren.

Committees: Referred to House Committee on Finance

Web Link to Bill: [H1978](#)

Description and Talking Points: Provides a tax credit for ethanol and biodiesel **manufacturers**.

S1581, Motor Fuel Tax Initiatives

Senate Sponsors: Sens. Jenkins and Swindell, and co-sponsors Sens. Albertson, Bland, Boseman, Cowell, Dalton, Kerr, Kinnaird, Malone, Snow and Soles.

Committee: Referred to Senate Finance

Web Link to Bill [S1581](#)

Description: Provides a \$2,000 tax credit per vehicle for hybrid electric and alternative fuel vehicles, puts last year's budget requirement into law for state government to reduce its petroleum use by 20%, disallows retailers to charge excessive prices during disasters, emergencies or abnormal market conditions, and appropriates \$125 million to the Highway Trust Fund to maintain its solvency.

S1514/H2002, Advanced Vehicle Research Funds

Senate Sponsors: Sen. Holloman

House Sponsors: Reps. Allen, Owens, Tolson, Wray and co-sponsors Reps. Daughtridge and E. Jones.

Committee: Referred to Senate and House Appropriations.

Web Link to Bill: [S1514](#) and [H2002](#)

Description: Appropriates \$7.5 million for the Advanced Vehicle Research Center in Northampton County and provides for financial reporting. This Center was created through legislation passed in 2005, and is now constructing a hydrogen fueling station in North Carolina among other transportation advances.

S1460/H2084, Gaston Biodiesel Funds

Senate Sponsors: Sen. Hoyle and co-sponsor Sen. Forrester.

House Sponsors: Reps. Clary, Current, and Rayfield.

Committee: Referred to Senate Appropriations/Base Budget and House Appropriations.

Web Link to Bill: [S1460](#) and [H2084](#)

Description: Allocates \$400,000 for a biodiesel pilot project in Gaston County.

H2224, Tax Exemption for High-Fuel-Economy Cars

House Sponsors: Rep. Tucker and co-sponsors Reps. Coleman and Underhill.

Committee: Referred to House Committee on Finance

Web Link to Bill [H2224](#)

Description: Fully exempts new cars sold with EPA fuel-efficiency rating of 30 miles per gallon or higher from the State's 3% Highway Use Tax.

H2265 Tax Credit for High-Fuel-Economy Cars

House Sponsors: Rep. Tucker and co-sponsors Reps. McLawhorn, Underhill, and Warren

Committee: Referred to House Committee on Finance

Web Link to Bill: [H2265](#)

Description: Offers a tax credit of \$500 for the **manufacture** of each high-fuel-economy car.

H1849, Lobbying Reforms 2006

- House Sponsors:** Reps. Hackney, Howard, Gibson, Sherrill and co-sponsors
Reps. Alexander, L. Allen, Barnhart, Bell, Bordsen, Brubaker, Coates, Dickson,
Earle, Eddins, Fisher, Glazier, Harrell, Harrison, Hill, Insko, Jeffus, Justice, Lucas,
Luebke, Martin, McGee, McLawhorn, Moore, Nye, Ross, Sauls, Setzer, Spear, Steen,
Underhill, Walend, Weiss, and West.
- Committee:** Referred to House Judiciary Committee.
- Web Link to Bill:** [H1849](#)
- Description:** This bill amends and generally strengthens the lobbying reform law adopted in 2005, which NCSEA supported.

H1849, Lobbying Reforms 2006 includes a:

- Expanded coverage to executive branch lobbyists;
- Gift ban from lobbyists to legislators or executive branch employees;
- Increased cooling off period of one year which also applies to Governor and Council of State;
- Ban on campaign contributions or solicitation of campaign funds; and
- Monthly reporting with exception for quarterly reporting if no expenditures are made.

Right now, advocates for sustainable energy and related businesses have an infinitely small voice in the NC General Assembly relative to North Carolina's electric utilities. While support for sustainable energy is growing in every region of the United States, North Carolina and the Southeast need significant lobby reform before we can enjoy the same consideration of sustainable energy as the rest of the United States.

THE NC GENERAL ASSEMBLY – A PRIMER ON “HOW A BILL BECOMES A LAW” IN NORTH CAROLINA

Origin and Purpose of the General Assembly

The legislative branch of the North Carolina state government, the [General Assembly](#) (NCGA), is located in downtown Raleigh. The NCGA was established in 1776 by the [NC state constitution](#).¹ 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.

How a Bill Becomes a Law

To become law, a proposed bill must receive a favorable vote in both houses of the NC 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 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). June 2nd was the “Crossover” deadline, the day by which a non-revenue and non-appropriations bill had to 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.

¹ Information in this chapter is adapted from the NC General Assembly and state websites: <http://www.ncleg.net/homePage.pl> and <http://www.ncleg.net/NCGAInfo/Bill-Law/bill-law.html>

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.”

Legislative Elections and Composition of the General Assembly

Members are elected every two years in the month of November of even numbered years, and they take office the following January 1. The General Assembly meets in regular session beginning in January of each odd-numbered year, and returns the following even-numbered year for a shorter session.

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.

Legislative Leadership and Committees

The House of Representatives is presided over by a Speaker, which is elected by its members. The Lieutenant Governor of the State presides over the Senate (called the President of the Senate), and a President Pro Tempore is elected by the members of the Senate to serve in the President’s absence. These elected members of each body preserve order when in session, and appoint members to serve on standing committees. Committees conduct much of the legislative work of the General Assembly, by studying bills that have been introduced and making recommendations.

Legislative Service Commission

Each body also elects members to be responsible for keeping records of actions, for reading documents during daily sessions, and for acting as doorkeepers while meeting. The Legislative Services Commission is the management authority for the General Assembly, and is made up of seven members of each house. The Commission provides services to the legislature such as: bill drafting, clerical assistance, computer services, printing, legal assistance, fiscal analysis, library and general research, budget administration and security.

2006 Legislative Calendar

May 9	Legislature convenes for the “short session”
May 17 and 24	Deadlines for introducing new bills
May	Senate negotiates budget, Governor’s budget is introduced
June	House negotiates budget
July	Senate and House resolve differences over budget
July or August	Legislature adjourns Legislators return home to work and/or run for re-election
November	Election Day!