

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

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**SENATE BILL 1085**

Short Title: Renewable Energy Portfolio Standard. (Public)

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Sponsors: Senators Albertson; Cowell, Kerr, and Kinnaird.

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Referred to: Agriculture/Environment/Natural Resources.

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March 24, 2005

A BILL TO BE ENTITLED  
AN ACT TO PROMOTE THE DEVELOPMENT OF RENEWABLE ENERGY IN  
THE STATE THROUGH IMPLEMENTATION OF A RENEWABLE ENERGY  
PORTFOLIO STANDARD.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 62-2(a) reads as rewritten:

**"§ 62-2. Declaration of policy.**

(a) Upon investigation, it has been determined that the rates, services and operations of public utilities as defined herein, are affected with the public interest and that the availability of an adequate and reliable supply of electric power and natural gas to the people, economy and government of North Carolina is a matter of public policy. It is hereby declared to be the policy of the State of North Carolina:

...

(8) To cooperate with other states and with the federal government in promoting and coordinating interstate and intrastate public utility service and reliability of public utility energy supply; ~~and~~

(9) To facilitate the construction of facilities in and the extension of natural gas service to unserved areas in order to promote the public welfare throughout the State and to that end to authorize the creation of expansion funds for natural gas local distribution companies or gas districts to be administered under the supervision of the North Carolina Utilities ~~Commission~~.Commission; and

(10) To promote the diversification of energy resources and private investment in renewable energy resources."

**SECTION 2.** G.S. 62-3 reads as rewritten:

**"§ 62-3. Definitions.**

As used in this Chapter, unless the context otherwise requires, the term:

(1) 'Biomass energy' means electricity derived from burning solid organic fuels, wood or wood waste, agricultural or animal waste, or dedicated

1 energy crops. 'Biomass energy' does not include electricity derived  
2 from burning wood that has been treated with chemical preservatives  
3 such as creosote, pentachlorophenol, or chromated copper arsenate.

4 ~~(1)~~(1a) 'Broker,' with regard to motor carriers of passengers, means any  
5 person not included in the term 'motor carrier' and not a bona fide  
6 employee or agent of any such carrier, who or which as principal or  
7 agent engages in the business of selling or offering for sale any  
8 transportation of passengers by motor carrier, or negotiates for or holds  
9 himself, or itself, out by solicitation, advertisements, or otherwise, as  
10 one who sells, provides, furnishes, contracts, or arranges for such  
11 transportation for compensation, either directly or indirectly.

12 ~~(1a)~~(1b) 'Bus company' means any common carrier by motor vehicle ~~which~~  
13 that holds itself out to the general public to engage in the  
14 transportation by motor vehicle in intrastate commerce of passengers  
15 over fixed routes or in charter operations, or both, except as exempted  
16 in G.S. 62-260.

17 ...

18 (7b) 'Electricity supplier' means a public utility, an electric membership  
19 corporation, or municipality that sells electricity to retail electric  
20 customers.

21 ...

22 (24a) 'Renewable energy resources' means solar photovoltaic energy, solar  
23 thermal energy, wind power, hydroelectric power with a generating  
24 capacity less than 80 megawatts, geothermal energy, landfill and  
25 mine-based methane gas, and biomass energy.

26 (24b) 'Retail electric customer' means a direct purchaser of electric power.

27 ...."

28 **SECTION 3.** Article 7 of Chapter 62 of the General Statutes is amended by  
29 adding a new section to read:

30 **"§ 62-155.1. Promotion of renewable energy resources.**

31 (a) It is the goal of this State to increase the use of renewable energy resources  
32 by requiring that a minimum percentage of electricity sold by electricity suppliers to  
33 retail electric customers in this State be generated from renewable energy resources.  
34 Beginning on January 1, 2007, a minimum of one percent (1%) of the kilowatt hours of  
35 electricity sold to retail electric customers in this State by each electricity supplier shall  
36 be from a renewable energy resource. The percentage shall increase on an annual basis  
37 so that by January 1, 2016, a minimum of ten percent (10%) of the kilowatt hours of  
38 electricity sold to retail electric customers in this State will be generated from renewable  
39 energy resources.

40 (b) The Commission shall initiate a proceeding and adopt rules implementing the  
41 provisions of this section. The Commission may adopt a procedure as an alternative to  
42 the procedure set out in G.S. 62-133 to adjust the rates due solely to the costs of  
43 complying with this section.

1       (c) Beginning on January 1, 2007, the Commission shall track the amount of  
2 electricity from renewable resources sold in this State in order to measure progress  
3 toward the renewable energy goal established in this section. On or before January 1 of  
4 each year, the Commission shall report to the Joint Legislative Utility Review  
5 Committee and the Environmental Review Commission on the percentage of electricity  
6 sold in this State that comes from renewable energy resources."

7               **SECTION 4.** The first report required to be delivered by the Utilities  
8 Commission to the Joint Legislative Utility Review Committee and the Environmental  
9 Review Commission under G.S. 62-155.1(b), as enacted by Section 3 of this act, shall  
10 be submitted no later than January 1, 2008.

11               **SECTION 5.** This act is effective when it becomes law.